GENERAL ANILINE & FILM CORP.
ALIEN PROPERTY SETTLEMENT (also see Jack Frye)

See Alien Property

Julius Klein

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

WALLY KELBERINE and LENKA BERLIN, Citizens of the United States who suffered loss and damage at the hands of the Nazi Conspiracy and who were not Citizens of the United States at the time they suffered such loss, who are suing on behalf of themselves and on behalf of all other Citizens of the United States who suffered loss and damage at the hands of the Nazi Conspiracy and who were not Citizens of the United States at the time they suffered such loss, who are too numerous to be conveniently made parties hereto, Plaintiffs	:	
vs	:	CIVIL ACTION NO. _____
SOCIETE INTERNATIONALE TOUR DES PARTICIPATIONS INDUSTRIELLES ET COMMERCIALES S. A., a corporation organized under the laws of Switzerland, also known as INTERHANDEL A. G., and formerly known as I. G. CHEMIE A. G., Defendant	:	
and	:	
NICHOLAS KATZENBACH, Attorney General of the United States of America and as successor to the Alien Property Custodian and DOUGLAS DILLON, Secretary of the Treasury of the United States of America, Defendants	:	

COMPLAINT

Plaintiffs for their Complaint against the Defendants herein allege as follows:

I.

Plaintiffs are citizens of the Commonwealth of Pennsylvania;

Defendant Interhandel is a foreign corporation organized under the laws of Switzerland; Defendants Nicholas Katzenbach and Douglas Dillon are officials of the United States Government and are citizens of the State of New Jersey.

The amount of the controversy exclusive of interest and costs exceeds $25,000.

II.

The Plaintiffs are Citizens of the United States who suffered loss and damage at the hands of the Nazi Conspiracy and who were not Citizens of the United States at the time they suffered such loss and damage, and Plaintiffs bring this Action on behalf of themselves and on behalf of each and all other persons who are similarly situated in that they are Citizens of the United States who suffered loss and damage at the hands of the Nazi Conspiracy and who were not Citizens of the United States when they suffered such loss and damage; such persons are so numerous as to make it impracticable to bring them all before this Court and the object of the Action is the adjudication of claims which do or may affect specific property involved in the Action, and there is a common question of law and fact affecting the several rights and a common relief is sought.

III

The Defendants Nicholas Katzenbach, Attorney General of the United States as successor to the Alien Property Custodian, and Douglas Dillon, Secretary of the Treasury of the United States, have in their possession property in the amount of $123,000,000 which they state they hold for the

Defendant Interhandel, said property being a portion of the proceeds of the sale of the stock of General Anilins Corporation which portion under the terms of the settlement of certain litigation, the Defendant Nicholas Katzenbach has stated he intends to pay to Defendant Interhandel.

IV.

The Plaintiffs herein were not parties to the litigation which has been settled by and between the Defendants herein, were not represented in such litigation, and have not released or settled their claims herein, and have not authorized anyone to release or settle their claims herein.

V.

The Defendant Douglas Dillon, Secretary of the Treasury of the United States of America, will receive said sum of $123,000,000 from the selling syndicate of Blythe and Company and First Boston and intends to pay said funds to the Defendant Interhandel.

VI.

Between January 30, 1933 and May 1, 1945 a number of men and of corporations in Europe,and particularly in Germany, acted in a gigantic conspiracy in the course of which they seized control of the territory of much of Europe, they illegally and wrongfully seized and appropriated the property and money and assets of the Plaintiffs herein, individually and of the class which they represent. They enforced the slave labor without compensation of the Plaintiffs herein and of the class which they represent. They killed illegally the members of the families of the Plaintiffs herein and of many of the class which they represent, from which deceased members

of the families the Plaintiffs herein would have received economic support and would have been entitled to receive economic support. This gigantic conspiracy shall be hereinafter referred to in this pleading as the "Nazi Conspiracy".

VII.

I. G. Farbenindustrie, A.G., a corporation organized in Germany, of immense proportions, was an integral part of the Nazi Conspiracy, profited from the Nazi Conspiracy, participated in the Nazi Conspiracy, was enriched by the Nazi Conspiracy, and by the slave labor of the Plaintiffs, in the illegal seizure of properties and assets of the Plaintiffs herein. I. G. Farbenindustrie, A.G. has been adjudicated to have been an integral part of the Nazi Conspiracy in the Nuremberg Trials, and the Government of the United States has concluded officially that I. G. Farbenindustrie, A.G. was an integral part of the Nazi Conspiracy.

VIII.

The Defendant Interhandel herein was a creature of I. G. Farbenindustrie, A.G.. The Defendant Interhandel was organized by I. G. Farbenindustrie A.G. and by its officers and principals as a Swiss holding corporation. The Defendant Interhandel has never legally established any other status than that of its organization as a creature of I. G. Farbenindustrie A.G., and as a matter of law and equity it must be presumed that its status is unchanged and that its status is unchanged for the purposes of this Action.

IX.

Defendant Societe Internationale tour des Participations Industrielles

et Commerciales, S.A., a corporation organized under the laws of Switzerland, also known as Interhandel A.G., and formerly known as I. G. Chemie, A.G., herein referred to as "Interhandel", is and should be fully accountable and liable to the extent of the assets and properties within the jurisdiction of this Court in the United States as herein set forth, and to the extent of the losses and damages of the Plaintiffs herein at the hands of the Nazi Conspiracy.

X.

Under the valid laws of the states in which the properties and assets of the Plaintiffs herein individually and as a class were seized and appropriated by the Nazi Conspiracy, this seizure and appropriation was wrongful and illegal and a cause of action and claim by the Plaintiffs herein exists by reason thereof. Under the valid laws in the states in which the Plaintiffs herein individually and as a class were forced to work as slave labor without compensation by the Nazi Conspiracy, this forced labor was illegal and gave rise to a valid claim for compensation on the part of the Plaintiffs. Under the valid laws in effect in the states in which it occurred, the killing of the members of the families of the Plaintiffs herein on whom the Plaintiffs herein could have relied for economic support was a wrongful and illegal act and gave rise to a cause of action for wrongful death and for compensation for loss of economic support.

In each instance the respective valid laws in the states concerned were in effect notwithstanding in some instances efforts by the Nazi Conspiracy to suspend or change these laws by decrees which were in themselves invalid and void.

XI.

The claims of the Plaintiffs herein rest further upon the inherent natural law which applies to the human rights and property rights of all human beings and which were violated by the Nazi Conspiracy.

XII.

The Government of the United States has officially declared and determined that the Defendant Interhandel is and was at all relevant times herein a creature of I. G. Farbenindustrie, A.G., and no determination to the contrary has been made by any Court.

XIII.

The class which Plaintiffs represent exceeds two hundred thousand persons and the loss and damage suffered by the Plaintiffs individually and as a class at the hands of the Nazi Conspiracy exceeds $123,000,000.

XIV.

The Plaintiffs individually and as a class in law and in equity have the right to the funds of $123,000,000 referred to in Paragraph III herein. Said assets are in the District of Columbia, and the Defendants Nicholas Katzenbach and Douglas Dillon are residents of the District of Columbia.

XV.

This Court has the jurisdiction to order said funds held by the Defendants Douglas Dillon, Secretary of the Treasury of the United States, and Nicholas Katzenbach, Attorney General successor to the Alien Property Custodian; and this Court has the jurisdiction to appoint a master or masters

to receive proof of claim and of loss under specified conditions and within specified limits of time, from the Plaintiffs individually within the class herein, and to direct the payment of said funds pro rata equitably to the Plaintiffs upon such proof of claim duly adjudicated, and the Plaintiffs plead that this be done.

XVI.

The loss and damage at the hands of the Nazi Conspiracy suffered by Plaintiff Wally Kolberine individually includes the seizure and appropriation of a millinery store and a factory, the killing of her husband, incarceration in concentration camps at Dachau and Buchenwald, and the seizure and appropriation of moneys and other properties.

XVII.

The loss and damage at the hands of the Nazi Conspiracy suffered by Plaintiff Lenka Berlin includes the seizure and appropriation of properties, the enforced slave labor, the killing of her brothers, and other injuries and loss.

XVIII.

Each of the numerous members of the class which Plaintiffs represent have suffered similar loss and damage.

IX.

Plaintiffs have no adequate remedy other than through the jurisdiction of this Court.

WHEREFORE, Plaintiffs pray judgment of this Court:

1. That the Defendants Douglas Dillon, Secretary of the Treasury of the United States of America, and Nicholas Katzenbach, Attorney General of the United States of America successor to the Alien Property Custodian, be permanently enjoined from paying the sum of $123,000,000 or any part thereof, received from the sale of the stock of General Aniline Corporation to the Defendant Interhandel and be directed to hold the said funds of $123,000,000 which are the portion of the proceeds of the sale of the stock of General Aniline, responsive to the further orders of this Court.

2. That the Plaintiffs as a class be adjudicated as having the right to said $123,000,000 in funds and to judgment to the extent of said funds against the Defendant Interhandel.

3. That upon the individual proof of claim by the Plaintiffs to a master or masters appointed by this Court, the Plaintiffs individually pro rata and equitably be paid said funds upon their adjudicated claims.

4. And for such other and further relief as this Court may deem just and equitable.

John A. Croghan, Esq.

Of Counsel
Harold E. Stassen
Alvin Diamond
Charles E. E. Freeman
A. Evans Kephart
Roger A. Johnsen
Stassen, Kephart, Sarkis & Scullin

from Joe Borkin

April 10, 1964

85th Congress, 1st session, Subcommittee of the Committee on the Judiciary, return of confiscated property on S. 411, S. 600, S. 627 and S. 1302, hearings April 4,5,6, 1957, Page 382 sets forth Department of Justice position that General Analine & Film was controlled by a Swiss cloak for IG Farben, including references to IG's use of Slave labor, etc.

All predecessor Attorneys General including William Rogers, Herbert Brownell, McGrath, McGranery and Tom Clark refused to settle with the Swiss. The staff of the present Department of Justice almost unanimously opposed settlement. Somehow or other an outside lawyer was retained, but no one knows by whom, to work out settlement. He is Lloyd Cutler. He apparently succeeded in settling the case. No one knows who paid him.

Joe Kennedy's men on the Board of General Analine & Film are William Peyton Marin, Vice Chairman of the Board of General Analine & Film and also Director of Park Agency, Inc., apparently Joe Kennedy's holding company. The other is Harold E. Clancy, member of the Board of General Analine & Film, formerly editor of a Boston newspaper and now believed to be an attorney for Joe Kennedy.

Shaper of intellectuals
in Switzerland
"Need to keep dealing thru
Rodgiwell."

Borkin

14 mil ~~Swiss~~ once only take $14
now getting around $60 mil

fixing are worth

James D. Hill - atty was with partner

Sid Gross now SEC

this program would 5% for
fixing case of U S govt.

Jules Schlesinger
Rep 75 315

govt won the case but Swiss never
wont make available their papers.

— # —

DP cols were Mar 7. 63
March 4. & Mar 24

March 23, 1965

The Honorable Harold Stassen
Park Towne Place
Philadelphia 30, Pennsylvania

Dear Governor:

I understand you are bringing an interesting suit in the case of General Aniline and Film. More power to you. I have been waging a battle on this for a long time.

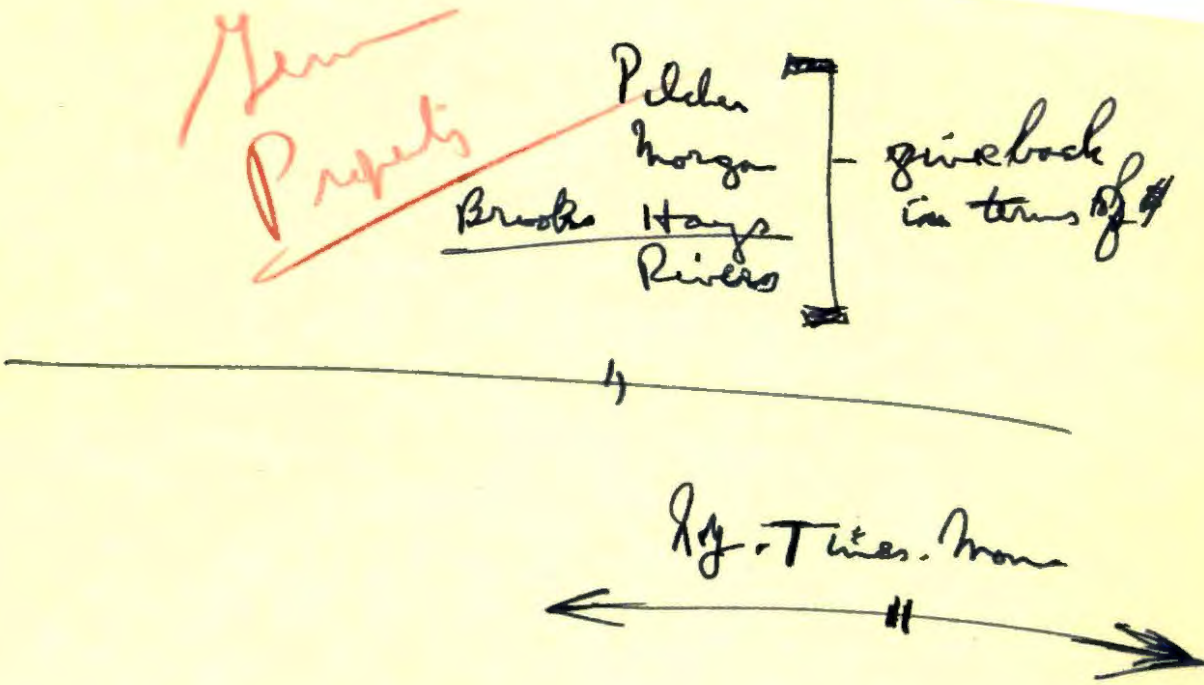
I am leaving today for Europe but will be back in about a week and should like very much to have a copy of your Bill of Complaint or a memo as to the legal strategy you are using with a view to publicizing it.

With best wishes.

Sincerely,

Drew Pearson

DP:kr



Hardship consent Mining

Coals are good

Wont stop big lobbyists

34,000 small German citizens - hardship cases.

Alien Property

Von Ziedlitz - Scott Lucas - registered as agent

Von Zell - real estate holdings in NJ

5-6 mils - assigned & sold

[illegible] Bonnery Sept 22, '69

Stutsnagel | [illegible]
Grotner - | [illegible]

Jim Bennett - only gave us a mo.

[illegible] was made an asst. [illegible] Warden's office

Have to be a little careful [illegible] went to jail [illegible] dealing with same [illegible]

[illegible]
Counsel [illegible]

Alex Rayden - Public Power
Sam O'Neal Ass.

~~Little [illegible] [illegible]~~

[illegible] Cole
I.C. Chemie & IG Farben had same chairman of Bd. before war.

[illegible] proposes ~~that~~ GAF be turned over to ~~[illegible]~~ them & then sold to Blair & Co. [They already own Blair

Biggest power in Wash today. - German property | Joe Rosenbaum
" lobbying prize. | 2 doors
Value - what they make $25 mil to $100 mil | Relis
| activities are
increased in value
[Miller
Dougherty

Durkin

Ed Hayes - chief counsel
An Legion resolution -
Hayes law partner - Rogers & White
chi - Sun Times

[Nairn
Jenkins
Annette Day

Money earmarked for veterans.
1 bill out of budget.

Bayuk

Leo Crowley

file Alien Property

ABC was 700 people

30-40 people today

Dallas

Col. Townsend Montclair, NJ

John W. Wilson - trial lawyer for defendant

1962 - picks as lawyer as yr

Sh Ct sent it back for additional trial

Customer has case won & didn't want it won

Kerr law could sell co & then litigate afterward

Col. returned to file

3-4-63

1-13-60

3-31-57

3-8-59

1-16-58

8-6-54

12-10-55

duck

M 2 0

Bus Wk – Feb 26
clip

+ M M memo
7-28-54

Missions and upon the integrity of Presbyterian ministers in good standing...he has written contemptuously of our church...it is the opinion of the Permanent Judicial Commission that he has greatly disturbed the peace and unity of the church."

The Permanent Judicial Commission then ruled "that the appeal of the Reverend Carl McIntire be and is hereby dismissed and that the judgment of the Synod of West Jersey be and is hereby sustained. The Presbytery of West Jersey is directed immediately to pronounce sentence of suspension according to the Book of Discipline, Chapter 9, Sections 4 and 11."

The West Jersey Presbytery officially notified McIntire to appear on June 30,

WESTERN UNION
PRESS MESSAGE

W. P. MARSHALL, PRESIDENT

So spoiled
Hope this act
continue-
enjoying
being united
on [illegible]
foot

IG Farben owned Gen Aniline Film

Chm &
Bd all three

Helmut Hermann Schmitz pres IG.
" Pres IG Chemie
his Bro " Gen Aniline Film
DA Schmitz.

Jim Rand had option on IG Interhandel.
for 25 mil for its shares of G.A. Film
(cancelled)
now value of 100 mil.

Pay back proceeds on company

Sale of -- sold to Merrill Lynch Fenner Beane.
orig value 1,800,000
29 mil
resold for 30 mil - $29 mil.
Most would [illegible] back to Germans

US has paid administrative costs.
dues
Hendrickson - [illegible]
Hennings absent.
Dirksen phoned Hennings in St. Louis to vote for it.

WESTERN UNION
PRESS MESSAGE

W. P. MARSHALL, PRESIDENT

(2)

Dickson mail to Knowles, didn't take it up with policy committee

Sherman Sterling & Wright – attys for both City Bk.

$500 mill total Property

US families amount.
Their Taxes reduced 60-20%

HOWARD WATSON AMBRUSTER
P. O. BOX 277 WESTFIELD, NEW JERSEY

Ed Alien property

CABLE ADDRESS: AMBRUSCHEM, NEW YORK
TELEGRAMS: FANWOOD, N. J.
TELEPHONE: FANWOOD 2-8333

April 25 1957

Dear Drew:

The enclosed copy of my "man bites dog" story may be of interest to yourself, even though there has been no response to my more recent efforts to keep you posted on matters which the press in general ignors. I tried to get in touch with you while in Washington but was unsuccessful, and had to return as soon as the Hearings ended as the funds I had borrowed to make the trip ran out and otherwise I'd had to sleep in the park, or on an N.P.C. lounge, and thumb my way back home.

The party to which I was invited, but wasnt expected to attend, has now gotten out of hand as the integrity of the official record of a Senate Hearings is involved and I can play rough too when the occasion warrants. So my next step has been decided upon, to the grief of some of my more cautious friends. This will be to file with some appropriate official agency my affidavit attesting that I did in fact ask Senator Johnston the question as stated in the article of April 11, and that he did in fact decline to give me the "yes or no" reply which I had demanded.

Then Johnston, Ward & Paul, and Harlan Wood, the Subcommittee Counsel, will be requested by me to file their own sworn statements with relation to my own. Should they do so, and any of these sworn statements be contradictory of my own, the Attorney General will then be notified by me that a nice homemade perjury case has been all dressed up for him to proceed with according to law.

I will also get one of my old friends at the Washington bar to take Wade & Paul into court on a writ to produce their original notes taken at the hearing.

You see Drew I have never been even tempted to lie in this long drawn out jungle warfare with the Farben lobby boys because the truth has been sufficiently fantastic, and tragic. And during the last 30 years I have witnessed the suppression of facts about Farben's subversion inside the U.S. time after time, accomplished by outrageous perversions of the truth, with perjury made immune by bribery, corruption and blackmail.

This time the Farben lobby boys pulled a boner as I have so many witnesses available who heard the exchange between Johnston and myself. The Senator and those involved may think twice before attempting to refute my statement under oath with any of their own.

So dont worry - if anyone is going to take up his abode in the Washington jug in this case it isnt going to be

Yours faithfully

Howard Watson Ambruster

hwa:ua
encl.

P.S. I'm trying to induce some one to ask Johnston why he dont have me held in Contempt of the U.S. Senate. In which case I will plead Not Guilty as I regard that body as the most august and powerful agency for democracy that exists. I just dont like certain individual members.

Drew Pearson,
Washington, D.C.

HWA

April 24 1957

SENATE COMMITTEE REPORTER CHANGES OFFICIAL RECORD

Explanatory note re article (reprint) dated April 11 1957 entitled "Senator Refuses to Answer Question - Witness Then Holds Senator in Contempt" "The I.G.Farben Lobby Rides Again!"

by Howard Watson Ambruster

It was after the above publication, on April 11, of my own accurate account of what transpired on April 5 while I was in the witness chair before the Subcommittee headed by Senator Olin D.Johnston, that I finally received copy of the alleged transcript which I had ordered from the official reporter.

I thus discovered that the transcript of the proceedings, in that portion which was supplied to me, had been altered in material respects, including deliberate ommissions relating to my question which Senator Johnston had declined to answer with the "yes or no" which I had demanded.

Accordingly I have served notice upon Ward & Paul, the reporters, to supply me with a correct transcript of my presentation, and on Senator Johnston that I will not tolerate the changes made in my testimony without my knowledge or consent.

The status of a reporter of Congressional Hearings being similar to that of a Court Stenographer, all involved in this effort to change the record of what I said before the Subcommittee will find that they have stepped into a hornets nest. Appropriate steps will be taken unless the phoney transcript is corrected without delay.

So it may appear that the I.G.Farben lobby has overplayed its hand in this latest reckless and stupid effort to prevent consideration of the infamous record of General Aniline while under Farben control, thus to assist the legislative plan to return that property to its former owners, along with another gift of over a half billion dollars from the pockets of U.S. taxpayers

A year ago Senator Johnston's Subcommittee first accepted this same documented statement about Farben's Spy Nests - and then suppressed it with the excuse that it was "too argumentative", to be acceptable to Senator Johnston. Now, when the Senator failed so abjectly to reply to my question about it at a public meeting, an effort is made to suppress this exhibition by altering an official record.

It just wont work, Senator.

* * *

- C O P Y -

REGISTERED MAIL

April 13 1957

Hon. Olin D. Johnston, Chairman,
Subcommittee on Trading with the Enemy Act,
Committee on the Judiciary,
U.S. Senate,
Washington, D.C.

Dear Sir:

Enclosed herewith you will find copy of letter addressed to Ward Ward & Paul, under the same date, regarding the inaccuracies in alleged copy of the transcript of what transpired on April 5 when the writer was in the witness chair before you.

This letter should be self-explanatory to yourself. This is to request that you immediately instruct Ward & Paul to supply me with a current version of what transpired while I was testifying. It happens that I have my own record of what was said and I will not tolerate the changes which have been made by Ward & Paul.

Yours truly

Howard Watson Ambruster

hwa:ua
encl.

* * *

REGISTERED MAIL

April 13 1957

Ward & Paul,
1760 Pennsylvania Avenue, N.W.,
Washington, D.C.

Gentlemen:

I have received this day the alleged copy of the transcript of my presentation before the Senate Subcommittee on Trading with the Enemy Act of the Judiciary Committee on April 5, for which I sent you check for $4.20 with my letter dated April 13, in accordance with your letter of April 10.

This is to notify you that I find the alleged copy of my own testimony, and of statements made during same by the Honorable Senator Olin D. Johnston, the Subcommittee Chairman and by Harlan Wood, the Subcommittee Counsel, to be incorrect in important details. Aside from such alterations as may have been made or authorized with regard to their own statements, by Senator Johnston or Mr. Wood, let me remind you that neither you nor any other individual has the slightest right to tamper with or change any portion of the testimony of a witness, unless express permission or instructions to do so has been received from that witness.

I gave no such instructions or authorization. Your accepted the check which I sent you. Accordingly I demand that you furnish me immediately with a current copy of what actually transpired on April 5 when I was in the witness chair, along with your identification of who it was who instructed you to make the changes and omissions in the copy sent to me,

Yours truly

hwa:ua

Howard Watson Ambruster

April 11 1957

Hon. Olin D. Johnston, Chairman,
Subcommittee on Trading with the Enemy Act,
Committee on the Judiciary,
U.S. Senate,
Washington, D.C.

Re: Material to be included
with my oral testimony.

Dear Senator Johnston:

I am writing you at this time in order to avoid the possibility of any misunderstanding regarding my testimony before your Subcommittee on April 5 relative to pending legislation on the disposition of enemy assets seized during the war.

Enclosed herewith are duplicates of the prepared statements which I handed to the Subcommittee reporter when I testified. These are marked "A" and "B" merely for identification in this letter. There was also handed to the reporter by the writer, to be inserted at the appropriate place in my oral testimony, a clipping from the N.Y. Times of April 4, this being a dispatch from Bonn, Germany, under date of April 3.

My prepared statement identified here as "A", is a two page typed copy of the same statement which I sent to yourself with my letter of March 30, 1957, to which I added several paragraphs after the hearings had begun, in order to express my approval of the statement put into the record by Senator Smathers on April 4, and of his bill, S 727; also relating to your own previous advice to the writer that your members desired to question me in person.

My other prepared statement, identified here as "B", is in printed form, entitled, "The Sanctity of I.G. Farben's Spy Nests" copy of which I had previously sent to yourself with my letter under date of March 21. You will recall that your letter of March 29 notified me that there were questions regarding this statement to be asked me and I was therefore listed as one of the witnesses to be heard at the Hearings.

At that time it did not appear possible for me to come to Washington so I requested you to submit interrogatories to me covering all such questions which you desired me to answer. At the last moment I was able to make the trip and appeared on April 4 when the Hearings began; after having notified Counsel Wood that I had come to Washington for that purpose.

However, after being called to the witness chair on April 5, and having testified orally with regard to both statements A and B, I was advised by yourself that there were no questions to be asked me. So I must assume that my printed statement B will be included, with my statement A, in your printed Hearings.

On April 6 I listened with great interest to your closing remarks in which it was indicated that you would welcome additional statements that might be sent in by witnesses who had testified, these to be added to the material already supplied, in order that the Hearings to be printed will provide the Subcommittee, and your colleagues in the Senate, with a comprehensive picture of all aspects of the various important problems at issue in the pending legislation.

I remain, Respectfully your,

Howard Watson Ambruster

HWA:UA - Encl.
P.S. You will of course advise me should any question

SENATOR REFUSES TO ANSWER QUESTION - WITNESS THEN HOLDS SENATOR IN CONTEMPT

The I.G.Farben Lobby Rides Again

What follows, By HOWARD WATSON AMBRUSTER , appeared in THE WESTFIELD (N. J.) LEADER, THURSDAY, APRIL 11, 1957

When a dog bites a man it is considered nothing unusual. But if a man bites the dog then the event may be news. Likewise, we read frequently that some individual who has been called before a U. S. Senate Committee for questioning, and then refuses to reply; the Committee Chairman thereupon holds the witness in contempt. However, the tables were turned at Washington last Friday when a distinguished member of the U. S. Senate, presiding over public hearings on an important matter, refused to answer a question put to him by a witness—who then indicated his contempt for the Senator in rather plain language.

What is known as "legal" contempt may not be invoked by a plain ordinary citizen against a Senator. But the common garden variety of "contempt" can be expressed in so many words by anyone who is disgusted with the antics of his fellow man.

That is what happened when the Chairman of the Senate Sub-committee on Trading with the Enemy Act, Olin D. Johnston, South Carolina Democrat, refused to answer a question put to him by the writer. I then indicated on the record the emphatic contempt in which I held the Senator.

The hearings were held to consider bills relating to the disposition of German and Japanese Assets seized during the war as enemy owned. Several of these bills provide for the return of the 100 million dollar General Aniline & Film Corp., to the huge German I. G. Farben chemical, drug, oil and metal combine. It so happens that for thirty years the writer has been waging war against the subversive activities of Farben's agents and allies inside this country. My last book, Treasons Peace, German Dyes & American Dupes, which was published in 1947 after having been suppressed for over three years, reveals the evil character of the activities of Farber's agents and lobbyists inside the U. S. under cover of employment by General Aniline. This continued until Pearl Harbor, in 1941, after which the old Farben management of General Aniline was raided and cleaned out by the U. S. Government and the properties placed under direction of the Alien Property Custodian. The present employees of that company, at Linden, and elsewhere, are all loyal citizens and have protested violently at any proposal to return them to the evil clutches of I. G. Farben.

A week before the hearings were to start on April 4, Senator Johnston had written to me that members of his committee desired to ask me some questions before deciding whether a documented statement which I had submitted was a proper one for inclusion in the hearings. The title of this statement, "The Sanctity of I. G. Farben's Spy Nests" may explain why certain of the Senators have been objecting to have it see the light of day in the printed hearings of a Senate Committee. It might be added that this statement was prepared as a factual reply to all arguments based upon the sanctity of private property. This phrase is relied upon by those advocating the return of all German assets which were seized during the war. My paper outlines the historical records of the General Aniline-Farben backgrounds as revealed in numerous Senate and House of Representatives Hearings dating back to World War I. These official documents are listed and cited chapter and verse, showing the use made by Farben of its U. S. subsidiaries as hideouts for false propaganda, espionage, sabotage and corruption before and during both world wars. The writer found it necessary to prepare this kind of a documented statement because I was suddenly informed that the book, "Treasons Peace," containing these facts, was "out of print," although the publisher had previously written me that a large number of unsold copies were on hand.

This same documentary about Farben's Spy Nests had been submitted to Senator Johnston's Subcommittee during the last session of Congress when similar bills to give General Aniline back to Farben were pending and a hearing on them was scheduled. Committee Counsel Harlan Wood first wrote me that the documentary would be accepted and made a matter of record in the hearings, but on March 22, 1956, Wood wrote again saying that the statement was "argumentative" and would not be accepted in its present form.

Accordingly the offending documentary was printed privately and sent to members of the Senate and House of Representatives, in May, 1956. The bill then pending to give back General Aniline was defeated when it came up on Calendar Roll Call in July, 1956. More recently Senator Johnston sent to the writer a registered mail notification of the hearings scheduled to begin April 4, with instructions to submit a prepared statement beforehand of whatever I might wish to testify about. Complying with these instructions I sent the Senator a fresh copy of this same documentary about the Spy Nests and requested the Senator to advise whether it would be accepted for the hearings. The Senator wrote back that it would be necessary for the writer to appear and answer questions about the statement before the Senator could decide whether it was suitable for his hearings. So I journeyed to Washington and late in the afternoon on April 5, after several long-winded statements had been put into the record advocating the return of all German property as "sacred," Ambruster's name was finally called, when I reminded the Senator that he had requested my appearance to testify. Senator Johnston then instructed me to be brief as there was no time to listen to extended remarks. Senator Everett Dirksen, Republican of Illinois, was the only other member of the committee present; he and Senator Johnson having been the authors of the bills to return General Aniline to its former owners. The press had gone home and the audience had dwindled. I handed in a new supplementary statement and advised Senator Johnston that it proposed that further consideration of the bills to return General Aniline be postponed until the Subcommittee had conducted an investigation of the I. G. Farben lobby. The writer also mentioned statements made to the Committee by Senator George A. Smathers, Florida, Democrat, about the lobby on April 14. I also tendered, as an exhibit, copy of a dispatch from Bonn, Germany, published in the New York Times under date of April 3, which stated that the I. G. Farben people had organized a lobby movement in the U. S. to get back General Aniline and had sent urgent communications to Secretary of State Dulles and to President Eisenhower asking please to do something so that these properties would be returned.

I likewise stated to the chairman that my proposal that the Farben lobby did exist, and ought to be investigated, was fully documented by admission of witnesses before various Congressional Committees. The South Carolina Senator did not appear to relish the suggestion that he investigate the Farben lobby and a somewhat heated exchange with the witness followed. A worse row took place when I began to outline the various kind of evil activities engaged in by Farben's agents inside the U.S. The chairman broke in with demands that the witness should take any such evidence to the FBI immediately. The Senator was then gently reminded that this witness was reciting from the documented statement about the Spy Nests which went back to World War I. When this battle of words ended I was there to reply to the Senator's questions about this documentary so that he could decide whether to accept it. When both Senators Johnston and Dirksen stated that they had no questions, the chairman was reminded of his letter to the witness instructing the latter to appear and answer such questions. I then demanded that the Senator state "yes or no" whether my documentary was to be accepted for the record. Senator Johnston refused to answer that one, saying only that he had not had time to decide this as yet. The writer snapped back that the Senator had had that same identical statement before him for a year already and indicated that this should have been sufficient time for even a Senator to make up his mind.

Committee Counsel Wood got into the act by asserting that I had circulated copies of the documentary with statement that the Subcommittee had "suppressed" it. The writer shot that one by replying that the committee had certainly done just that and that no one would truthfully deny this. When Wood tried to say that the objections to the statement were due to photographs which were part of it, I challenged that assertion with a flat denial that my statement contained any such material. Mr. Wood then subsided. Silence followed for a brief interval and, as this witness rose to leave the committee table the chairman was heard to murmur "thank you" for coming—or perhaps it was for going. The hearings were adjourned until 10 a.m. April 6, when I was again among those present, but the chairman didn't ask me to return to the witness chair.

It should be understood that the issues involved in the proposed return of General Aniline, to the unhung slave labor murderers and war criminals who are now again in control of the Farben companies have not the slightest resemblance to those hardships resulting from seizures of assets formerly owned by unimportant German nationals who had no part in the Hitler regime or war effort and, in some instances, have deprived native born American citizens of inherited incomes. It is unfortunate that the Farben lobby has prevented any real legislative effort to distinguish between such innocent victims of the wars aftermath and Farben's huge expenditures to again recover its old U. S. hideouts for treachery, as it did after World War I.

In 30 years of observing legislative monkeyshines at Washington in which Farben's sinister influence has been involved, this current effort to suppress the real facts takes the highest honors.

When the Senator refused to reply to my question I had it in mind to ask him whether he was pleading the first or the fifth Amendment to the Constitution in defense of his silence. However, such flippancy might not have indicated a proper respect for the dignity of the Senatorial powers, nor would it have been in keeping with the serious character of the episode. Therefore the record merely indicates that the Senator, as an individual, was held in contempt by the witness, for not talking.

March 30 1957

Hon. Olin D. Johnston, Chairman,
Subcommittee on Trading with the Enemy Act,
U.S. Senate Committee on the Judiciary,
Washington, D.C.

Dear Senator Johnston:

Having received no reply to either my letter of the 21st or telegram of the 28th, re acceptance of statement which I submitted for the Hearings before your Subcommittee on April 4, I must assume that you have not approved of same.

I have therefore prepared the new statement relating to S 600 which is enclosed herewith. Will you kindly advise the members of the Subcommittee of the import of this statement and include it in the printed record of the Hearings to be held on April 4.

Respectfully

Howard Watson Ambruster

hwa:ua
encl.

March 30 1957

Statement prepared for inclusion in the Hearings scheduled for April 4,1957 by the Subcommittee on Trading with the Enemy Act of the Senate Committee on the Judiciary,in accordance with notice of these Hearings,dated March 19.1957,sent to the undersigned by Registered Mail,which requests a written statement to be submitted to the Subcommittee.

Howard Watson Ambruster,address,P.O.Box 277,Westfield,N.J.

My objections to the bill S 600,and to any legislation which could permit the return of,or payment for,The General Aniline & Film Corporation to the German I.G.Farben,are based mainly upon the records of treachery in the General Aniline-Farben backgrounds.An added objection is the proposal of an additional gift of a half billion dollars to our World War II enemies which must come from U.S.taxpayers,in the current status of the national finances.

For some years past the issues relating to S 600 have been confused in the public mind and in official circles,by fallacious arguments and emotional vagary.These misapprehensions,reportedly,have resulted from the efforts of individuals and groups acting in the interest of I.G. Farben,known commonly as the Farben lobby.

It is stated on responsible authority that over a half million dollars has been expended in this country during the last two years by the Swiss Interhandel,Farben's undercover claimant for General Aniline,in its efforts made to regain the title to this former Farben hideout.

Accordingly it is my respectful suggestion to your Subcommittee that at this time further consideration of any legislation which could result in the payment for,or return of,General Aniline to its former owners be postponed until your members,or some other duly authorised committee of the Senate or House of Representatives,shall have made an investigation of the lobby employed by,or acting in the interest of,I.G. Farben,at Washington and elsewhere in this country.

Completion of such an inquisition would permit consideration of this legislation to be resumed without the misunderstandings which now pr

prevail, as it would either uncover and bring to justice the lobbyists thus engaged, or would put an end to reports now current that the lobby is engaged in improper activities upon a vast scale and is expending huge sums of money for such purposes.

In support of this suggestion attention is called to admissions of the existance of this lobby, operating inside the U.S. over a long period of years. The proofs of earlier efforts to influence U.S. public opinion and official action, by individuals employed by Farben or by its U.S. subsidiaries and affiliates, including two who were convicted of criminal acts, are recorded in the printed hearings listed below

(1) Senate Judiciary Subcommitted to Investigate Lobbying, (Caraway Committee) pub.doc.73214, Jan.1930, pp.1979-2045; 2268-2306; 2401-2434, re campaign contributions and lobbying (for return of German assets).

(2) H.R. Special Committee on Un-American Activities, (McCormack Committee) pub.doc.74952, July 1934, pp.175-208, re false propaganda and espionage.

(3) H.R. Special Committee on Un-American Activities, (Dies Committee) pub. doc.274778, App.Pt.11, 1940, pp.1093-1113 & 1341-1382, re espionage, propaganda & destruction of documents. 1287

(4) Senate Special Committee Investigating the National Defense Program, (Truman Committee) pub.doc.311932, Dec.1941, pp.3921-3928 re lobbying.

(5) Senate Military Affairs Subcommittee, (Kilgore Committee) pub.doc. 84949, 3 Sept.1944, pp.2076-2079; 2332-2349, re lobbying, propaganda, espionage & subversion.

Also, same Committee, pub.doc. 74241, Dec.1945, pp.999-1001, re propaganda & suppression or censorship of publications. 74241,

There is a great mass of additional evidence available re similar activities. However the continuity of the pattern indicated by admissions recorded in these Hearings may, I trust, warrant your members in now requiring an investigation of the Farben lobby before giving

further consideration to S 600 and similar bills.

Surely a show down on the current and past activities of the Farben lobby is long overdue. General Eisenhower, in 1945, as Commander of the Allied Armies, demanded the permanent eradication of Farben and its evil influences. As President, in 1953, he appears to have had in mind the same varieties of brain washing of public opinion, or thought control by intimidation, when he made his Darthmouth College address on the "Book Burners."

Signed, Howard Watson Ambruster, March 30, 1957.

This 1st page was cut off the copy sent to Johnson in March 1957 as my prepared statement for the current hearings on

PROPOSED RETURN OF GERMAN WAR ASSETS

A DOCUMENTARY

of

Historic facts regarding pre war spy nests operated by the most valuable of these assets, and its former owners, the German I. G. Farben, the world's most powerful chemical combine and international cartel.

This is a factual rejection of all arguments that the "Sanctity of Private Property", requires the United States to return ALL German Assets to their former owners.

Suppressed by Senate Subcommittee

Under date of March 8, 1956, this documented report was presented to the Subcommittee on Trading with the Enemy Act, of the Senate Committee on the Judiciary, which has before it the Bill, S 995, by which General Aniline & Film Corp. would be handed back to its former I. G. Farben owners - thus repeating the unhappy mistakes after World War I.

Counsel for the Subcommittee first wrote that this statement would be made "a matter of record in the hearings." Later, on March 22, 1956, he advised that the statement was "argumentive . . . and will not be submitted for inclusion (in the Subcommittee record) in its present form."

Believing that no record of pertinant historical facts should be censored from the record of a Senate Inquiry, and that the material presented is of major interest to every Government official who may be involved in the disposal of former enemy assets, the author has had this documentary printed at his own expense for the information of the members of the House of Representatives and Senate of the United States.

It is the author's firm belief that consideration of this documented history will cause all thoughtful Americans to agree that no proper argument can be advanced which justifies return of, or payment for, these properties to the former owners.

HOWARD WATSON AMBRUSTER

(Former Industrialist, author of "Treasons Peace, German Dyes & American Dupes" and other publications on domestic & International Cartels)

(Additional copies may be obtained for 35 cents each, or 25 cents in lots of 10, from Ursula Ambruster, Forest Rood & Woodland Avenue, Fanwood, N. J.

INDEX & SUMMARY

of Censored Statement

Save for the added subheads from the index the following pages contain an exact vebatim copy of the Statement as it was suppressed by the Senate Subcommittee.

THE "SANCTITY" OF I. G. FARBEN'S SPY NESTS

A FIFTY YEAR OLD LOBBY STILL IN OPERATION

— A DOCUMENTARY —

by Howard Watson Ambruster, P. O. Box 277, Westfield, New Jersey

The advocates of legislation now pending in the U. S. Senate for the return of seized enemy assets to their former owners appear to rely mainly upon what they term "The sanctity of private property." They repeat this over and over again. In this connection the use of a phrase, which in another context may be legtimote, becomes "The Big Lie" in action - by grace of a lobby which has operated at Washington for over a half century.

ORIGIN OF GENERAL ANILINE & FILM CORP.

The one major property involved is the General Aniline & Film Corporation, worth 100 to 150 million dollars, or more, which by this proposed free gift would be returned ultimately to the German I. G. Farben companies. The stake is a large one, in more than money value.

It is therefore in order to review the history and the record of General Aniline and of its creator, I. G. Farben, along with various predecessors of these "private" properties.

Trocing the history af what is now General Aniline & Film Corp., and its now wholly owned subsidiary, General Dyestuff Corporation, the former was arganized in April 1929 by I. G. Farben, under the name, American I. G. Chemical Carporation, in order, according to Farben's Annual Report for 1928, "to develop Farben's interest in that country." Almost simultaneously Farben organized a Swiss corporation known at first os I. G. Chemie and now as Interhandel, "as a holding company for Farben's praperties in foreign countries."

In October 1939, the war in Europe having started, the directors of the American I. G., changed its name to General Aniline & Film Corp., thus getting rid of the initials "I. G." in the carporate title.

Now go back fifty years to that decade prior to the outbreak of World War I when in the progress of events the brain powers of the original German Dye Cartel devised new formulas through which the old concepts of war were changed. Previously combat war was mainly the mass movement of foot soldiers, relying upon small arms, horse drawn cannon and gun powder to defeat similar armies.

This conception was changed after chemists of the Big Six dye firms discovered that certain by-products of their coal tar dyes could be utilized readily for explosives of terrific power suitable for the mass destruction of property and civilians, as well as armies and their equipment - in what has become "modern war". (See A, p. 28)

Likewise developement by these masters of science of cheaper methods of producing poisonous gases, and the discovery of a new and deadly gas (by one of their hirelings in America) brought this type of warfare into the picture. (See B, p. 210-11)

Finally it was during this peacetime era that the leaders of these dyestuff firms developed the international use of the German born economic alliance called the Kartell, as a device for 5th column infiltration of those countries against which war was planned - to weaken their national defense by obstructing establishment of defense industries; corruption of the economy and political life and distribution of false propaganda; all these during peacetime; to conduct espionage and sabotage during war. (See A, p. 30-5; B, p. 101-3; C, p. 51-2 & 35; D, p. 487-8)

During that decade prior to the start of World War I these Big Six Dye makers each was represented in the U. S. by sales agencies and subsidiary companies which, between them, dominated the American market for coal tar dyes and related products. The three largest were: Farbenfabriken vorm Friedr Bayer & Co., known as "Bayer"; Fabwerke varm Meister Lucius and Bruning, known as "Hoechst"; and the Badische und Soda fabrik, known as "Badische."

The Bayer representative, known as Farbenfabriken of Elberfeld, some years prior to the war, acquired a small plant near Albany, New York, and became the Bayer Company, Inc. of New York. (See A, p. 16-8) The head of this American Bayer, a former chemist of the German Bayer and Badische companies prior to migrating to the U. S., was a polished "gentlemen" named Dr. Huga Schweitzer. In 1905 Dr. Schweitzer was president of the Chemists Club of New York, headquarters of leaders of the industry.

Badische had been represented during the late years of the 19th century by German barn Adolf Kuttroff and a partner named Pickhardt, whose firm was taken over in 1906 by the Continental Color & Co. (See A, p. 53.) That concern for a short period also represented the German Bayer Co.

Ernest K. Halbach, American born son of a Badische employee, was a young salesman for Kuttroff Pickhardt & Co. and Continental. (See B, p. 342-3) The name of the latter changed to Badische Co. of New York, stock title to which was held by Messrs. Kuttroff and Pickhardt, under a secret option back to the German Badische. (See A, p. 53)

Hoechst was represented by a Democratic politician, once Controller of New York City, who became a member of Congress from 1913 to 1915, Herman A. Metz. (See B, p. 716) The latter in 1903 organized the H. A. Metz & Co., also operating under the name Farwerke-Hoechst, as an agency, (See D, p. 821) and the Consolidated Color & Chemical Co., as a manufacturing unit. Later on the H. A. Metz Laboratories, making Hoechst medicinal

(For references identified by Letters A to O, See Appendix)

preparations, Central Dyestuff & Chemical C.a, (see B, p. 719) making dyes, and General Drug Co. were added to the bewildering corporate set up by which this native born American citizen, as he boasted to a Senate Committee in 1930, served "my friends abroad, by whom I have been standing all these years, and they have stood by me." (See F, p. 2425)

Of the above the Metz Laboratories and General Drug, with various Hoechst medicinals, were transferred to the Sterling Products, Inc. - Winthrop Chemical Co., in 1926 in a deal in which Farben acquired a 50% interest in Winthrop, title to whch was later transferred to American I. G. and General Aniline & Film. (See US v Alba, Civ. 15-363, SDNY, 9.5.41, Ex. A, par. 5) The three Big Six dye firms discussed here were joined together with the others in Germany, first in two cartels and then in one general alliance, which facilitated price fixing and united action of other types to prevent the establishment of a coal tar industry in the U. S. (See A, p. 53)

CLOAKING OWNERSHIP

Actual ownership of the various companies and agencies representing the cartel members were cloaked by an intricate maze of hidden options, secret transfers of stock or options to permit this, and fraudulent book keeping by which underground transfers of profits were all concealed beneath the U. S. citizenship of the managers. (See E '45, pp.580-5) Years later, after World War II, the device known as "Tarnung", the magic hood, which renders the wearer invisible, was cited in detail in documents uncovered in the files of I. G. Farben in Germany. (See E '46, pp. 1203, 1211 & 1216-7) These permit no doubt of the systematic use of skillful peacetime camouflage to conceal the actual ownership and control of these private properties established in the U. S. and other countries by the German Dye Trust before and during both World Wars.

To accomplish this purpose it was pointed out that: "officials heading the agent firms . . . to serve as cloaks should be citizens of the countries where they reside." For those who may argue that these were merely business arrangements set up during peacetime it may be admitted that deceit, double dealing and cupidity have appeared before in American business and will continue so to do. However in this instance the distinction must be recognzed between ordinary commercial fraud among our citizens and the vast variety of criminal practices instigated and directed by a foreign organization which was obsessed with an intention to enslave the world, including this nation. Likewise those native born or naturalized citizens who did the dirty work for foreign enemies may appear as guilty of a callous treachery to this nation during peacetime - and of something akin to treason when, under cover of Tarnung, certain of the activities to be cited here were carried on while this nation was at war.

It is pertinent to note that now, in the year 1956, Bayer, Badische and Hoechst have been recreated, along with eight or nine smaller units (through the lenience of our Occupation officials, with American taxpayers funds) in a complete reversal of the U. S. war aims and past war directives that the I. G. Farben set up should be eliminated for all time. (See Directive Joint Chiefs of Staff, April 1945, and General Order No. 2, under U. S. Military Law No. 52, July 5, 1945) General Dwight D. Eisenhower confirmed his intention to comply with these instructions on October 20, 1945 at Washington on his return from Germany.

According to the last Hoechst annual report these so called independent Farben corporations are already allied again in a cartel understanding not to compete with each other in foreign markets - such as the U. S. (See news item in daily press Jan. 26, 1956)

After the U. S. became involved directly in World War I, in 1917, American Bayer

was seized as enemy owned. Sold at auction in 1919 to Sterling Products, (now Sterling Drug, Inc.) on a pledge that this property would never again fall under German control, the production of Bayer aspirin and other medicinal products were almost immediately involved in new cartel profit sharing agreements with German Bayer; and after 1926 with the Farben combine. The Bayer dyestuff business and production at Rensselaer, N. Y. were purchased by Grasselli Chemical Co. and, during the next few years this part of the American Bayer passed into the control of Farben's General Aniline Works, with its sales turned over to Farben's General Dyestuff Corp.

The New York Badische Co. and its bank accounts were also seized during World War I by the Alien Property Custodian but a sudden switch in the corporate title of the company revived the fiction, in the firm of Kuttroff, Pickhardt & Co., that the agency was owned by American citizens. (See A, p. 53-5) So K. & P. escaped seizure

After World War I, K. & P. resumed sales representation of Badische and later joined with Metz and Grasselli in information of General Dyestuff Corp. (See O, Govt. Ex. 1) - also with other individuals in organizing another Farben affiliate, The Synthetic Nitrogen Corp. (See Civil 14-320, 5.29.41 SDNY, p. 21)

Later Mr. Halbach became president of General Dyestuff, which position he held until the seizure of that company in 1942. He was also vice-president, secretary and director of General Aniline & Film until he resigned on August 29, 1939, two days before Hitler invaded Poland. (See O, pp. 1216-7)

As a stockholder in K. & P. Mr. Halbach had secured a large block of stock in General Dyestuff when it was formed, on which Farben had an option. In 1939 he secured title to majority stock control of General Dyestuff from D. A. Schmitz, who had succeeded his brother Hermann Schmitz as president of General Aniline & Film. This stock control was subject to an option by which the corporation could repurchase the stock. (See, O, Govt. Ex. 1)

The early Hoechst agencies and affilates, operated by Herman Metz, escaped seizure after a protracted court battle and a weird decision - again on the plea that the alleged owner was an American born citizen. (See D, pp. 275-83) Early in the post war era Metz resumed importing as agent for the I. G. Dyes Cartel, and two of his companies, Consolidated C. & C. Co., and Central Dyestuff & Chemical, along with all of his dye sales were later absorbed into General Dyestuff and General Aniline Works, of both of which Metz was the first president. (See D, pp. 209-3; F, pp. 2401-10 & 2432) When the American I. G. was formed in 1929 Metz became its first vice president and treasurer. (See F, p. 2403) Other corporations owned or controlled by Farben, of which Metz was still president when he died in 1934, included the Agfa-Ansco Corp., (an Am. I. G. subsidiary) and the Advance Solvents & Chemical Co. (See E '45, p. 1079; G. pp. 1374-5)

Having completed this somewhat tiresome outline of the origins and the complexities in changes of name and alleged affiliation of the numerous corporate entities finally merged in General Aniline & Film, it is in order to consider a few typical facts which indicate just how "sanctified" and how "private" these properties really were.

TRICKERY & TREACHERY

Prior to World War I all of the Big Six companies, including the three mentioned here, were caught red handed in what was probably the most systematic and vicious campaign of wholesale commercial fraud, corruption and bribery on record.

This finally came to a showdown when criminal prosecution was instituted against the Philadelphia agent of the Bayer Co., who was alleged to have been spending $10,000. a month as bribe money, according to the attorney in charge of the action. The accused married the "evidence", his former secretary, and the criminal case fell through. (See B, p. 104-6; D, p. 475-86)

Later the Prosecutor was one of a group of distinguished lawyers who, in 1912 and 1913, instituted some thirty damage actions against the agents for the Big Six dye firms. (See Docket files, EDPa., Ct. terms, Dec. 1912 & March, June, 1913) In these actions Bayer, Badische and Hoechst, along with the others and their agents, were accused of systematic cartel price fixing, adulteration and substitution of dyes, tampering with competitors products and bribery of their customers employees, in operations of such magnitude and variety as to be incredible if it were not for the ample proofs and admissions which, later, were uncovered by the U. S. Alien Property Custodian and various Congressional Committees.

None of these cases were ever tried in court. They were either settled by payments to the plaintiffs or were discontinued after the war began. (Some 30 years later while another war was under way some of these same companies, under other names, and certain of the same individuals involved, were again charged with criminal conspiracies under the same laws. Those cases also flopped, or ended with wholly inadequate punishments. So this "pattern" of Farben - of corruption, influence and immunity - keeps repeating.)

In 1912, it was revealed, the German Bayer Co. claimed an allowance in its cartel arrangements with the others, of $700,000. for graft payments in the U. S. (See C, p. 99)

Metz paid a considerable sum to settle one of the 1913 suits against his agency. He then demanded that title of its stock be transferred to him by Hoechst, in order to be able to claim that the latter was no longer doing business in the U. S. So his promisory note, with the stock attached, was deposited in a Montreal bank - to the sole order of Hoechst. (See A, p. 51)

Many years later E. K. Halbach declared that as a dye salesman for the Badische in Philadelphia during the pre war period he had refused to pay graft to the boss dyers of the Badische customers, as all others were doing. (See O, pp. 1270/77) Regardless of this denial no one could silence the records of the cartel agreements through which Badische shared with others responsibility for and profits from these criminal indeciencies practiced upon the dye consumers and upon the few small domestic dye makers, who were thus prevented from establishing a substantial coal tar industry in the U. S. prior to World War I. (See Senate Document No. 593, Sixty-first Congress, Second Session, 1911)

Meanwhile Bayer's Dr. Schweitzer engaged in various secret activities which included financing an establishment at Bogota, New Jersey, for a chemist named Walter T. Scheele, who worked out a formula for the dread mustard gas. This discovery was transmitted to the German General staff and the gas was used with deadly effect during World War I upon our own and our allies troops. (See H, p. 2638; I, p. 59)

Chlorine poison gas, used first at the Battle of Ypres, was also produced at a Farben plant, Badische, by Dr. Carl Bosch, who was to become head of I. G. Farben and organizer of the American I. G. (See B, p. 125)

During the war Dr. Scheele engaged in preparation of fire bombs placed in ships carrying munitions to England. (See H, pp. 1572/3, 1601/2, 2615/6) Dr. Schweitzer was finally identified as having been the secret paymaster of millions of dollars of Bayer and German

governments funds expended in the U. S. during the war for propaganda, espionage and sabotage. (See H, p. 1575/8) Records were uncovered showing that he had received a million and a half from the German Embassy, plus other huge sums when the Kaiser's financial man, Dr. Heinrichs Albert, and Ambassador Von Bernstorff were forced to leave the U. S., so turned all the funds they had left to this secret agent posing as the head of a "private" business property. (See H, p. 2026/7)

It was Schweitzer who devised the plan to buy the N. Y. Evening Mail with German Government funds, to become a pro German organ and obstruct the war effort. (See, D, p. 223; H, p. 1423)

Dr. Schweitzer died, somewhat mysteriously, in 1917 according to press items at that time, some months after he had been kicked out as president of American Bayer when that company was seized as enemy owned and all of its officers save Dr. Schweitzer were interned. He had many influential friends and he might have told much if death had not closed his mouth.

Hugo Schweitzer's successor as president of American Bayer met a similar fate during World War II. William E. Weise, head of Sterling Products when that company purchased Bayer from the Alien Property Custodian in 1919, was kicked out of both companies in 1941 after all of Sterling's post war agreements with Germon Bayer and Farben were declared to be criminal conspiracies. (See Docket Entries, Cr. 110-311, 9.5.41, SDNY) Within a year Weiss was reported in the press to have been killed in an auto accident in the wilds of Wisconsin.

Meanwhile Government investigations of infiltration of the Sterling companies by I. G. Farben in "exchange" of personnel and of information, resulted in the removal of some 42 of the executives and technical employees being dismissed as "undesireable". (See J, p. 38.)

Later Sterling was permitted to purchase from General Aniline & Film the title to 50% of the Winthrop Company acquired by Farben in 1926. (See 1945 Annual Repts. General Aniline & Film Corp. and Sterling Drug, Inc.)

During the early months of World War I Herman Metz had displayed his strong affections for friends in Germany by such activities as writing letters to the President of the U. S. and the Secretary of State threatning that this country would get no more dyestuffs unless we cut off shipments of munitions to Great Britain. (See D, p. 255 & 274; C, p. 491 & 501)

Metz also delayed production here of the Hoechst remedy for syphillis after the supply from Germany was cut off by the British blockade, by refusals to license others and threats of court action for infringement of the Hoechst patents. (See C, p. 493; D, p. 268, 799/800, 982/3) History repeats, during World War II, after the Japs had cut off our supplies of quinine, the only known remedy for malaria available was the Farben patented Atabrine, and Winthrop, mysteriously retaining control of this patent dispite the clear obligation of the Alien Property Custodian to seize it, delayed its production and refused to permit others to make this badly needed drug until the need was such that over a dozen American manufacturers had to be called in to supply the needs of the U. S. armed services. (See, Cong. Rec. 8. 13. 42, pp. 7067/9; & At. Monthly August 1942)

Among the Metz activities after World War I was his organizing in 1924 of the notorious Board of Trade for German American Commerce as a high class outlet for pacificist and "business as usual" propaganda which became especially vehement after Hitler rose to power. This organization was made up of Farben agents, including other holdovers from Dye Trust activities during World War I, along with representatives of its so respectable cartel partners. (See E'44, p. 2073, 2320) One of the most active directors of this "trade" organization was Ferd. A. Kertess, who was mixed up in numerous unsavory espionage and sabotage activities during the war and finally was sent to jail for shipments of rare metals, through a series of

blind allies in South America and Italy, to one of the Farben subsidiaries in Germany. (See E'44, p. 2070)

Another very active director of the German-American Board of Trade was Rudolf Ilgner, brother of Max Ilgner, head of Farben's secret service in foreign countries, (See E'45, p. 845/6) who in that capacity came to the U. S. in the late 1920s and organized a commercial spying organization later known as Chemnyco, of which Rudolff was installed as president. Rudolff was indicted in 1939 for burning secret files of Chemnyco after their production had been demanded by U. S. Government authorities, and got off, somehow, with a nominal fine (See E'44, pp. 2077/9) Max was one of the Farben leaders actually convicted at the Nuremburg trial before the American Military Tribunal in 1948, and he too got off with a nominal sentence of three years, which, as he had been in jail already for over that time, were considered served. (See Cong. Rec. 8. 4. 48, p. A5070) Farben's Board of Trade was closed up by the F. B. I. after Pearl Harbor and Chemnyco was seized and closed up by Treasury investigators. (See J, p. 41)

The early activities of E. K. Halbach as a junior salesman for the Kutroff, Pickhardt, Badische agency, (See B, p. 342) did not attract much attention until the decade after World War I, when he had become a minor executive of that company and was prominent for his selling abilities, becoming an executive and stockholder of General Dyestuff when it was formed, later becoming president of that company. In 1941 and 1942 Mr. Halbach was indicted in New York and New Jersey, along with other officers of General Aniline & Film, General Dyestuff, I. G. Farben and numerous U. S. dye manufacturers, accused of various criminal conspiracies in violation of the anti trust laws.

The New Jersey indictment against Mr. Halbach (N. J. 753C-5.14.42) was dismissed, and in the New York action (See O) he was the only defendant to be tried by a jury, which held him "not guilty" - these results being in strange contrast with fines of over $100,000. which were inflicted upon other defendants in these cases who had entered pleas of nolo contendere to the same charges.

Meanwhile Mr. Halbach had been fired from his job as president of General Dyestuff when that company was seized as enemy owned in 1942. However he was promptly rehired by the new president of that company as "advisor" in directing sales of General Aniline's dyes - at a salary and bonus reputed to be more than the salary of the President of the U. S. Prior to his trial on the N. Y. indictment in 1950 Mr. Halbach appears to have received more than a half million dollars for services to a company in the custody of the Government as having been owned by I. G. Farben. So, in 1945, Mr. Halbach collected an additional half million from the Custodian in a suit for recovery of his alleged majority stock title to General Dyestuff, which he had secured in 1941 under various options and strings leading in the direction of I. G. Farben. This stock, as the Custodian put it in contesting the claim, at the beginning, "was held in the interest of I. G. Farben and was in furtherance of a world wide conspiracy" of which that enemy of the U. S. was the head. Then something happened and Mr. Halbach was paid off. (See Civil 3425, Halbach v Al. Property Cus. DNJ, 3.18.44) In 1951 Mr. Halbach, not satisfied, started another action through his family alleging that he was cheated in the 1945 settlement, and demanding a huge additional sum. Strange efforts were made in the Senate to assist him. (See Cong. Rec. 10, 18. 51, pp. 13707/8 & 13711/2)

In Mr. Halbach's 1950 acquittal the jury appeared not impressed with evidence that he was personally involved in General Dyestuff sales as "conspiring" with Farben and the other defendants to restrict domestic and foreign trade in such products. It so happens that the indictment did not include the charge that after the British blockade cut off shipments from Germany Mr. Halboch took care of Farben's customers there, even after the President of the U. S. Directive in July 1941 put all such agents on the Blacklist and forbid such exports from the U. S.

The evidence uncovered by Senate Committees and Treasury investigators, and recorded later at the 1950 trial, proved rather conclusively that Mr. Halbach did give substantial aid to his Farben friends after a visit to consult them in Europe early in 1940, by making such shipments through a General Dyestuff "dummy" firm in New York to Farben "dummy" firms in South America. (See B, p. 2119/20; J, p. 31; E'45, p. 1079)

Mr. Halbach continued these shipments so defiantly that among the facts revealed at the trial was a letter from General Aniline & Film dated 9.23.41, warning him that General Dyestuff was disobeying the Presidential Order forbidding these Blacklist exports (See O, Govt. Exs. 38, 67, 69)

Herman Schmitz, chairman of the Board of I. G. Farben, that sterling character who admitted after the war that he had urged Hitler to use poison gas against our troops, (See E'45, 1095) resigned as president of American I. G. in 1936 and caused his younger brother, D. A. Schmitz to take on this post. When the day approached for the U. S. to be involved in the war Farben feared seizure of its U. S. companies and ordered that they be restaffed by native born Americans. So the executives of what is now General Aniline & Film were replaced by highly "respectable" citizens. History repeated here. One of those removed was Rudolph Hutz, Vice President of General Dyestuff and of Gen. Dyestuff. During World War I Mr. Hutz had been kicked out, and interned, as an executive of the American Bayer Co., when that predecessor of General Aniline dyes production was seized as enemy owned by a predecessor of I. G. Farben. This time Mr. Hutz was not interned. He had become a naturalized citizen and was merely named as a co-conspirator, in the indictment of Messers Halbach-Farben et al, (See O)

Investigations by Government officials in 1942 revealed that Farben and the Nazi spy services had been making use of General Aniline & Film Corp. as a secret doorway "aptly devised for espionage purposes" by persons who, in some instances, were unknown to the company. These "were carried on its payrolls for a few months and then moved on to other fields." (See J. pp. 29,33,66) As result 25 executives of Gen. Aniline & Film were dismissed and some 100 employees, all American citizens, "determined to have been acting for the benefit of Germany", were removed from its payrolls.

The fact that General Aniline & Film was regarded by Farben as its most important "front" in America for pro Nazi activties, was later brought out at the trial of Farben leaders in 1948 before the American Tribunal at Nuremburg.

It may be noted here that of the 30 anti trust cases in U. S. courts involving Farben in criminal conspiracies with its U. S. partners, General Anilne, or its predecessors, and General Dyestuff, were named as defendants or as co conspirators in over a dozen instances. In seven criminal cases involving the General Aniline companies, they pleaded nolle contendere and were fined over $50,000. (See M, p. 237/9)

One of the prewar activities of American I. G., under instructions from the German I. G., were payments of large sums to the Public Relations outfit of Ivy Lee, for distribution inside the U. S. of official pro Nazi propoganda - "an immense amount of literature", Mr. Lee termed it; also for compiling reports regarding conditions in this country for transmission by Farben to the Hitler government. (See K No. 73 NY7, p. 176/205) Mr. Lee's personal activities in earning his fees also included a conference with the Fuehrer himself, arranged by Farben's secret service. (See K, No. 73 DC4, pp. 35/8)

Abundant evidence exists that Farben, and its leaders, prior to Hitler's seizure of power, contributed huge financial aid to the latter's depleted party funds. (See E'45, p. 870)

SLAVE LABOR MURDERS

The personal characters and prodivities of the men who secretly controlled the activities

of General Aniline & Film inside this nation were laid bare at the Nuremburg trial of 23 Farben leaders - in hideous proofs of ill treatment and starvation of helpless slave laborers, and, when they became too feeble to work, their mass murder in the gas chambers at Auschwitz and other Farben plants.

Let it be understood that the Farben directors who planned and permitted these crimes were not the half crazed degenerate Nazi fanatics but were well educated, allegedly "respectable" industrialists and financial leaders. In this respect these men rank with or above the most guilty of the top level Nazi war criminals.

Some of these same prewar directors and executives are now back in the management of the several major and minor Farben companies now operating. It is to these successors and heirs of the old Farben that it is now proposed to return General Aniline & Film Corp. Farben, as a corporation, was never tried - in court - for war crimes. So the legislative restrictions such as have been proposed on the return of German properties to "convicted" war criminals, would not make these new Farben companies ineligible.

Perhaps the best summation of the great mass of proofs of the guilt of the Farben leaders, of unspeakable crimes against humanity, is found in the Dissenting Opinion of Judge Paul M. Hebert, of the American Tribunal, on Count 3 of the Indictment. This distinguished jurist, who is Dean of the Law School of Louisiana State University, concluded that all of the Directors of I. G. Farben were guilty of "participation" in the crime of enslavement at "Auschwitz", and "for Farben's widespread and willing cooperation with the slave labor system at other Farben plants" - all in violation of well settled provisions of international law.

The jurist rejected the defense of necessity, saying that Farben "frequently sought" and "gladly utilized", "each (such) use of manpower". "Utilization of such labor was approved (by the Directors) as a matter of corporate policy". The Dissent calls attention to the fact that the opinion of the other two judges conceded that slave labor was utilized and that the conditions at Auschwitz were known to the defendants. Repeatedly Judge Herbert asserted the criminal responsibility of all members of the Farben Vorstand, or Board of Directors. It is no overstatement," said the opinion, "to conclude that the working conditions (at Auschwitz) indirectly resulted in the deaths of thousands of human beings - who were subsequently exterminated in the gas chambers." "The entire hideous criminal enterprise" presents "a picture of horror which . . . has not been at all overdrawn by the prosecution and which is fully confirmed by the evidence." "each . . . member of the Vorstand should be held guilty."

Accordingly, instead of the 5 defendants judged guilty on the slave labor murders by the other two judges, and given grossly inadequate sentences (from which they were all soon freed on parole) Judge Hebert proclaimed in blunt language that every one of the Directors of I. G. Farben was equally responsible for these crimes. In handing down that judgement Judge Hebert, perhaps unwittingly, put the finger upon one Farben director who was neither indicted nor convicted, but instead, after the war ended, had risen quickly as the most powerful single individual in the economy of West Germany.

FARBEN'S DR. ABS, HITLER AIDE

On records available Herman J. Abs, as a wartime Director of I. G. Farben, was not only thus branded by the evidence cited by Judge Hebert but he is also revealed to have been one of Hitler's chief financial aides, as a Director of the Deutsche Bank, in the Aryanization of private properties inside Germany, and, during the war, in expropriating resources of occupied countries. (See E '45, pp. 758/61, 766/8; also C. R. 1.3.50, A9)

In view of these aspects of Mr. Abs top level activities during the Hitler regime reference is directed here to definitions in the Law for Liberation from National Socialism and

Militarism, (the denazification statute) (See Dept. State Pub. 2783, Eur. Ser. 23, 1947, pp. 118/25 also MG Law No. 8) under which many thousands of big and little Nazis were held to be Class 1 Major Offenders. In this law the latter were defined, among other types, as "Persons who were active in leading positions which could have been held only by supporters of the National Socialist tyranny" & "who, in any form whatsoever, participated in killings, tortures or other acts of cruelty in a concentration camp . . .or a medical institution. . ."

The punishments provided for these Class 1 Major Offenders included: "Assignment to a labor camp for not less than two years; property to be confiscated; permanently ineligible to hold public office or to vote."

However Farben's Herman Abs was not tried under this law either. On the record Mr. Abs had very powerful friends among the Western Allies. To those who may object to thus branding Mr. Abs without a court trial, it may be pointed out that the issue here is in the fact that an individual with this record could command such influence within the British and American Occupation authorities, and among the Germans, that he was immune from prosecution and has now become an official representative of the Bonn government, accepted as such by London and Washington. It so happened that close pal of Adolph Hitler had become a director of some 40 other banking and industrial concerns in addition to those named. These included many in Germany and neighboring countries which were owned by English, U. S., and Dutch interests, and included Lever Bros., or Unilever, Britains world wide industrial empire, which, among its other "arrangements" was one of Farben's cartel partners. (See E'45 pp. 690/8; also G, p. 2350)

So it is not too hard to understand why, in May 1945 when Berlin fell, Mr. Abs was passed quietly through British lines to Hamburg, with what was reputed to be a huge fortune in Reichmarks. He was then made financial and economic advisor to the British Military Occupation Commander, set up a new banking business and become head of Germany's Reconstruction Finance Corp., in which capacity he could decide which industrial corporations should receive the funds advanced by the U. S.

Among Mr. Abs numerous current positions is that of top director of the powerful Badische, largest of the allegedly independent units of the old Farben set up. Meanwhile Mr. Abs has made several visits to Washington and London as the official representative of Chancellor Adenauer. He came here once for the refunding of the old post World War I dollar bonds. Then, in March 1955, to "arrange" for the return of all seized German assets - including General Aniline & Film to I. G. Farben.

It may appear fitting that it was on this mission to the U S. Government the Bonn government chose as its spokesman one with the background of Herman Abs, in order that he might proclaim, officially, that the "sanctified" status of the General Aniline-Farben "private" property gives it immunity from either seizure or confiscation, regardless of the infamous uses to which it was dedicated.

We may well ask whether Chancellor Adenauer and his special Ambassador Abs could have been referring to Farben and General Aniline when mention was made of "corporations who by investing their capital in the U. S. in pre war times had contributed towards friendly relations between the two countries and their peoples"? Did they refer to Farben as the "private owners" to whom General Aniline should be handed back because the "Sanctity of private property", requires this return? (See C. R. 2.1.56, p. 1566)

So on the record Farben's Director Herman Abs, speaking for Farben's good friend Chancellor Adenauer, proclaimed this blasphemy in demanding passage of the pending legislation. But we must go back almost a quarter centruy to an earlier battle in the Congress after the close of World War I to uncover the originator of the doctrine that secret hideouts of the German I. G. Dyes inside America were immune from seizure as "Sacred".

CAMPAIGN CONTRIBUTIONS

In 1922 a Senate Subcommittee was considering charges made by the late Senator William T. King, of Utah, that a wicked lobby was promoting an evil embargo against post war imports of German dyes - for the protection of the infant coal dye industry then struggling to survive in this country. Senator King objected viorously to the seizures of Dye Trust private properties in the first place, and to withholding funds received from the sale of dye patents formerly owned by the Bayer Co. (The same manufacturing plant which is now General Aniline) Senator King concluded his blast by defending "all German investments" in America and denouncing the "confiscation and sale" of such investments as "immoral". The proceeds of this sale of the Bayer properties, charged the Senator, "was a sacred trust fund to be returned to the German nationals." (See D, pp. 169/70)

Six years later the Congressional Record indicates that Senator King played a leading part in the passage of the bill for the return of all property held by the Alien Property Custodian.

Then in 1930 another "lobby" investigation by a Senate Committee heard one Eugene Pickrell, identified as a lobbyist for General Dyestuff, Kuttroff Pickhardt & Co., and two other Farben owned U. S. hideouts. The witness admitted that in 1922, while in the employment of Herman Metz, he had conveyed $1,000. from Mr. Metz to Senator King's campaign fund for re-election. (See F, pp. 1984, 1995/9, 2288/9, 2431) Mr. Metz, also a witness before this Committee admitted sending another $1,000. contribution to Senator King in 1928, which, he stated, the Senator did not use. Mr. Metz stated, quite casually, that he had been contributing to campaign funds, "all my life", and boasted that, as a life long Democrat, he had contributed to the Harding Campaign fund after the war because he did not like the treatment received from "some Democrats". (See F, p. 2428/9, 2430/1, 2402)

(The Alien Property Custodian appointed by President Harding was convicted and sent to jail for accepting a bribe from agents for a seized German property. His Attorney General escaped jail on the same charge by a hung jury)

Let it be understood that there is no implication intended here that campaign contributions have influenced any current references to the sacredness or sanctity of all properties seized as enemy owned. The purpose here has been solely for the benefit of those who have overlooked these facts, by tracing the pedigree of this unctuous phrase back to the lobby which was responsible for its use in this connection.

So we came to the lobby which has been maintained inside this country in one form or another, without interruption, by these German war industrialists, for over fifty years.

FARBEN'S LOBBY

The I. G. Farben lobby may be described at times as the pan-German lobby. It has included component parts of what is called the "oil & gas" lobby, which in the recent past has attracted some attention. There are also available ports of the drug & patent medicine, dye, chemical and metal lobbies, assisted from time to time by pressure boys representing big business and big finance in general. For good measure this conglomerate has had valuable support, during two pre war eras, from idealistic pacificist groups which have not realized how their hatred for war was being misused by a vindicative enemy of this nation.

Like other pressure groups this one in action has had three overall or specific objectives - to induce improper influences upon the Legislative, Executive and Judicial branches of the Government; to create public opinion favorable to its employers; and, equally important, to suppress all unfavorable facts and to destroy or discredit every public official or private citizen who attempts to expose the pattern of conspiracy and treason devised by the I. G.

Farben leaders against the United States.

During recent years the atmosphere inside this country has been infected with fears of the red smear, for which this lobby has been largely responsible, that threats of this type of retaliation have silenced, in public, many citizens who, in private, have expressed resentment and alarm at our post war policies in Germany in which Farben has been directly involved - such as the leniency to war criminals, restoration of cartels and rearming.

The tragic irony of this use of the red smear appears in indications that Farben leaders had been secretly negotiating with Moscow long before the Adenauer visit,, and Farben companies profiting through forbidden shipments to the East - also in the obvious danger that, when the time is ripe, the power and influence of Farben in the Bonn government will favor siding with the Soviet against the U. S., should it be to Farben's advantage so to do. America has very little to choose between the Farben type of leadership and the less respectable gansterism of the Kremlin. This lobby has a long reach which has been exhibited in the past Congress, and other high places, as witness the activities of Congressman Metz and Senator King, also that of the late Edward T. Clark who served as a White House Secretary under two Presidents, the second time while employed as a lobbyist for a Farben cartel partner.

Some years after his sudden death in 1935 Clark's private correspondence files, during his lobbyist career, were to be sold at public auction. However these files were found to be so "hot", involving individuals still prominent in official life, that they were withdrawn from the auction and delivered to the Library of Congress under seal not to be broken for 20 years. (See daily press, October 1942)

Perhaps the best indictment of the operations of the Farben lobby was delivered by the late Justice Robert H. Jackson, while he was Attorney General, in an article in the Jo., A. B. A. of June 1941. Out of his own observations of the lobby methods the Attorney General pictured it as a "... pattern of premilitary and non military invasion of business, finance, labor, public opinion and political organizations...show up at Congressional hearings to oppose every move to strengthen law enforcement...propagandze endlessly against investigative officials...prosecution policies...law enforcement itself..." (See M, p. 221)

Should the United States Senate desire to explore the methods of the I. G. Farben conglamerate lobby and its far reaching tentacles, this observer can make available a great mass of evidential data relating to these activities. Some of this data dates back to my personal contacts with the Big Six dye companies over 50 years ago. Since the late 1920s these files include numerous personal experiences in which this witness has been one of the targets of the attentians of these foul gentry, the purpose being to discredit or silence my voice and my pen.

It so happens that the late Hon. Harley M. Kilgore, that distinguished statesman whose untimely passing we now morn, wrote me in February 1944 that: "If Congress had only investigated this (Farben) lobby in 1931 as you recommended, we should have had a more healthy realism about Germany and cartels rather than the realism of war, (in 1941)"

Need it be said that this documentary is a repetition of that warning of a quarter century ago.

During those 25 years, as a witness before various Congressional Committees, and in many communications addressed to individual members and other committes of the House and Senate, and to administrative branches of the Government, my earlier appeals for investigation of this lobby are recorded in detail.

More recently, in 1948, several Petitions addressed to the House and Senate and signed by several thousand citizens of Ohio, Arizona and elsewhere, demanded investigation of

charges made by me in a Radio Broadcast before the City Club of Cleveland, Oohio, on January 10 of that year, that the "fix" (as arranged by this lobby) was on in the trial then in progress at Nuremberg, of the Farben war criminals.(See C. R. under Petitions: Senate, 4.7.48 & 6.7.48; H.R., 4.19.48, 6.1.48 & 6.7.48 - also daily press of Cleveland and elsewhere during that period.)

No investigation was had. The results of that trial did not refute the accusation of the "fix".

In July of 1955, as a witness before the H. R. Subcommittee considerations to pay the original owners in full for all seized enemy assets, my statement mentioned in a general way the records of General Aniline and I. G. Farben, but without documentation save for one quotation. This was from the Joint House-Senate Report, Doc. 47 of May 1945, covering conditions "beyond the power of words to describe" in German slove labar camps, and a demand for adequate punishment for those responsible, as recorded by the Committee which General Dwight D. Eisenhower requested to visit these dens of "torture and death". (See N, p. 188/9)

"BOOK BURNING"

My earlier warnings and demands for action culminated during the war, which so tragicly vindicated them, in my book entitled "TREASONS PEACE," "German Dyes & American Dupes." The original ms was accepted for publication in 1943, and was then suppressed, by threats and inducements, until 1947, when it appeared with five additional chapters to bring it up to date. This book recites in considerable detail, along with much other documentation the facts which are presented here, save for those events since 1947. However Treasons Peace is now, mysteriously, "out of print." In June 1955 not long after the publisher had written me that he had a large stock on hand, he refused to sell me a few copies of this book for which I had need in continued opposition to the pending legislation returning the German assets.

The publisher informed me that he had no more copies. This allegation was proved to be false. Other explanatory statements have been conflicting and obviously untrue in important details. But it now appears definite that a considerable number of copies of Treasons Peace which had been printed have vanished, or have been withheld from public distribution.

Elsewhere there is conclusive evidence of a systematic campaign of suppression, or banning, of this book in book stores and public libraries, some of this also having taken place during the legislative debates reloting to the return of General Anilline to its former owners.

I make the accusation, without reservation, that this mass "book burning" is the direct result of the activities of the Farben lobby.

Treasons Peace not being available this summary of its documentation relating to the pedigree of General Aniline & Film Corp. has been put together. The lobby may find the facts more objectionable in this form than when presented in Treasons Peace.

Let me advise those who will now be informed that these accusations constitute merely a personal grievance that they are hearing a cowardly lie which the lobby originated many years ago. The real issues here are vastly more serious than the silencing or liquidation of one individual who for almost 30 years has been engaged in battle with that lobby.

Those gentry have always been well heeled with abundant funds for whatever skullduggeries they have devised. At this time it would appear that along with the usual fees and "expense" accounts, the lobby boys are striving for an "Extra" contingent fee - a contingent payment of a percentage of the cash value of General Aniline, provided Farben gets it back. 5% of 100 million dollars, or more, can be cut many times and still provide nice rewards for each worker in the field.

In any event it may be hoped that we can have now heard the last of, "The Sanctity of Private Property", as applied to General Aniline, in the debates about the pending legislation. This is a perfectly legitimate expression when cited in defense of free enterprise, as against the phoney Marxian creed of the Soviet. It has became sacrilege when introduced by the lobby as a cover up of the truth regarding General Aniline - I. G. Farben and their predecessors.

* * *

APPENDIX

Identification of Reference Sources, by letters A to O.

A — Alien Property Custodian Report 1919.

B — H. R. Committee on Ways & Means, Hearings, 1919, Regulation Importations Coal Tar Products.

C — Senate Committee on Finance, Hearings, 1919/20, Importation Coal Tar Products.

D — Senate Sub Com., Committee on Judiciary, Hearings, 1922, on Lobbies.

E — Senate Sub Com., Committee on Military Affairs, Hearings, 1944, 1945, 1946, War Mobilization.

F — Senate Sub Com., Committiee on Judiciary, Hearings, 1930, on Lobbying.

G — Senate Committee on Patents, Hearings, 1942, Use of Patents for the National Defense.

H — Senate Sub Com., Committee on Judiciary, Hearings, 1919, German Propaganda.

I — Chemical Foundation, 1919 Report to Congress, by Palmer & Garvan.

J — U. S. Treasury Dept. Blue Book, 1942, War Time Property Controls.

K — H. R. Sub Com., Committee on Un-American Activities, Hearings, 1934, No. 73-NY-7, & No. 73-DC-4, Nazi Propaganda.

L — Senate Special Committee Investigating National Defense, Hearings, Pt. 10, on Lobbying, 1941.

M — Senate Sub Com., Committee on Judiciary Hearings, 1945, Petroleum Resources & Foreign Trade.

N — H. R. Sub Com., Committee on Foreign Affairs, Hearings, July 1955, Resolutions for Payments for Enemy Assets.

O — United States v General Dyestuff Corp., et al Cr. 111-135, Dec. 19, 1941, Transcript Trial E. K. Halbach, 1950.

MM to DP

July 28, 1954

Alien Property

In addition to a number of bank accounts, and portfolios of securities which were seized from individuals, there were a large number of companies, most of them small, ~~xhixhxz~~ ~~xf~~ in which enemy aliens held varying amounts of stock which was seized by the division of Alien property. The records I have been able to get at show, for the most part, not who held the stock, but what company had some of its stock seized,

Italy

Holdings of Italian nationals in this country were quite small, and have since been returned to Italy by virtue of the more favorable and amical peace treaty which we signed with Italy. German and Japanese holdings are now held either by the Office of Alien Property, or by such people as have bought these companies from the Office of Alien Property. But in the case of Italy, a cigar maker named De Nobili was probably the biggest operation in the hands of Italian nationals located in America when the vesting of alien property wqs going on. Since returned to the original owners, the De ~~Nhoxx~~ Nobili cigar making company (worth $1,800,000) still faces economic problems. They make ~~khe~~ a strong dark cigar, with a twisty shape to it. As one cigar smoker put it, "The young Italians won't smoke them and the old ones are dying out."

~~Fratelli~~ Fratelli Branca Co., which makes

- more p

a brand of bitters, alleged to settle the stomach when an overdoes of drink threatens disaster, is probably the other major Italian Company vested during the war. Fiat had a sales agency here, too, I guess.

Japan

There may have been a reasonable amount of Japanese money seized in this country from ~~individuals~~ individuals, but the records seem to show that there were only a few small Japanese companies seized.

One Japanese company seized was Uchida Investments Co., which ran about $100,000 worth of nursery in Venice Cal., probably growing shrubs for landscaping, if Venice is a beach resort, as reported. The Pacific Trading Co., again a small outfit, importing foodstuffs (tuna, maybe) had 26% of its stock vested.

Germany

The big deal is, of course, Germany. If you listen to Borkin, a lot of these German enterprises in this country were for the purpose, not of making money, but simply of waging economic warfare. If this is true, they are not ~~private~~ "private property" or "people's investments", or simply "businesses", they are secret weapons which were being used on us internally, and which we captured. This is a crucail point to be decided. Here are some of the companies.

Alien - add 222

A

Largest - General Aniline and film, with three major

1. divisions: Ansco-film and camera products in a wide range of amateur and professional supplies and equipment. Also, developing chemicals.

2 A line of "Ozalid" facsimile copying machines, which will make nice duplications of documents, plans, pictures, or anything like that, on various sizes and qualities of paper.

3 In the chemical line, General Aniline and Film makes an immense array of organic chemicals, some for dyestuffs and some for use in other chemical processes; most of their chemicals, and there seem to be hundreds of them, would mean little or nothing to a non-chemist.

The company has been growing fairly rapidly since it was vested in ~~1~~ 1942, and is now estimated to be worth about $100,000,000, give or take $10,000,000. Because of litigation arising out of the vesting, it has never been in a position to be sold to the public by the custodian of Alien Property.

B. Second Largest Co. is Shhering. Schering was sold to private stockholders, and is the largest piece of formerly alien property now in the hands of new owners who bought it from the governemtn. Now worth about

- more -

$30,000,000, Schering makes a wide variety of medicinal products, most of which would mean nothing to the average guy. However, Inhiston (and Schering's other anti-histamines) may ring bells, as may "cortisone." Mostly, though, their preparations (hormones and whatnot) are doctor-lingo.

A corporation now estimated to be worth 5 or 6 million $, but vested when it was worth $300,000 or $400,000, is Karl Lieberknecht Co., an outfit which makes hosiery knitting machinery.

Basch & Co., a New York firm which processes furs is worth 2.5 Million $.

Avonzel, a real estate holding co., now liquidated, had William Siskind as an attorney (Baynton said this might make this otherwise cryptic entry clear to you) and was worth, at one time, 2.5 Million $.

Seeck and Kade, makers of Pertussin, had ½ of their stock vested, and this was eventually sold to Americans for $650,000.

An interesting case of seized property is the American branch of a German manufacturer. A company like

Alien - add 4444

Leitz or Zeiss (Carl Zeiss, Inc.; E. Leitz, Inc.) which makes a product in Germany and sells it in America has an interest in their American branch which is valuable only so long as the outlet functions. This makes the value of the use of the name (and this is what the dealer outlet amounts to) a very nebulous thing. The Zeiss outlet was vested at a value of $400,000, and Leitz was figured to be worth $700,000 (very approx.). An interesting sidlight, which Time picked up in Oct. 13, 1952 issue, had to do with the sale of the Leitz franchise to the Dunhill lighter people. Leitz said flatly that if they didn't like the management of American Leitz, they just wouldn't ship cameras. Dunhill bought the American Leitz outlet from the Alien Property Division and tried to make a go of it with their own management for 6 weeks. They finally had to give in to Leitz and install Alfred Boch as the head man of their newly acquired outfit before Leitz would do business. So Leitz is back to dictating the policy of this comapany again.

Other companies with little or no material assets in this country include a fair number of patent holding companies. One of these, the Jasco company, seems to have been the American holding company which, in collusion

- more -

with Standard Oil, suppressed the German patents on Butadiene, the basic ingredient of synthetic rubber, and a synthetic which we desperately needed in the war. This is an old story, of course, but I think that the time which this particular deal cost us in the development of butadiene must have run about 2 years.

One reasonably large chunk of property which was wrested away from one individual was the American holding company - "Ubersee Finanz Co." - which held Fritz von Opel's major properties. These were the Harvard Brewing Co., makers of Harvard beer and ale, and the Spur Company, an oil and gas outfit which has over 200 gas sations selling a cheaper gas. Harvard is worth about $800,000 and Spur (which was 50% vested) is worth about $3,500,000.

A smaller company, J. M. Lehman Co., Inc., makes mixing machinery for various commercial food-making plants. The 84% of this company which was seized was sold for $20,000.

From here on, the list begins to peter out. There were a number of small patent and real estate holding companies, with small capitalization, and no particular interest. The Hyosol outfit is a good example.

Alien - add 6666

It held patents in the detergent field which have now expired.

One reasonably decent company which might be included is the Arabol company, worth 1.5 million $ and noted only for the manufacture of adhesives.

Locations

If it adds to the story, it might be noted that Schering is located in Bloomfield, N. J., and ~~xxxxxx~~ General Aniline and Film has plants in Linden, N. J., Rensselaer, ~~xxxxxxxxx~~ N. Y., Huntsville, Ala., Binghamton, N. Y., Johnson City, N. Y. , and Oakland, Cal. Their research labs are in Easton, Pa., Linden, N. J., Rensselaer N. Y., Binghamton N. Y., and Johnson City, N.Y.

FROM: Ted A. Ramsay
General Aniline & Film Corporation
230 Park Avenue
New York 17, N. Y.
MUrray Hill 9-4100

FOR RELEASE -- MONDAY, APRIL 4, 1955

NEW YORK, N. Y., APRIL 4th -- General Aniline & Film Corporation (today) reported 1954 net income of $2,519,000 or $3.16 a share compared with $2,958,000 or $3.71 per share in 1953. Sales totaled $105,000,000, a decrease of about 4% from sales of $109,600,000 in 1953.

Civilian business in the Ansco and Ozalid Divisions of the Company was higher than in 1953 but Government sales were down and that, plus price declines in the Dyestuff and Chemical Division and the depressed state of the textile market during the first half of 1954, accounted for the lower total sales volume.

Export sales were 24% higher than in 1953.

Additions to plant and equipment totaled $4,022,000 but projects undertaken during the year will require an estimated additional $15,000,000 to complete, it was reported. Included, is a $6,000,000 acetylene derivatives plant at Calvert City, Ky., which is expected to be in operation by the end of this year. This plant is the first of its kind to be built in this country. Its products, many of them never before available in commercial quantities, will find application in a broad variety of uses including agriculture, drugs, plastics and cosmetics.

Control of General Aniline was vested by the Alien Property Custodian in 1942 and there has been virtually no change in the ownership situation since that time. Interhandel, a Swiss corporation, is suing the U.S. Government to regain the vested stock and Congress has from time to time in the last few years considered legislation which would permit the Government to dispose of its interest. But, generally speaking, General Aniline's situation is just as it has been since seizure of the alleged German interest soon after Pearl Harbor.

#

(as of March 25, 1955)

STOCK PICTURE OF GENERAL ANILINE AND FILM CORPORATION, NEW YORK, N.Y.

BID	ASK
90	100

Stock is: Class "A" Common & Class "B" Common.

-#-

Government owns all Class "B" Common stock and 97% of Class "A" voting stock, but 93% on Dividend basis.

-#-

Remaining 3% of the Class "A" stock, which is with some 600 minority stockholders and which is traded "over the counter" only, is approximately some 50,000 shares. Of this 50,000, some 11,000 shares are held in a block by Hare Brokers, holding in its name for the Solvay-American Corp., a Belgian company. Remington-Rand has about 1,200 shares.

-#-

The Class "A" common is <u>not</u> convertible.

-#-

GAF has no preferred stock. Only Classes "A" and "B" common.

-#-

Par value of Class "A" Common--$25 per share.

-#-

Trading "over the counter" is somewhat "tight." Not too much is up for trade. One broker, Green and Company, Wall Street, New York, known to do most "over the counter" trading on GAF Class "A" Common.

-#-

On GAF Class "A" common dividends--GAF has paid, in 1945 only, as high as $6 per share, but since then about $1 per share. Last March's dividend for 1953 was eliminated. Dividends voted by Board to go into new improvements, plant expansions, building Calvert City and Linden acetylene chemistry plants at total of around $10 million--$6 million plant at Calvert City, $4 million at Linden, N.J.

-#-

Points that would make GAF Class "A" common stock rise--sale of GAF, the recapitalization, increase in GAF earnings.

###

for Drew Pearson:

Alien Property—A Tug-of-War

A German delegation is pulling for return of all the $450-million of private assets seized during World War II. The Administration is trying to hold the line at 15%.

The spoils of war have caused trouble throughout history, and World War II was no exception. This week, secret talks at the State Dept. between German and American officials center on whether or not the U.S. should give back any or all of the $450-million of private German assets seized during the war under the Trading With the Enemy Act.

Rarely has an issue involving less than a half-billion dollars stirred up so much behind-the-scenes controversy in Washington.

Chancellor Adenauer of West Germany repeatedly has urged Pres. Eisenhower and Secy. of State Dulles to hand back the assets in the interests of U.S.-Germany goodwill. German and Swiss interests that are indirectly involved have spent an estimated $300,000 in lobbying for restitution.

On the homefront, Francis G. Brown, president of American Schering Corp.—a pharmaceutical company seized from the Germans and sold to American stockholders—last year roused more than 11,000 stockholders to bombard Congress with pleas not to return former German property.

Despite pressure, however, the Administration—headed by the man who 10 years ago led the U.S. armies across the Rhine—is getting set this week to return a substantial chunk of the property seized from the Germans during the war.

• **Hot and Heavy**—Basically, these are the issues around which the controversy whirls: Those who favor restitution say it's required by (1) our moral need to uphold the sanctity of private property, and (2) our present urgent need to tighten our ties with our one-time enemy.

Opponents have two counter-arguments. First, why should the U.S. taxpayer, in effect, pay the bill of Americans who have legitimate claims against the Germans for damages growing out of the war? Currently, these claims are being met out of proceeds of sales of seized assets. Second, they argue, the seizing of such property is a legitimate form of reparation—and much less painful to the Germans than reparations taken from current German earnings.

Behind this, however, is the real basic opposition: The fear of the new American owners of vested German property—notably Schering—giving funds to their former German parent companies and present competitors. The Germans have come back into world chemical markets with a vengeance. And U.S. companies that have to compete with them in Latin America and elsewhere want no aid given to their burgeoning commercial rivals.

• **Bill of Goods**—During the current talks, the German delegation, led by Herman J. Abt, a shrewd financial diplomat who headed the German team at the London debt negotiations, was handed a take-it-or-leave-it offer. It is in the form of a draft bill, approved by the full Cabinet, and would do three things:

• Pay individual German claims in cash or in kind up to $10,000 per claim. This would satisfy 90% of the total individual claims at a cost of about $90-million, to be met out of the remaining German assets. These individual claims include everything from private savings accounts to legacies and trucks full of old clothes.

• Return most of the thousands of patents and copyrights vested by the U.S. to their former owners. There are some 8,000 patents with a year or more to run, and thousands of copyrights and trade marks. The patents range from toys to high explosives; the trade marks and copyrights from perfumes to a book by Mussolini's daughter. One big problem would be to cull out the processes that would be important to national security.

• Require the sale to American buyers of General Aniline & Film Corp., a former German chemical company worth an estimated $100-million. This would cut through the long legal hassle between the U.S. and the Swiss holding company, I. G. Chemie over whether General Aniline was controlled by the Swiss or by I. G. Farben. Whichever wins the case, which is still before the Appeals Court, would get the proceeds of the sale.

• **Nobody Happy**—This Administration compromise—if Congress approves it—will satisfy none of the principals in the fight. The Germans have insisted on return of all vested assets. The Administration's proposal would give them back only about 15% of the total value of the seized property.

Schering's Brown and others are worried that the move may set the stage for the eventual return of all the assets—which would give their former German parent companies fat windfall profits due to the increased value of the assets since the war. Schering, for example, was worth $1.3-million in 1941,

training two weeks at summer camp. Ready reservists would be subject to immediate recall to active duty in case of a national emergency proclaimed by the President—Korea, for example. The goal is to set up a ready reserve of 3-million men by 1959.

The standby reserve would be made up of men who have fulfilled their active duty and reserve training requirements. Standbys could be called to duty only in case of war declared by Congress—and on a selective basis by local draft boards. Deferments for men with the occupations checked on the list would be easy.

• **Latitude**—If the new proposal goes through, an 18-year-old will have several choices:

• He can wait to be drafted, just as now. If he wants to attend college, he can be deferred until graduation if his grades are satisfactory. If he has a critical job in an essential industry—and his boss says he's irreplaceable—he can be deferred for at least one year. But occupational deferments will be hard to get—and no matter how many deferments he gets, the draft board eventually will catch up with him to start his eight-year military service obligation. And this will begin at whatever age he's inducted.

• He can enlist in one of the armed services for three-, four-, or five-year periods of active duty. After three years' active duty, he would have to put in four years in the ready reserve, one year in standby reserve. Four years' active duty would require only two years on ready reserve, two years on standby; five years active duty, only three years on standby.

• He can enlist in the Navy or Marines reserve programs. Here, he would be called to active duty within two years of enlistment. While waiting for the call, he would have to train with the ready reserve. Minimum required for active service would be two years, followed by no more than four more years of ready reserve training.

• He can enlist in a brand new UMT-like program providing for only six months of active duty, followed by 9½ years' ready reserve training. Participation in this will be limited to 100,000 at first.

• **Troublemakers**—Two features in the Eisenhower plan are stirring up a fuss.

First, the proposal provides that honorable discharges may be held up from draftees who don't show up at reserve drills after finishing active duty.

Second, it makes no allowance for exemption of essential young scientists, engineers, and other technicians from military service.

• **Operation**—For those who have accepted the two-year draft as a necessary evil knowing that at least it limits the length of required service—the new scheme may be a bitter pill. There's plenty of opposition—from women's groups, unions, the clergy, and in Congress—to the proposal that draftees continue taking up to six more years of regular reserve training.

Actually, the present law says that draftees finishing two years of active duty are supposed to train for at least three more in the reserve. But up to now, this has been left on a voluntary basis.

It was this rather shapeless reserve system, military men say, that caused World War II veterans who stayed in the reserves to be called back for Korean duty, while many younger nonveterans remained at home.

Because of the controversy over required reserve training, the Eisenhower proposals will probably be watered down—if they pass at all.

• **Scientific Approach**—There's also a good chance that concessions will be made to the second argument against the program—the perennial question of whether scientists, engineers, and other highly skilled technicians should rate special draft treatment.

Engineering and scientific societies want a board of engineers and scientists, responsible only to the President, set up to decide what essential technicians should be deferred. A bill authorizing such a board, independent of the Selective Service System, has been introduced in the House. Many businessmen go along with this thinking.

• **Tougher**—Maj. Gen. Lewis B. Hershey, director of Selective Service, in the past couple of weeks was battling this idea while the House was considering renewal of the draft law. As things stand now, only temporary deferments for those with essential skills are made, and those only by local draft boards. The boards are guided, but aren't bound, by the Labor Dept.'s official listing of critical occupations and essential activities. The revised list, which will be available shortly at local draft boards, indicates a tougher deferment policy in the fnture.

Under the proposed reserve plan, young men with critical occupations still will be subject to active military duty. But they will rate more favored treatment than others when it comes to required reserve training. After finishing active duty, they would be put in the standby reserve, in which no training is required, then as members of the standby reserve, they would be subject to call only by local draft boards.

Red Tape Report

Hoover Commission suggests ways to pare government's annual $4-billion paperwork budget.

The Hoover Commission on Government Reorganization reported this week on paper shuffling in Washington. The conclusion: Too much of it is too long, and it's all too complicated.

The paperwork management task force—on which the commission's report to Congress is based—termed government handling of paperwork haphazard and shortsighted at best. The result is overworked executives, wasted time, uninformed and confused clerical staffs, and enough useless information to fill seven Pentagons. Moreover, the government's $4-billion annual paperwork expenditure requires 750,000 full-time employees to handle it.

The report is divided into two parts: paperwork within government, and paperwork between government and industry. The first report went to Congress with recommendations that, the commission says, would save taxpayers $250-million yearly. The second report is still to come.

• **Suggestions**—In the first take, the commission made three major recommendations:

• Remove the individual employee's earnings line used by Social Security Administration from employer's quarterly federal tax return. That would drop an estimated 184-million to 240-million lines of information annually, and would save millions of dollars.

• Give the General Services Administration responsibility to supervise the simplification and improvement of federal management, and transfer staff functions of paperwork management within the National Archives & Records Service to GSA.

• Make a top official in each agency responsible for simplification of correspondence and agency reports.

The paperwork report was the commission's second report. The first—on Civil Service and personnel problems—went to Congress last week. This recommended a 1,500- to 3,000-man "super service," of top administrators, paid above present ceilings; reduction of the 18 Civil Service ratings to 13; extension and strengthening of Civil Service examination system; and a more distinct organization of political positions in the government.

but sold for $30-million in 1952. Schering A. G., the German company, under any complete return would get $28-million that it didn't earn.

Despite all this, the odds are that the Administration will be able to make its plan stick. It represents a hard-won compromise between Secy. Dulles and Atty. Gen. Herbert Brownell, Jr., from which it would be hard to retreat without reopening the whole controversy. And the Justice Dept. would surely balk at any further concessions.

• **Replay**—The ruckus broke out early last year, when Sen. Everett Dirksen (R., Ill.) launched a drive to give all the assets back to former German owners. He rallied considerable support, and now has reintroduced his bill. However, he will probably be forced to settle for the Administration's bill, particularly since his own measure would require some $200-million in appropriations. That's roughly the amount that has been paid to American war victims out of sales of vested assets. The Treasury would have to dig into its own coffers if all claimants were to be paid off now.

• **Old Thorn**—The whole situation stems back directly to World War I. The heavy reparations levied on Germany then led to years of bitter bickering, and was one factor in Germany's postwar economic collapse. The Germans eventually reneged on most of their payments.

After World War II, the Allies tried to avoid the same mistakes, and agreed to limit reparation claims to the German assets located in their respective countries plus certain removals of physical equipment from Germany itself. The idea was that this would wipe the slate clean at a stroke, free Germany from the burden of paying reparations for years out of current earnings. A formal treaty to this effect was signed by 18 Allied countries after the war.

• **Little Progress**—Congress went along happily with this solution. In the War Claims Act of 1948 it decreed that all vested German assets were the property of the U.S. government, that they would never be returned to their former owners, that they should be sold and the proceeds used to meet war claims of Americans—starting with prisoners of war. Justice Dept.'s Office of Alien Property took over the job of carrying this out.

OAP found the job slow going. It had to deal with 65,000 title claims to the vested property before it could be sold. Less than a third of these claims have been settled. So far, OAP has managed to get rid of about $330-million of assets out of a total of $498-million. It has paid about $220-million to American war victims—most of it to prisoners of war. An estimated $1-billion of other American war damage claims is still outstanding.

Taking Over as Ambassadors

Two new U.S. ambassadors are dusting off their Homburg hats and packing their diplomatic briefcases.

John Sherman Cooper (left), former senator from Kentucky, will take over the United States embassy in India. Cooper served as special consultant to former Secy. of State Dean Acheson and as U.S. Ambassador-at-Large.

John Davis Lodge (right), former governor of Connecticut, is new Ambassador to Spain. Lodge has served as chairman of the New England Governors Conference and as a member of the executive committee of the National Governors Conference.

Alien Property

February 13, 1958

Mr. Kurt L. Neumann
Neumann & Endler, Inc.
Danbury, Connecticut

Dear Mr. Neumann:

I appreciated very much your thoughtful letter regarding the question of alien property seized in the United States. I can see from the facts you have given me that there is much to be said regarding the other side of the case and the seizure of property; and actually, I have always recognized this to be the fact.

I have in the past endorsed the idea of paying the small German property holders who held property in the United States. But I have been vigorously against the idea of repaying the German cartels. You will recall, of course, that the final peace treaty with Germany provided that there would be no reparation payments by Germany, but in lieu of that, property in the United States would be retained.

The next time I have occasion to write on this subject, I will endeavor to put in a good word regarding the small property holders.

Again, many thanks for writing me.

Sincerely,

Drew Pearson

DP:PO

Fair Field Felts

NEUMANN & ENDLER, INC.

MANUFACTURERS OF

Wool Felt Hat Bodies

SALES OFFICE
FELTEX CORP.
38 WEST 32nd ST · NEW YORK · N · Y ·
TEL. WISCONSIN 7-7796-7797

DANBURY · CONN · U · S · A ·
TELEPHONE PIONEER 8-5631 · CABLE NELSONHATS DANBURY

Danbury/Conn. February 7, 1958

Dear Mr. Pearson:

I refer to your article, "Dillon, Senator Johnston Working Out Plan To Pay for German War-Seized Property", which appeared in our Danbury News-Times several weeks ago. Since you boast that your statements are always based on accurate information I would like to give you some vital information regarding this particular problem which, apparently, has escaped your attention.

You are all in favor of a no-return policy, arguing that the principal benefactors would be the German Government and former German munitions manufacturers. Your syndicated column is widely read and as a result of your former connection with the Frank H. Lee Co. you are no stranger to the people of Danbury.

I would say that you are not as familiar with this problem as you would like your public to believe. Both Germany and the United States had freezing controls over funds. There was, however, an essential difference. Hitler's freezing was for the purpose of obtaining actual possession of all foreign assets owned by German residents. Our freezing was primarily to protect the owners and to make sure that Hitler could not obtain possession. We did vest property, but while Mr. Crowley was the custodian, he adhered to our policy, dating from World War 1, but we took the property as trustee for the former owners. In May, 1945, under pressure from Harry Dexter White, the communist, in the Treasury, the policy was changed to confiscation, a policy later relied upon by Nasser to justify his confiscation of British, French and Israeli assets.

As respects my own matter, I was born in Germany, immigrated in 1927 and became a citizen. In 1931, I, with Mr. Frank H. Lee, was one of the incorporators of a new hat manufacturing company in Danbury, in which I later became President. During the War we added a defense division, making parts for heavy bombs under a subcontract for Frank H. Lee Co. Thus, in a way, you might say that I became an American munitions manufacturer. I have also been a director of our local Community Chest and President of the Wool Hat Manufacturers Association of America among other civic affiliations.

NEUMANN & ENDLER, INC.

MANUFACTURERS OF

Wool Felt Hat Bodies

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TELEPHONE PIONEER 8-5631 · CABLE NELSONHATS DANBURY

In 1934 my father, a German National, while in the United States, transferred to me as a gift part of his interest in our American Company, and in 1939, with a license from the German Freezing Control authorizing him to do so, sold the balance of his shares to me. After the War, for some obscure reason, the Office of Alien Property investigated my holdings in my company and in 1948 vested roughly half of my holdings in the company under the pretense that my father had no right under Hitler's laws to make the gift to me in 1934 and the sale in 1939.

Thus you can see that there are situations which justify the return of vested property and which do not necessarily benefit the German Government or former German munitions manufacturers. Instead, a return of vested property would restore to American citizens what was wrongfully taken from them by erroneous use of war powers by Washington bureaucrats.

Very truly yours,

Kurt L. Neumann

UPI-43
(INTERHANDEL)

THE SUPREME COURT TODAY REVIVED THE LAWSUIT BY "INTERHANDEL," SWISS HOLDING COMPANY, TO REGAIN STOCK CONTROL OF GENERAL ANILINE & FILM CORP.

BY AN 8 TO 0 DECISION THE COURT SENT THE CASE BACK TO CHIEF JUDGE BOLITHA J. LAWS OF FEDERAL DISTRICT COURT HERE FOR FURTHER PROCEEDINGS.

JUSTICE HARLAN SPOKE FOR THE COURT. JUSTICE CLARK DID NOT PARTICIPATE.

LAWS DISMISSED INTERHANDEL'S SUIT ABOUT A YEAR AGO BECAUSE THE COMPANY HAD FAILED TO PRODUCE RECORDS IN POSSESSION OF SCHUEZENGGER & CO., A SWISS BANK.

THE U.S. CONTENDED THE RECORDS WERE NECESSARY TO TRACE ALLEGED CONTROL OF INTERHANDEL AND ALSO GENERAL ANILINE BY I. G. FARBEN, THE GERMAN CHEMICAL TRUST.

DURING WORLD WAR II THE JUSTICE DEPARTMENT SEIZED 93 PER CENT OF GENERAL ANILINE STOCK ON THE GROUND THAT IT WAS ENEMY-CONTROLLED. THE GOVERNMENT WANTS TO SELL THIS STOCK BUT HAS BEEN PREVENTED FROM DOING SO BY INTERHANDEL'S SUIT TO GET IT BACK.

6/16--P&GT1228P

UPI-83
(INTERHANDEL)

THE SUPREME COURT TODAY REVIVED THE LAWSUIT BY "INTERHANDEL," SWISS HOLDING COMPANY, TO REGAIN STOCK CONTROL OF GENERAL ANILINE & FILM CORP.

BY AN 8 TO 0 DECISION THE COURT SENT THE CASE BACK TO CHIEF JUDGE BOLITHA J. LAWS OF FEDERAL DISTRICT COURT HERE FOR FURTHER PROCEEDINGS.

JUSTICE HARLAN SPOKE FOR THE COURT. JUSTICE CLARK DID NOT PARTICIPATE.

LAWS DISMISSED INTERHANDEL'S SUIT ABOUT A YEAR AGO BECAUSE THE COMPANY HAD FAILED TO PRODUCE RECORDS IN POSSESSION OF SAURZENEGGER & CO., A SWISS BANK.

THE U.S. CONTENDED THE RECORDS WERE NECESSARY TO TRACE ALLEGED CONTROL OF INTERHANDEL AND ALSO GENERAL ANILINE BY I. G. FARBEN, THE GERMAN CHEMICAL TRUST.

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6/16--P&GE1228P

CABINET IS SPLIT ON SEIZED ASSETS

Continued From Page 1

to German and Japanese claimants, individuals and corporations alike, on a pro rata basis.

The plan provides also that $100,000,000 from the sums that Germany and Japan are repaying to the United States for postwar economic aid shall also be used to pay the war claims of American citizens. This money would normally go to the Treasury on repayment.

Therefore, according to reports today, the State Department's plan would actually cost the taxpayer not $300,000,000 but $400,000,000.

The report issued after Dr. Adenauer's recent visit said that the two governments would discuss the assets questions.

Later in a news conference, the Chancellor said: "We are looking for a way which would make it possible to meet the claims and the demands which are made in Germany and which are very important from the political point of view without at the same time imposing any burdens on the American taxpayer."

MISS U. S. A. RULED OUT

Cabinet Split on Returning Axis Assets Seized in War

NY Times 7/20/57

By E. W. KENWORTHY

Special to The New York Times.

WASHINGTON, July 19—A conflict has broken out in the Cabinet over a State Department proposal to return $300,000,000 of German and Japanese assets seized in this country during World War II.

The Departments of Justice and Treasury, and the Bureau of the Budget are all vigorously opposing the proposal.

For more than three years Dr. Konrad Adenauer, West German Chancellor, has been urging the Eisenhower Administration to support full return of German property "vested" by the Alien Property Office during the war.

John Foster Dulles, Secretary of State, has always made plain to Congress that he supported full return in principle.

The State Department has recently been urging that the Administration endorse a plan that would return about $300,000,000, or roughly half the present value of the assets. The State Department believes such endorsement would greatly aid Dr. Adenauer's Christian Democratic party in the September elections.

However, the Treasury, the Bureau of the Budget and the Justice Department are strongly opposed for fiscal reasons.

Secretary Dulles, informed quarters said today, wanted the tSate Department proposal put on the agenda for Cabinet discussion a week ago. The Justice Department—the parent body of the Office of Alien Property—objected because it had not been consulted on the plan beforehand, these sources stated. Therefore, it was learned, the matter has been put over for later Cabinet discussion.

The value of German and Japanese assets at the time of seizing early in the war was $394,000,000. Income from these properties plus growth in their worth have raised their value to approximately $595,000,000. Of this, $54,000,000 represents Japanese-owned assets; the remainder German.

In 1946, the United States and seventeen of its wartime allies signed the Paris Reparation Agreement, in which they agreed to retain seized German assets in lieu of making reparations claims to Germany.

In 1948, Congress passed the War Claims Act, directing that the seized properties be sold and the proceeds used to pay the war claims of American citizens against Germany and Japan.

In the Bonn convention of 1952 and the Paris protocol of 1954, West Germany agreed to pay its own citizens for the property seized abroad during the war. West Germany has not yet kept this agreement.

To date the Alien Property Office has turned into the War Claims Fund of American citizens about $225,000,000. It has on hand nearly $300,000,000, of which about $130,000,000 represents still unliquidated property in kind, and the rest is money on hand in the Treasury from previous sales.

But there remain some 18,000 claims of United States citizens yet to be processed and settled.

The State Department plan, t was learned today, would use he $300,000,000 now on hand n these ways:

Returns for Individuals

First $60,000,000 to $70,000,-

The New York Times

MONDAY, APRIL 4, 1955.

GROUP OF HOLDERS HITS INTERHANDEL

Management Criticized for Reliance on Litigation in General Aniline Case

By GEORGE H. MORISON
Special to The New York Times.

ZURICH, Switzerland, April 3 —A meeting of common stockholders of Interhandel, A. G., called by the Spiess group, was held here on Thursday to protest management actions.

Four hundred and two stockholders, all Swiss, representing about 25 per cent of the common stock, attended. Before the meeting, Interhandel shares were quoted on the stock exchange at 1615; since then they have risen to 1645.

The chief purpose of the meeting was to protest against the delay in obtaining the release of the General Aniline and Film Corporation, New York, from the United States Office of Alien Property. General Aniline had been seized by the United States during the war as German-owned.

The recent German-American negotiations in Washington, the outcome of conversations last year between President Eisenhower and German Chancellor Konrad Adenauer, ended in agreement to release all privately owned German property not exceeding $10,000 in each case.

Board Relies on Litigation

This success is attributed in Switzerland to the fact that the negotiations took place at the top level, whereas the board of directors of Interhandel has until now relied solely on litigation against the American Government and has achieved nothing.

The Interhandel common stock owners demand a change of strategy, but they are powerless to bring this about.

Interhandel is a holding company whose capital consists of 193,416 ordinary shares of the nominal value of 500 francs each, fully paid up, and 100,000 6 per cent cumulative preference shares of the nominal value of 100 francs each, paid up to 20 per cent. Each ordinary share and each preference share carries one vote.

All preference shares are held by members of the board. The result is that the holders of common shares who have contributed 95 per cent of the capital, are far outvoted by the directors, who have contributed only 5 per cent.

By Swiss law the common stockholders in this case have no power to call the board to account for its actions. The stockholders, therefore, believe their only hope is to put the board under the pressure of public opinion.

'Confidence Shattered'

The following resolution was passed on Thursday:

"The meeting of stockholders of Interhandel views with dismay and extraordinary concern the grievous state of affairs in the board of administration and management of the company. The confidence of the stockholders in the present management is shattered.

"For the restoration of sound conditions, the stockholders meeting therefore makes the following demands of the next general stockholders' meeting:

"1. Immediate dismissal of Director Germann and recall of the compromised board members and supervisors.

"2. Appointment of at least two directors independent of the administration to represent the stockholders on the board.

"3. Investigation of the business management up till now by neutral experts approved by the stockholders, for the purpose of ascertaining the extent of the losses and of fixing the responsibility.

"4. Restriction of the voting power of the holders of preference shares in order that the voting power of the holders of common stock will be commensurate with their capital participation.

"5. Creation of a mixed commission of negotiation, semi-state semi-private, in which the holders of common stock are adequately represented."

But unless the board grants these demands voluntarily, the stockholders will remain powerless.

THE JOURNAL OF COMMERCE
Friday, April 1, 1955

Bills Ask Return Of Alien Assets

Washington Bureau

WASHINGTON, March 31. — Three identical bills calling for the return with interest of all German and Japanese property confiscated by the Government during the war have been introduced in Congress.

The bills, which were filed last Monday, would go further than the Administration's plan worked out in conjunction with German Government representatives to limit the return of seized property to $10,000 for each individual with no return to corporations.

Authors of the bills are Reps. Thomas E. Morgan (Dem., Pa.), John L. Pilcher (Dem., Ga.) and L. Mendel Rivers (Dem., S. C.).

The bills have been referred to the Foreign Affairs Committee of which Reps. Morgan and Pilcher are members. This practice differs from the practice followed in the last Congress when similar bills were referred to the Interstate and Foreign Commerce Committee.

DEPARTMENT OF STATE

FOR THE PRESS

MARCH 3, 1955 NO. 122

CAUTION - FUTURE RELEASE

FOR RELEASE AT 10:00 P.M., E.S.T., THURSDAY, MARCH 3, 1955.
NOT TO BE PREVIOUSLY PUBLISHED, QUOTED FROM, OR USED IN ANY WAY.

The conversations between representatives of the Governments of the Federal Republic of Germany and the United States on the question of vested German assets in the United States and the related problem of American war claims against Germany which commenced in Washington on February 10, 1955 were concluded today. These exploratory conversations were envisaged by the joint statement issued by President Eisenhower and Chancellor Adenauer during the latter's visit to Washington last October. (See Department's Press Release No. 79 of February 10, 1955.)

The object of the discussions was not to arrive at bilateral agreements with binding effect for both sides but to exchange views on a solution of the complicated problem of vested German property and American claims arising out of World War II.

During the course of these conversations the problems confronting each government with regard to the questions under consideration were fully explored and a better understanding was reached by the representatives of each Government of the difficulties faced by the other.

The United States Delegation informed the German Delegation that the following proposal will be submitted to the Congress for legislative consideration:

German assets vested in consequence of World War II, or the proceeds of their liquidation, are to be returned as a matter of grace to natural persons up to a limit of $10,000 per owner less costs of administration. This includes persons whose assets exceed $10,000. Furthermore, copyrights and trademarks are to be returned irrespective of their value subject to existing licenses. It is also proposed to return cultural property. It was indicated that arrangements will also be made to make the program available to residents of East Germany upon the reunification of Germany. The program will relieve in large measure the hardships that have arisen since it is estimated that 90 percent of the owners whose property was vested will receive full return.

The

The United States Delegation stated that proposals will also be submitted to the Congress for the settlement of war claims held by United States nationals against Germany up to about $10,000. This program would be financed by the use of $100,000,000 -- from the payments to be made by the Federal Republic on its debt to the United States on account of post-war economic assistance. This represents the estimated amount of German vested assets used in the past for the payment of war claims not attributable to Germany. This program is being proposed in view of Article 5 of the London Debt Agreement of February 27, 1953 which makes it impossible for the Federal Republic of Germany to consider war claims until final settlement is possible under that Agreement.

The German Delegation expressed the desire for a broader solution of the property problem but appreciated the United States plan which they consider, in the light of prevailing circumstances, to be a constructive step in the solution of the property problem.

The United States Delegation acknowledged the German desire for a wider solution of the property problem but stated that, while the future cannot be predicted, a broader plan is not envisaged by the Administration.

Mr. Walworth Barbour, Deputy Assistant Secretary of State for European Affairs, who headed the United States Delegation, and Herr Hermann J. Abs, special representative of Chancellor Adenauer, the head of the German Delegation, stated that a spirit of mutual understanding had prevailed throughout the discussions.

* * *

State--FD, Wash., D.C.

gaf

GENERAL ANILINE & FILM CORPORATION

230 PARK AVENUE, NEW YORK 17, N.Y. • MURRAY HILL 9-4100

April 6, 1955

Mr. Drew Pearson
1313 29th St., N.W.
(Georgetown Section)
Washington, D.C.

Dear Mr. Pearson:

I thoroughly enjoyed the meeting with you yesterday and I hope that some assistance was given Mr. Neal on the film.

Attached is a copy of the New York Times story of Monday of this week in the event that you did not locate one. The story refers to the Speiss group. This is a Dr. Arnold Speiss of Zurich and a leader of the common shareholders group. Last October there was quite a commotion at the Interhandel annual stockholders meeting over the funds expended in this country on the all-out efforts by Interhandel to obtain General Aniline. The Zurich press took the side of the objecting common shareholders and there was quite a campaign in the Zurich press against Walter Germann.

In as brief a capsule form as possible I will try and outline for you the correct facts on the present status of legislation in this 84th Congress as regards the return of alien properties to former enemy owners or the sale of such a seized property as General Aniline & Film Corporation (GAF).

On the legal side Interhandel appealed its case to the District Court of Appeals there in Washington and while the appeal was heard some months ago, the decision is still awaited. If turned down, Interhandel will appeal to the Supreme Court and if they should lose there they would unquestionably take the case on to the International Court of Arbitration. That's the legal side between Interhandel and the U. S. Government. Interhandel still fails to produce re-

quired documents proving its rightful ownership. At least according to Judge Laws who gave the turn-down decision.

Now as to the legislative action in this Congress. Senator Dirksen has had his "return property" bill reintroduced in this session. It was introduced by Senator Kilgore, chairman of the Senate Judiciary Committee to which all alien property legislation is referred in the Senate. With Senator Kilgore introducing the "return property" bill, the press following this story over-all was somewhat taken back. Taken back because of remembering Senator Kilgore's former Kilgore alien property committee and the fact the records show how strongly he was against return. Senator Kilgore's office said for publication that the Senator did not agree with all sections of the bill himself and that he introduced the bill to "just get things started."

Next, Senator Clements introduced a bill which is an amendment to 9A of the Trading With the Enemy Act. This bill is similar almost to the word of the Smith-Hendrickson 9A amendment bill of the 83rd Congress which is favored by the present Attorney General and the Attorney General before him. Likewise the last three directors of the Office of Alien Property. This Bill would give the President the right to sell GAF at public auction but only to a qualified American bidder. The proceeds to go into the Treasury and any claimant to be paid in cash compensation if he or it can prove its rightful ownership through the U. S. Courts. This bill would be favored by the Attorney General, GAF's management, its minority stockholders, its unions and resolutions passed by the national conventions of the American Legion, and Veterans of Foreign Wars show this bill to fit their feelings in the matter so that compensation can be given through the War Claims Act to the U. S. prisoners of War, etc.

The next legislative action was the four Joint Resolutions I informed you of yesterday. They are all duplicates and call for cash compensation to former owners of alien property. These joint resolutions were introduced by four Democrats, namely Cong. Thomas E. Morgan (Pa.), John L. Pilcher (Ga), L. Mendel Rivers

GENERAL ANILINE & FILM CORPORATION

TO Mr. Drew Pearson DATE 4/6/55 NO. 3

(S.C.), put in on March 28th, and another duplicate introduced by Rep. Brooks Hays (Ark.), on March 30th. The unusual and new approach on this legislation was that it for the first time was referred to the House Foreign Affairs Committee instead of the House Interstate and Foreign Commerce Committee which handles all House alien property legislation.

In the meantime, the State and Justice Departments agreed upon a $10,000 limited return to take care of the hardship cases and help West Germany and Japan in its economy. So official discussions were held recently in Washington between the State Department and an official West German delegation. They lasted 3 weeks. Copy of the one news release by the State Department on conclusion of the talks is attached.

Then, along the same lines, the State Department opened talks with an official Japanese delegation from the Embassy in Washington. These talks are slated to conclude sometime this week or the first of next, so I understand. Again, State informs it plans to return up to $10,000.

No corporations or specific claims were discussed in either of these talks. That seemed to have been an understanding to begin with.

The story is now, and it is unquestionably true, that after the Japanese talks conclude and Congress reconvenes, an Administration backed measure will be sent simultaneously to the Senate and House on the $10,000 limit return. Such a measure would, of course, be referred to the proper committee, Senate Judiciary and House Interstate.

And in turn, all of this legislation I have mentioned herein, with the exception of the four House Joint resolutions, is now with the respective Senate and House subcommittees--Cong. Klein (N.Y.) chairmans the Interstate subcommittee and Senator Olin Johnston (S.C.) the Senate Judiciary subcommittee. Likewise, the Administration measure would go to these subcommittees.

That is the legislative picture at the moment and up to date.

If there is anything further I can be of assistance on just let me know.

Very sincerely yours,

Ted A. Ramsay

Ted A. Ramsay
Director of Public Relations

235 Trenor Drive
New Rochelle, N. Y.
May 13, 1958

Mr. Drew Pearson
Washington, D.C.

Re: General Dyestuff Corporation (GDC)

Dear Sir:-

Your syndicated column "Washington Merry-go-round" does not appear in either of the New York newspapers I read, but recently my daughter sent me your article which appeared in the Philadelphia Enquirer under date 3/29/58.

I do not know the source of the information on which you based your article to the effect that the two daughters of Mr. E. K. Halbach (President of GDC from 1930 until GDC and the outstanding shares were vested by the Office of Alien Property under vesting order #33) were "trying to dip into taxpayers' funds for another $1,511,450." for the 4,725 shares they inherited under Mr. Halbach's irrevocable trust fund. However, it is very apparent that you have been victimized by your source of information who have insulted your intelligence and assailed your reputation for integrity and honest reporting.

Until my retirement, due to poor health on 12/31/52, I had been Vice-President of GDC since April 1938 and was re-elected every year including the years 1942 to 1952 by the government-appointed Board of Directors. I mention this only to indicate that I know the full facts relating to the affairs of GDC.

To begin with, GDC was incorporated in 1926 with an authorized capitalization of 10,000 shares with a par value of $100. per share. The outstanding shares were owned by eleven American citizens consisting of eight native born, one born in England and two born in Germany. One of the latter came to this country at the age of 2 years.

At the time of vesting on June 30, 1942, Mr. Halbach owned 4725 shares and I held 400 shares, and the other stockholders are identified on vesting order #33, totalling 8,678 shares outstanding. I wish to emphasize that GDC had been the pioneer

and most profitable company in the American Dyestuff industry as indicated by the fact that their sales in the year 1944 amounted to over 31% of the total industry sales on the basis of data issued by the U.S. Tariff Comm. Hence it is not surprising that the regular management under Mr. Halbach had built up a surplus over the years amounting to some $700. - $800. per share outstanding.

Please especially note that in order to perpetuate our company policy of promoting from the ranks and to prevent any of our shares falling into the hands of competitors we had drawn up a stockholders agreement stipulating that when leaving the employ of GDC for any reason the employee must first offer his shareholdings to the treasurer of GDC at $100. per share plus dividends at the rate of $6. per annum.

Shortly after GDC and its outstanding shares were confiscated on June 30, 1942 the employee shareholders started legal action for the return of our property but we were consistently refused our day in court. Finally in July 1945 the Dept. of Justice offered the shareholders employed by GDC $118. per share which you will note is the identical figure called for in our stockholders agreement. We had no alternative other than to accept this figure because the Justice Dept. could have tripped the conditions of our stockholders agreement by discharging us one day and rehiring the following day. Any fair-minded person would recognize that as the worst kind of duress inasmuch as the alternative was to refuse $118. per share and lose your job or retain your job and still get $118. per share.

However, on the day following the agreement the news release from the Justice Dept. stated that the actual value as computed by the government was $540. per share.

I have gone into considerable detail in order to emphasize that not a single penny of taxpayers' money is involved in Senate Joint Resolution #158 dated 2/26/58. For your further information, I enclose herewith mimeographed copies of:

1) - My letter of 1/13/58 addressed to the White House for the personal attention of Pres. Eisenhower but which was screened for reply by the Office of Alien Property Custodian

(2)- OAP letter to me under date of 1/30/58

3) - My letter to the OAP under date of May 13, 1958.

From these you can derive further details to contradict the misinformation fed to you as the basis of your article of Mar. 29. Particularly note that on 11/5/53 Mr. Jack Frye, government-appointed President of both GAF and GDC stated "the current net worth of GDC is approximately $8,750,000. consisting namely of cash, government securities and inventory. It, however, had other assets of considerable value to GAF". On the basis of 9,678 outstanding GDC shares each share had a value of approximately $1,008. per share. Therefore, it is apparent that the additional payments requested by the daughters of Mr. E. K. Halbach are extremely modest.

As a journalist and reporter you are operating under the protection of the law granting "Freedom of the Press" and I am hopeful that your reputation for disseminating only unbiased truth will lead you to challenge the source of information for your article of March 29 and above all to impress you that not a single penny of taxpayers money is requested. The only taxpayers involved are the shareholders of GDC who are asking to be paid from funds out of their own pockets and then having these receipts subject to heavy income taxes.

Hence, in order to perpetuate the sanctity of the "Freedom of the Press" you should be working with those unbiased gentlemen whose only interest in the case is to uphold the honor and the dignity of the American concept of justice as dispensed to its own American citizens.

Yours very truly,

P.S. It is extremely important in judging this case to bear in mind that Mr. E. K. Halbach was indicted in 1942 under the "Trading With The Enemy Act". It took the government 10 years before he was brought to trial by a jury before Federal Judge

Thomas F. Murphy and on 1/26/52 the jury returned a verdict of "NOT GUILTY". Inasmuch as Mr. Halbach was the principal officer and also the largest and controlling stockholder it should be concluded that the entire case against GDC had collapsed; and that the outstanding shares of Mr. Halbach and the other employee-stockholders should have been paid up the full value from the surplus funds accumulated over the years in the treasury of GDC, without in any way taking a penny of the taxpayers money.

(R.v.Lenz)

File #9-21-658 Copy

Att'n. of Mr. George B. Searls

235 Trenor Drive

New Rochelle, N. Y.

May 13, 1958

Office of Alien Property

Department of Justice

Washington 25, D.C.

Re: General Dyestuff Corporation (GDC)

Dear Sirs:-

I acknowledge receipt of your letter dated 1/30/58 and regret to note it largely repeats the legalistic jargon employed by your department in the past but studiously avoids any attempt to answer the several questions raised in my registered letter of 1/13/58, addressed to the personal and private attention of the President of the U.S.A. - General D. D. Eisenhower. I still feel I am entitled to unbiased answers to the following:

1) On what legal grounds were the General Dyestuff Corporation (GDC)and its outstanding shares (specifically including my 400 shares) confiscated by the A.P.C. (Mr. Leo T. Crowley) of the U. S. Treasury Dept. and later transferred to the Office of Alien Property of the Dept. of Justice?

2) If the Justice Dept. had any evidence of alien ownership or options why did the A.P.C. unblock in 1942 the $10. per share dividend which they had blocked on Dec. 31, 1941 and then subsequently (on June 30, 1942) confiscate all outstanding shares of G.D.C. under vesting order #33?

3) If the Treasury Dept. or the Justice Dept. had the slightest evidence of foreign ownership, directly or indirectly, why did the Justice Dept. enter into a settlement agreement of $118. per share, which by strange coincidence was the exact figure called for under the G.D.C. stockholders agreement of $100. per share plus $6. dividend per annum (for the 3 years 1942 to 1945) upon leaving the employ of G.D.C. This clearly shows that the shareholders employed by G.D.C. were forced to accept $118. per share under duress; which seems to be further

confirmed by the fact that you granted Mrs. St. George $365. per share simply because Dr. St. George had not been an employee of G.D.C. and therefore neither he or his estate was under duress.

Commenting briefly on the statements made in your letter of 1/30/58 let me emphasize that the $118. per share that I and the other employee stockholders received was not "paid by the government" but factually was paid from a special dividend declared specifically for this purpose by the government-appointed Board of Directors from the surplus accumulated over the years in the GDC treasury.

Furthermore, it is inaccurate and misleading for you to state that I enjoyed the use and the benefit of these funds "for 13 years without protest or criticism of the settlement agreement" inasmuch as you surely are aware that the various actions taken by Mr. E. K. Halbach was in behalf of all employee stockholders acting as a group, and the costs allocated in proportion to the number of shares held by each.

You failed to mention that in the press release on the day following the settlement agreement your department declared that the actual value was $540. per share.

You also avoided all reference to the fact that at the time of merging GDC with GAF in 1953 Mr. Jack Frye stated that "the current net worth of GDC was approximately $8,750,000. consisting mainly of cash, government securites and inventory, without taking into consideration other assets of considerable value to GAF."

The irony of this transaction is the fact that GAF did not spend a single penny but simply issued 65,085 shares of GAF common A shares for 100% of GDC stock, although GAF already was in the hands of the Office of Alien Property. This is a clear case of confiscation.

Apropos your comment about the elapsed time before I took personal and individual action for redress (my letter of 1/13/58) I am reminded that whereas Mr.

E. K. Halbach was indicted under the "Trading With The Enemy Act" in 1942 it took the government 10 years before he was brought to trial. In August 1950, Mr. Halbach retired from GDC and in 1951 caused to be filed in the name of his two daughters a motion to reopen our original suit under which the settlement of $118. had been made under duress.

Immediately following the filing of this motion the old 1942 indictment against Mr. Halbach was dug out of your archives and docketed for trial. A jury trial before Federal Judge Thomas F. Murphy was started in January 1952, and on 1/26/52 the jury returned a verdict of "Not Guilty".

It also should be noted that my letter of Jan. 13, 1958 was addressed to the White House for the personal attention of Pres. Eisenhower but some screening group sent it to your department for reply. I still believe my letter should be sent to Gen. Eisenhower or to one of his nearest official advisers inasmuch as the American conception of justice is involved. Is there no one in this administration's official family big enough or politically brave enough to state the Treasury Dept. made a mistake and that the government is prepared to make equitable amends?

I am not asking the OAP, the Justice Dept., or any government agency to eat crow but I do humbly beseech all divisions of the Justice Dept. not to oppose any legislation proposed by the Congress or by the Administration for the purpose of allowing payment of the full value of the confiscated shares of GDC, without taking a single penny of American taxpayers money. A fair basis would seem to be the minimum assets of $8,750,000. mentioned by Mr. Jack Frye, divided by the number of outstanding shares - 8678 - or approximately $1,008.00 per share.

Yours very truly,

COPY

In Reply, Please Refer
To File Number

9-21-658
GBS:PEM:is

DEPARTMENT OF JUSTICE

Office of Alien Property

Washington 25, D.C.

January 30, 1958

Mr. Rudolph v. Lenz
235 Trenor Drive
New Rochelle, N.Y.

Re: General Dyestuff Corporation (GDC)

Dear Mr. Lenz:

Your letter addressed to President Dwight D. Eisenhower has been referred to this Office for reply. I note that you complain of the "unethical if not illegal actions" by the Treasury Department and by the Department of Justice in connection with the vesting in 1942 of your stock in General Dyestuff Corporation and you appeal for payment of the full value of the stock.

A review of the file on your case discloses no basis whatsoever for your allegations of impropriety or illegality. Contrary to your statements that you and other GDC stockholders "were persistently refused their day in court" and that the "federal courts have consistently refused to allow our case to come to court under the guise that we had signed a release in 1945", I find that you had ample opportunity to have the legality of the vesting ruled upon by the federal courts. An action for recovery of the stock was commenced on your behalf in March 1944 in the United States District Court for the Southern District of New York, by Stoddard M. Stevens, Esq., of the law firm of Sullivan & Cromwell. Before the case came on for trial, you and other GDC stockholders who were also represented by Mr. Stevens, including the late Ernest K. Halbach, voluntarily entered into a settlement agreement with the Alien Property Custodian. Pursuant to the agreement, signed by you on January 25, 1945, the Government paid you $118.00 per share, the option price at which you purchased your 400 shares of GDC stock, and your counsel, in turn, stipulated to the dismissal of your suit with prejudice. That you agreed to the settlement, as you now state, "under the hysteria of war atmosphere" and with the intention of taking "further legal action after the war hysteria had subsided" in no wise detracts from the voluntary character of your decision to settle your claim.

You are aware, I am sure, that Mr. Halbach tried unsuccessfully in 1951 to abrogate a similar settlement and to vacate the dismissal of his suit. Halbach v. Markham, 106 Fed. Supp. 475 (D.N.J., 1951), affirmed 207 F. 2d 503, certiorari denied 347 U.S. 933. Judge McLaughlin's findings in his comprehensive opinion, denying Mr. Halbach's motion to set aside the settlement, apply with equal force, of course, to the facts of your case. In holding that Mr. Halbach had utterly failed to prove his allegation that the settlement releases were executed under duress, Judge McLaughlin found that Mr. Halbach had been represented by Mr. Stevens, described by the court as "outstanding independent counsel"; that the "protracted settlement negotiations" between Mr. Stevens and the Department of Justice, which culminated in the agreement to settle your case, as well as Mr. Halbach's, had been "conducted at arm's-length"; that it was evident from the testimony of Mr. Stevens, who was subpoenaed by the Government, that "there was no duress exercised on behalf of the Government to bring about the settlement"; and that the attorneys of the Department of Justice who handled the GDC cases conducted themselves "with propriety". Judge McLaughlin's remark that "second guessing, subsequent events, hope of further gain, expediency" afford no grounds for setting aside a settlement arrived at by the deliberate and voluntary act of the parties seems particularly appropriate here since for thirteen years, without protest or criticism of the settlement agreement, you have enjoyed the use and benefit of the $47,200 paid to you by the Government in compromising your claim. In short, you made a deliberate choice to accept a satisfactory settlement, and it cannot now be avoided.

Under the circumstances, I cannot accede to your request for payment of the full value of your stock.

Very truly yours,

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

By GEORGE B. SEARLS
George B. Searls
Chief, Litigation Section

Typed Copy

235 Trenor Drive

New Rochelle, New York

January 14, 1958

President Dwight D. Eisenhower

The White House

Washington, D.C.

Re: General Dyestuff Corp. (GDC)

Dear Mr. President:

I respectfully refer to the White House news release of 7/31/57 which states that for some time the Administration has been deeply concerned over the unresolved problems relating to the vesting, the liquidation and the disposition of enemy assets seized as a result of World War II. It then goes on to state that "in order to reflect the historic American policy of maintaining the sanctity of private property even in war time, the Administration intends as a matter of priority to submit to the Congress, early in the coming session, a supplementary plan which "would provide for the payment in full of all legitimate war claims of Americans against Germany and would permit, as an act of grace, an equitable monetary return to former owners of vested assets"; and that "subject to the applicable provisions of law, the present program of liquidating vested assets will be completed at the earliest possible time."

Please especially note that no reference or provisions are mentioned in regards to vested properties owned 100% by American citizens!

I refer specifically to the case of the General Dyestuff Corp. (GDC) whose main office is located at 435 Hudson Street, New York City.

This company is not to be confused with the General Aniline and Film Corp. (GAF) whose main office is located at 230 Park Avenue, New York City.

The background of GDC is as follows:

1) It was incorporated in 1925 with a capitalization of $1,000,000. in the form of 10,000 shares with a par value of $100.00 each.

2) This low capitalization was ample inasmuch as GDC required no manufacturing facilities of any kind and it functioned solely as a sales distribution organization of experts trained in the application and servicing of dyestuffs, pigments and chemicals to a wide range of consuming trades such as Textiles, Paper, Leather, Paints, etc. and maintained free laboratory service centers from coast to coast. Its principal source of supply was the General Aniline Works Division (GAW) of GAF under an exclusive contract whereby GDC received a flat sales commission. Inventories were supplied on consignment. GDC also purchased supplies from several domestic manufacturers such as du Pont, Allied Chem. Co. (National Aniline Div.), American Cyanamid Co. (Calco Chem. Co. Div.) etc. and imported several specialties from Holland, Germany and Switzerland. In turn GDC supplied domestic and Swiss competitors. At the time of the vesting of GDC its dollar sales consisted of approximately 90% from domestic sources and 10% from imported items.

The purpose of this letter is to call your attention to the indignities and unethical if not illegal actions suffered by American citizens at the hands of first the U.S. Treasury Dept. and later by the Dept. of Justice; and especially to appeal for payment in full to the stockholders of GDC before giving any consideration to the sale of GAF assets by the Office of Alien Property (U.S. Justice Dept.)

The outstanding stock totalling 8,678 shares was owned 100% by eleven (11) American citizens of whom eight (8) were born in the U.S.A., one (1) was born in England of English parents, and two were born in Germany but became naturalized Americans. One of the latter arrived in this country at the age of 2 years.

In spite of the unquestioned American ownership of all its outstanding

shares the GDC was vested on June 30, 1942 by issuance of "Vesting Order Number 33" and signed by the then Alien Property Custodian - Mr. Leo T. Crowley - under the guise that these shares were the property of Nationals of a Foreign country!!. It then goes on to state - "Such property or the proceeds thereof shall be held in a special account pending further determination of the Alien Property Custodian. This shall not be deemed to limit the powers of the Alien Property Custodian to return such property or the proceeds thereof, or to indicate that compensation will not be paid in lieu thereof, if and when it should be determined that such return or compensation should be made. Any person not a national of a foreign country designated in Executive Order No. 8389, as amended, claiming any interest in any or all of such property and/or any person asserting any claim as a result of this order may file with the Alien Property Custodian a notice of his claim, together with a request for a hearing thereon, on Form No. APC-I within one year from the date of this order, or within such further time as may be allowed by the Alien Property Custodian."

At the time GDC was vested in June 1942, the GDC management and directors assumed that the vesting was merely a matter of form inasmuch as we recognized that the GAW products were essential to the defense and war efforts of the U.S.A. Accordingly, we followed the procedures prescribed in the vesting order and after many delays we were informed through our lawyers that our pleas for release would not be considered by the Alien Property Custodian. Shortly thereafter GDC as well as GAF developed into a gravy train for political appointees who drew large salaries without in any way contributing to the constructive functioning of either company.

At this point it should be emphasized that under my direction GDC early in 1940 (some 2 years prior to vesting) was the first concern in our industry to refuse acceptance of purchase orders from our established customers for use

on civilian goods until we first supplied the needs of manufacturers who attested that such dyestuffs and chemicals were required for the production of goods identified by government agencies as "essential." Later, when the War Production (WPB) started to assign necessity ratings we required our customers to extend such ratings to us on their purchase orders and which we in turn extended to GAW.

At the same time I set up an arrangement whereby the GAW division of GAF was freed from the whims and caprices of our competitors in supplying them with the needed chemicals, intermediates, etc. This involved a somewhat complicated procedure but it got results.

Simply stated, we supplied GAW each month with our forecast of sales of some one thousand items for the ensuing 30 day and 120 day periods respectively. GAW then notified me and their purchasing agent of the identity and quantities of each chemical and/or intermediates they would require for each of the items. in our forecast of sales. That information was then translated into the pounds of each critical chemical and/or intermediate for which GAW required WPB allocation. In the meantime we set up a representative in Washington whose responsibility was to visit the various WPB allocators and present them with the GAW requirements together with the ratings of past sales and estimated ratings of new GAW production.

Each Monday morning a meeting was held in my office and attended only by our Washington representative, the GAW purchasing agent and myself. All mutual problems were discussed and a plan for action arrived at. Often this involved drastic revisions of sales forecasts, increased priority ratings, production schedules and revised instructions to our branch offices. A good example was the dyestuff "Indanthrene Khaki 2GA which had little or no sales for civilian work but mounted to some 1.6 million pounds <u>monthly</u> for military fabrics of various kinds.

Despite the dire forebodings of our customers and competitors at the start of the above policy in 1940 the wisdom of these arrangements was proven by the fact that in 1944 GDC dollar sales amounted to more than 31% of the total dyestuff industry, although we had over 40 competitors.

The foregoing should indicate that there was no need for the government to vest the shares of its eleven loyal American stockholders, except for political expediency.

Please particularly note that Mr. Leo T. Crowley has several times stated that he never would have signed vesting order #33 had he known the true facts in the case; also that Col. Louis A. Johnson (who later became Sec. of Defense) within three days after his appointment as president of GDC notified his Washington superiors he felt some mistake had been made inasmuch as he could find no traces of disloyalty or German connections.

Another unexplainable fact is that at the board meeting of the regular GDC directors on December 29, 1941 they had declared a cash dividend of $10.00 per share payable on December 31, 1941 on which date I owned 400 shares and was therefore entitled to a cash dividend of $4,000.00. However, this dividend was blocked by the Treasury Department and on December 31, 1941 this dividend was deposited for my account at the Irving Trust Co. with the provision it could not be withdrawn without permission of a Treasury Dept. supervisor and a specific license from the Treasury Department.

In due course, after meeting all the conditions laid down by the Treasury Department the $4,000.00 was unblocked and became available to me without any reservation in 1942.

Here again it should be noted that if the Treasury Department had had the slightest evidence of foreign ownership, directly or indirectly, they would not have released my blocked account. Nevertheless on June 30, 1942 all outstanding shares of the capital stock of GDC were seized, under vesting order #33 mentioned above.

It is also important to note it had been a firm policy of the GDC management to attract the best potential young executives by promotion from the ranks and for this reason we had set up a stock-holders agreement which provided that in the event a stockholder left the employ of the company by reason of death, discharge or retirement such stock must be returned to the treasurer of GDC on the basis of $100.00 per share plus 6% interest per annum. Such returned stock would then be offered to the younger and rising generation of executives who would then be free to declare stock and cash dividends commensurate with their achievements.

Reverting to 1941 it should be mentioned that the directors had been discussing the feasibility of increasing the authorized capitalization from the original 10,000 shares to 40/50,000 shares and thereby enable the successful management to declare substantial stock dividends valued at $100.00 per share. It is a matter of record that the assets of GDC in June 1942 amounted to some $800.00 per share.

The GDC stockholders resorted to every legal means available to them to obtain recognition but were persistently refused their day in court. After the Office of Alien Property had been transferred from the Treasury Department to the State Department, the latter took the position that our stock ownership was subject to options to the I. G. Farben without disclosing any proof of their claim. I can assure you from my own experience that I never entered into any agreement directly or indirectly other than the stockholders agreement mentioned above and that no mention was ever made of any options. As further proof that the government's claim had no credence is the fact that our president - Mr. Ernest K. Halbach - had put his GDC stock into an irrevocable trust fund in favor of his children

In 1945 this matter was in the hands of the law firm - Sullivan and Cromwell - (of which Mr. John Foster Dulles was a senior partner) and our account was handled by Mr. Stoddard Stevens who advised us in July 1945

that the office of Alien Property had offered a compromise based on our stockholders agreement whereby the Alien Property Custodian offered us $118.00 per share consisting of $100.00 par value plus 3 years interest at 6%. If we refused to accept this offer the APC could trip our stockholders agreement by discharging them from the company's employ. In other words the alternative was to accept the $118.00 and retain our position with the company or be discharged and still only receive $118. The stockholders felt that under the hysteria of war atmosphere and our devotion to the welfare of the company that we would accept $118. at that time and then take further legal action after the war hysteria had subsided.

We made several attempts but the Federal courts have consistently refused to allow our case to come to court under the guise that we had signed a release in 1945 and that our briefs did not warrant further consideration by the court. At this point it is interesting to note that one of the stockholders was Dr. A. V. St. George - a practising physician - in New York City who died several years ago. His widow refused to accept the $118. per share and the APC had no means of forcing her to do so inasmuch as her husband had not been an employee of GDC. However, several years later she finally turned over 750 shares of stock at $365.00. When we appealed to the Federal courts for at least equal consideration we were again turned down. The APC thereby held all outstanding stock of GDC and in 1953 they permitted GAF to acquire full ownership of GDC by the simple expedient of exchanging 65,085 shares of GAF common A shares of 100% of GDC stock. At the time of this transaction the GAF president - Mr. Jack Frye - addressed a letter to GAF stockholders and stated that "the current networth of GDC is approximately $8,750,000., consisting mainly of cash, government securities, and inventory. It however had other assets of considerable value to GAF including numerous

trademarks and trade names under which our products have been sold for many years."

The foregoing statement bears out my contention that at the time of vesting the outstanding 8,678 shares had a value of approximately $800.00 per share and "that in order to reflect the historic American policy of maintaining the sanctity of private property" the APC should remunerate the owners of the vested shares to the extent of an additional $700. per share plus $6.00 dividends for each of the 8 years since 1945. This could easily be paid by the APC from the $8,750,000 mentioned above in Mr. Jack Frye's letter.

Incidentally as further proof of the aims and purposes of the GDC management please note that our president - Mr. E. K. Halbach - was selected as a member of the WPB committee on dyestuffs and chemicals and I was selected as a member of the WPB committee on synthetic detergents; further that by letter of April 2, 1943 signed by Brig. Gen. R. R. Somers the GDC management was approved as members of the Army Ordnance Ass'n. I might add that from its inception I was in active Air Raid Warden.

I entered the employ of the predecessors of GDC in July 1914, after graduating from Dartmouth College in June 1914 with a B.S. degree, and remained in their employ for 38½ years when I retired on December 31, 1952, due to a chronic and severe case of pulmonary emphysema (similar in effects to asthma) complicated by cardiac and edema attacks.

After serving as technical salesman I became resident manager in Jan. 1920 of the Boston office covering the vital northern New England territory. In May 1930 I was transferred to the GDC New York office as Gen. Sales Manager. In March 1935 I became a Director on the GDC Board and the vice-president in April 1939. I might add that I was re-elected director each year until GDC was vested in 1942, whereas I was re-elected vice-president each year until I voluntarily retired on 12/31/52. Thus the government appointed directors were responsible for my re-election annually from 1942 to 1952 inclusive.

This fact should again highlight that the Office of Alien Property had no valid excuse for vesting all outstanding shares of GDC.

Another instance took place in 1948. General J. H. Hilldring introduced me to General Draper at the Pentagon, and they requested I go to Germany for the sole purpose of starting the spade and development work leading towards the importation of specialty dyestuffs for GDC and bulk intermediates for GAW. They were motivated by the fact that Gen. Draper and Gen. Lucius D. Clay were anxious to reduce the subsidies the U.S.A. was pouring into Germany by means of increasing the exports of German goods. This could not be effected until after the currency reform in mid 1948 whereby the German mark was reduced in value from 40 cents to 23.8 cents by the Allied Control Commission. This ultimately developed into substantial importations from Germany, especially after I again was sent abroad in 1949 and 1951.

I hope that all the foregoing will convince you that there was no valid reason for vesting the shares of the General Dyestuff Corp. and that the Office of Alien Property (Justice Department) be directed to compensate the stockholders at the rate of $800.00 per share plus $6.00 dividends per share for the intervening years, thereby attesting to the world your administration's adherence to the American sense of fair play and justice, rather than countenance any further example of man's inhumanity to man for political reasons.

In retrospect, it would appear that after having vested General Aniline and Film in March 1942 it suddenly dawned on the office of Alien Property Custodian that its most important division - General Aniline Works (GAW) - had no sales organization of its own nor any trademarked nomenclature for its products. Accordingly, three months later (June 30, 1942) they resorted to the simple expedient of vesting the General Dyestuff Corp. on some flimsy excuse not based on facts, as witness Mr. Leo T. Crowley's statement that he

would not have signed vesting order #33 if he had known the true facts in the case.

Ordinarily I would not direct this letter to your personal attention, in view of the tremendous load you already are carrying, but I have such great faith in your well-deserved reputation for honesty and integrity that I can hope you will direct this matter into such channels to the end that the loyal American stockholders of GDC will be compensated in full for the value of the shares vested in June 1942.

Respectfully yours,

August 30, 1957

Walter K. Frankel, M.D.
85 Manor Drive
Newark 6, New Jersey

Dear Dr. Frankel:

Mr. Pearson is out of the country for a few weeks on a combination""work-and-play" vacation. He will appreciate your having sent him the material on the "Auf-brau" and the "Old World Club."

We will call your letter to his attention immediately upon his return.

Sincerely yours,

(Mrs.) Patricia Olson
Secretary

SALE OF ANILINE APPEARS CERTAIN

NY Times 2/22/59

Way Is Paved for Settlement With Swiss Interests as I. G. Farben Bows Out

By RICHARD RUTTER

It's all over but the selling.

That appears to be the latest chapter in the case of General Aniline and Film Corporation, a stormy saga that goes back ten years. The Federal Government seized the company early in World War II on the grounds that it represented enemy assets. Since 1948, Interhandel, a Swiss holding company, had claimed to be the rightful owner. Washington disputed this, saying that I. G. Farben, the huge German industrial group, were the actual owners.

Last week, there were these developments:

¶I. G. Farben bowed out of the picture. This happened when the company decided not to appeal a Federal Court ruling that it had no legitimate claim.

¶Dallas Townsend, Assistant Attorney General, and director of the Office of Alien Property, said that negotiations with Interhandel — suspended temporarily — would be resumed shortly and that no difficulty was expected in reaching a settlement. He added that "great progress" has been made.

¶Wall Street heard reports that the stock might be publicly offered in April at a price of $200 to $210 a share.

¶It was learned that among the probable underwriters bidding for the right to handle the stock are Blyth & Co., Inc.; the First Boston Corporation; Kuhn, Loeb & Co.; Lehman Brothers and Glore, Forgan & Co.

¶One prominent Wall Street source said that Interhandel had agreed to accept 35 per cent of the proceeds of the stock sale.

Strong Bidders Seen

At least thirty groups, it is believed, will bid for the Aniline stock. Among these are said to be the Food Machinery and Chemical Corporation, Bell & Howell Company, Minnesota Mining and Manufacturing Corporation and the Sperry Rand Corporation.

Last November, Bache & Co., a large New York investment house, organized a syndicate to buy the Aniline stock. At that time, Bache said $84,000,000 would be a "fair price" for the corporation. The syndicate planned to divide up Aniline into three parts. The Ansco division, which makes film, cameras and photographic equipment, would be bought by the Paramount Pictures Corporation. The Dye and Chemical division would be sold to W. R. Grace, shipping and chemical company. Daystrom, Inc., mainly an electronics company, would receive Aniline's Ozalid division, maker of office ma-

Continued on Page 8, Column 5

File Alien Property

SALE OF ANILINE APPEARS CERTAIN

Continued From Page 1

chines and paper for reproduction services.

The Bache plan still holds. So, a royal scramble for the stock is shaping up.

It's easy to see why. Aniline's sales have risen from $67,800,000 in 1946 to $138,400,000 in 1957. Earnings over that period went from $3,600,000 to $5,400,000—from $4.35 a common share to $6.75. Estimated 1958 earnings are put at between $6.25 and $6.50 a share.

The company's capitalization, at latest report:

Long-term debt	$31,500,000
Common "A" stock, 590,698 shares	$14,869,650
Common "B" stock, 2,050,000 shares	$3,000,000
Capital and earned surplus	$99,036,158
Total	$148,405,808

The Government holds about 91 per cent of the common "A" shares and all of the common "B." When the stock sale materializes, about 25 per cent of it would be withheld to satisfy the claims of American and Swiss holders—claims the Government has recognized. So, about 375,000 Class "A" shares would be offered to the public and 160,000 kept off the market.

If the settlement with Interhandel goes through, as is expected, the Swiss holding company will get the receipts from some 80,000 shares.

In addition to its stated net worth, Aniline is understood to own about $100,000,000 worth of patents.

Bills recently have been introduced in Congress to permit the sale of the Government-seized shares. The Department of Justice has said its aim was to put the shares on the market as soon as possible and then to use a part of the proceeds to settle Interhandel's claim. Companion legislation to this effect is now before the House of Representatives and the Senate.

A bill is in preparation by the Department of Justice to the same effect.

The Trading with the Enemy Act restricts the Attorney General from selling assets of companies involved in litigation resulting from suits filed by former owners and claimants against the Government.

The total value of assets vested by the Government from World War II enemies, plus the increment in value since vesting, has been about $600,000,000. In carrying out its alien property program, the United States has liquidated all but about $111,250,000 of these assets. General Aniline remains, by far, the largest vested holding.

General Aniline has had a rather hectic history. After it was seized by the United States, many employes, including chemists, engineers and others with alleged German loyalties, were dismissed. There also was the fact that most of the company's research as well as patents had come from I. G. Farben. There was a complete loss of research facilities, as well as the lost of important technical personnel.

Aniline has suffered from operating under Government ownership. There has been the question of future ownership, low salaries in comparision with competitors, political implications behind major decisions, real or not. Equity financing has been impossible. But under the leadership of Maj. Gen. John Hildring (U. S. A., Ret.), elected chairman last November, progress on these issues has been made.

Smathers Tells of Fat Fees To Win Alien Property Return

Associated Press

Sen. George A. Smathers (D-Fla.) testified yesterday that "lobbyists and publicists" are being paid fat fees to try to obtain return of German and Japanese property.

Abs

He said he understands that "Dr. Herman J. Abs, former director of I. G. Farben and prominent financial figure during the Hitler regime, is the common denominator of this group."

Smathers testified before a Senate Judiciary Subcommittee considering various measures calling for return of property which this country seized from aliens at the start of World War II.

Smathers named two Washington law firms and a public relations firm he said has been retained by German interests at fees he said run into thousands of dollars.

He said he was pointing up the situation "not for the purpose of implying that any wrongs have been done up to the present time but to show that the pattern is one similar to that used in World War I."

He said that after World War I a German corporation sought "to try and bribe the Attorney General of the United States and the Alien Propery Custodian" in an effort to get back seized property.

Smathers said he obtained from the Justice Department statements filed from 1954 to date by three groups of Americans "hired solely and exclusively for the purpose of obtaining return legislation from the Congress."

He said these are the law firms of Ginsburg, Leventhal and Brown; Boykin and De Francis; and the public relations firm of Julius Klein and Associates.

Smathers said the statements show the Ginsburg firm was employed in December 1954 by a German group known as the "Society to Study Private Property Interests in Foreign Countries."

Smathers said the firm received a retainer fee of $25,000 plus a contingent fee based on the value of any property returned to members of the Society.

The Julius Klein public relations firm, Smathers said, reported it is working for the "Society for Promotion of the Protection of Foreign Investments" under a contract calling for $40,000 a year plus expenses.

Smathers said registration statements reflect that the Boykin firm represents three clients—the German Embassy; Mrs. Claire Hugo Stinnes, and Studiengesellschaft fur Trivatrichtliche Auslandsinteressen of Bremen, Germany.

He said fees received from these three clients "are no less

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Mr. Drew Pearson
with sincerest compliments

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DIE MEDIZINISCHE

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Wkly. Letter July 23/57

Brief aus New York

WALTER K. FRANKEL, M.D.

27. Februar 1956

In meinem letzten Brief, in dem ich über das Gesundheitsprogramm der Regierung berichtete, erwähnte ich die erstaunliche Tatsache, daß nur die American Medical Association es ablehnte, zu diesem Programm Stellung zu nehmen. Mehr als vier Wochen später erscheint nun die erste Verlautbarung darüber. Nach einem kurzen Bericht der UP — United Press — hat die Gesellschaft am 24. Februar eine Botschaft an den Präsidenten Eisenhower geschickt, in der sein Programm: „im allgemeinen ein gesunder Schritt zu einer Lösung der Probleme auf dem Gebiet der Volksgesundheit" genannt und fortdauernde Zusammenarbeit versprochen wird. Irgendwelche Kommentare im „Journal", dem großen Organ der Gesellschaft zu dem Gesundheitsprogramm habe ich noch nicht gesehen, sie werden aber in der „Medizinischen" ebenso schnell gelesen und in der ausgezeichneten Rubrik: „Aus dem Fachschrifttum" mitgeteilt, so daß ich mir weiteres darüber ersparen kann.

Wie vor etwa 275 Jahren das Heil Frankreichs und damit der Welt sozusagen von der Analfistel Ludwig XIV, des Sonnenkönigs, abhing, so scheint jetzt das Heil Amerikas und damit eines sehr großen Teils der Welt von dem Herzbefund des Präsidenten Eisenhower ab-

Für Literaturangaben:

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see p. 7 ff.

zuhängen, soweit er selbst diesen Befund bewertet, der am 14. Februar von seinem Ärzte-Konsilium, d. h. Dr. P. D. White, dem sich die anderen Ärzte mehr oder weniger überzeugt anschließen mußten, 4½ Monate nach einer sehr ernsten Koronarattacke als so günstig dargestellt wurde, daß der Präsident den Anstrengungen und Verantwortlichkeiten einer zweiten Präsidentschaft wohl gewachsen sei. Noch heute glaube ich, daß Eisenhower aus Verantwortlichkeitsgefühl eine zweite Kandidatur, die ja keineswegs eine Wiederwahl unbedingt sichert, ablehnen wird, aber die Ereignisse der letzten Woche machen es wohl möglich, daß seine politischen Freunde den Präsidenten gerade bei diesem Verantwortungsgefühl fassen und ihm als alten Militär von der Pflicht gegenüber Land und Partei sprechen. Zwar hat gestern sein Leibarzt, Dr. Snyder, Pressevertretern gesagt, daß natürlich ein zweiter Anfall nicht ausgeschlossen sei, der aber auch jeden anderen Kandidaten treffen könne. Das ist sicher richtig, aber wer eine Koronarthrombose gehabt hat, muß sein Leben danach einrichten; das hat Eisenhower ja in seiner ersten Pressekonferenz, über die ich berichtete, mit sehr nachdrücklichen Worten selbst gesagt, und nach der Dienstvorschrift für Ärzte der Civil Service Commission der Regierung — ich befinde mich in einer solchen Stellung — sind Personen mit solchen Herzbefunden nur unter besonderen Umständen und dann für nicht anstrengende Tätigkeit zur Anstellung anzunehmen. In wenigen Tagen wird die Welt wissen, wie sich der Präsident entschieden hat. Man tut aber so, als ob diese Entscheidung für eine Ewigkeit getroffen würde — immer vorausgesetzt, daß Eisenhower wieder gewählt wird — und nicht nur für höchstens vier Jahre, d. h. für die Zeit eines zweiten Terms. Und darum scheint mir die ganze Aufregung durchaus übertrieben. Aber sie hat eine außerordentliche Bedeutung für die amerikanische Wirtschaft, besonders für die Börse, die sozusagen im Rhythmus des präsidialen Herzschlages reagiert und sich darum seit dem 14. Februar in einer ausgesprochenen Aufwärtsbewegung befindet. Wohl noch nie ist ein solch riesiges Land wie die USA von einer ärztlichen Diagnose und Prognose in seinem politischen und wirtschaftlichen Leben so beeinflußt worden oder so interessiert an einem medi-

zinischen Befunde gewesen wie jetzt. So ist es nur natürlich, daß Dr. White zur Zeit der bekannteste Arzt in ganz Amerika ist; er sieht übrigens dem verstorbenen Herzspezialisten Franz M. Groedel aus Bad Nauheim, der in 14jähriger s e h r e r n s t e r Tätigkeit in New York doch nicht in der Lage war, dem Strophanthin einen nennenswerten Eingang in die amerikanische Herztherapie zu schaffen, ziemlich ähnlich. Whites frisch-fröhlichen Feststellungen über die Lebens- und Arbeitsaussichten überlebender Koronarkranker ließen einen hohen Beamten des Staatsdepartments vorschlagen — so berichtete der N. Y. Times Correspondent — den Doktor nach Moskau zu schicken, um dort festzustellen, wie viele Fünf-Jahrespläne Kamerad Nikita Chrutschow überleben könne, und der Gouverneur des Staates Maryland fährt jetzt morgens um das Regierungsgebäude auf einem Fahrrad, das ihm nach einem Vortrage Dr. Whites in Baltimore, der größten Stadt des Staates, geschenkt wurde, weil White „radfahren", dem er selbst huldigt, als besonders gesundheitsfördernd empfohlen hatte. Die Presse verfolgte auch mit großer Aufmerksamkeit Dr. Whites jüngst unternommene Expedition nach dem Südkalifornischen Großen Ozean, um dort das Elektrokardiogramm eines frei lebenden Walfisches aufzunehmen. Diese Expedition mußte erfolglos abgebrochen werden, weil Dr. White direkt zu der festgesetzten Konsultation über den Gesundheitszustand des Präsidenten nach Washington zurückfliegen mußte.

Herz ist auch weiter „Trumpf" in den Zeitungsberichten. Der Schriftleiter der „Times" für Wissenschaft, Waldemar Kaemffert, gab unlängst in seiner überaus lesenswerten Sonntags-Rubrik eine Übersicht über all die Maschinen, die in den letzten 30 Jahren erfunden und gebraucht wurden, um Operationen am oder im Herzen weniger gefährlich zu machen. Die neuesten Modelle kommen aus der Universität von Minnesota und Duke-Universität, wo mit Hilfe solcher Herz-Lungen-Maschinen Herzoperationen an Hunden bis zur Dauer von 2½ Stunden ausgeführt wurden. Kaempffert berichtete auch streng wissenschaftlich über die oben erwähnte Walfisch-Elektrokardiogramm-Expedition, und gestern gab er in einem

Artikel: „Pillen für Diabetiker?" einen Bericht über die Arbeiten französischer und deutscher Ärzte auf diesem Gebiet; er nannte die Ärzte F. Bertram, E. Benefeld und H. Otto, denen mit Sulfanilyl-n-butil urea solch bemerkenswerte Erniedrigung des Blutzuckers bei oraler Dosierung gelang und gab der Hoffnung Ausdruck, daß die Insulin-Spritze bald durch wirksame Pillen abgelöst würde.

Aus dem Jewish-Hospital, Brooklyn-New York, wird von einer Operation berichtet, bei der zur Vergrößerung des Blutzuflusses zu einem erkrankten Herzen der Pectoralis-maj.-Muskel mit der Herzwand vereinigt wird und so ein Blutstrom in die Herzwand außerhalb der Koronargefäße erreicht wird. Allerdings sind die Versuche noch im Stadium des Tierexperiments. Im Lenox-Hill-Hospital wird eine Reihe von allgemeinverständlichen medizinischen Vorlesungen für Laien mit einem Vortrag über „Herz- und Kreislaufkrankheiten" eröffnet. Lenox Hill ist das frühere „Deutsche Hospital" in New York, das sich eines besonders guten Rufes erfreute. Mein Lehrer, Professor Otto Witzel von der Düsseldorfer Akademie, sprach immer mit besonderer Anerkennung von diesem Krankenhaus und erzählte mit Stolz, daß einmal eine seiner sogenannten „Weißen Wochen" — längst vor meiner Zeit — zum Teil von Oskar Meyer, dem chirurgischen Direktor des New Yorker „Deutschen Hospitals" bestritten worden sei. Zur selben Zeit war der medizinische Direktor Dr. Einhorn, der bekannte Magen-Darm-Spezialist. Das Krankenhaus, das erst kürzlich durch einen sehr schönen modernen Flügel erweitert wurde, liegt unmittelbar an der hochfashionablen Park-Avenue, die aber in rapidem Tempo ihren Charakter als elegante Wohnstraße verliert und durch neuerbaute Hochhäuser, nachdem die alten abgerissen sind, zu einem Bureau-Zentrum wird. Warum gerade die sehr schöne Park-Avenue diesen Zwecken dienen muß, während andere große Straßen vernachlässigt bleiben, ist mir unerfindlich und sehr bedauerlich. Es gibt auch noch ein „French Hospital" in New York, und das bringt mich auf ein Buch: „A Paris Surgeon's Story", in dem Dr. Charles F. Bove über seine jahrelange Tätigkeit am „Amerikanischen Hospital" in Paris erzählt, in dem sehr viele bekannte

Persönlichkeiten, so Ernest Hemingway, General Pershing, der amerikanische Oberkommandierende im Kriege 1917/18, Ivar Kreuger kurz vor seinem Selbstmord, und Yvette Guilbert seine Patienten waren.

Fast zur selben Zeit erschien von einem anderen Chirurgen, Dr. Frank G. Slaughter, ein neues Buch, das sich wie die vorhergehenden wieder mit einem biblischen Thema in Form eines Romans beschäftigt. In der Buchbesprechung der New York Times wird es als sein bisher bestes biblisches Buch bezeichnet, in dem die Geschichte des Weibes von Jericho zur Grundlage des weitausgesponnenen Werkes dient, etwa wie in Thomas Manns „Joseph", und in dem neben Berichten über Kosmetika, Musik, Kochkunst, Möbel auch manches über Medizin im 12. Jahrhundert vor Christi Geburt geschildert ist. Von einem dritten jüngst erschienenen Buch ist einiges zu sagen. Der harmlose Titel: „The Scarch for Bridey Murphy", unter dem es von Morey Bernstein veröffentlicht worden ist, verrät nichts von Hypnose und Reinkarnation, die seinen Inhalt ausmachen. Wie der Buchbesprecher im „Time"-Magazine leicht ironisch erklärt, hat nun Bridey das Rätsel gelöst, das Hamlet solche Kopfschmerzen machte: „To be or not to be." Bridey, eine einfache Frau in Irland, starb 1864, aber 1952 und 1953 hatte sie die Freundlichkeit, „aus dem unentdeckten Lande" zurückzukommen und dem wohlsituierten Geschäftsmann, Amateur-Hypnotiseur Morey Bernstein zu erzählen, wie es einem nach dem Tode geht und wie es im Jenseits aussieht. Natürlich ist sie nicht die unveränderte Bridey, sondern jetzt die reinkarnierte Frau Ruth Simmons, die mit einem Autohändler in Pueblo, New Mexiko, verheiratet ist. Wenn Herr Bernstein sie in tiefe Trance versetzt hat, gibt sie auf Befragen genaue Auskunft über das Leben jenseits des Grabes. Besonders einleuchtend war die Antwort auf die überaus originelle Frage: Gibt es Tod durch Krankheit oder Greisenalter in der Astralwelt? Oder Gesetze und Regulationen? Ihre Antwort war „Nein." Das scheint mir die absolute Zuverlässigkeit der Frau Simmons eindeutig zu erweisen, denn wenn man mich dasselbe gefragt hätte, würde ich auch ohne Trance, vielleicht im Tran, ganz gewiß „Nein" gesagt haben. Etwas anders sieht es mit

der Frage nach der Existenz einer Astralwelt aus, von der die Parapsychologen doch bedingt überzeugt sind, auf deren letzten großen Kongreß Mrs. Francis Bolton, republikanisches Mitglied des Kongresses, eine ungemein aktive Dame, deren Sohn ebenfalls Kongreß-Mann ist, eine große Rolle gespielt hat. Bernsteins Buch ist in kurzer Zeit in 70 000 Exemplaren verkauft worden und weitere 100 000 kommen in den nächsten Tagen aus der Presse. Das Buch scheint berufen, den „Bestseller" des Geistlichen Dr. Vincenth Peale: „The Power of Positive Thinking", das seit 173 Wochen in ungeahnten Mengen verkauft wird, abzulösen. Schon vor zwei Jahren erschien in dem erstklassigen Harper's Magazine ein ironischer Artikel: „The Power of Negative Thinking", während ich selber nur zu „Scornful thinking" (zornigem Denken) aufgelegt war, nachdem ich versucht hatte, einige Kapitel durchzulesen. Da war Herr Coué aus Nancy noch ein tiefgründiger Philosoph, verglichen mit der Seichtheit dieses Machwerkes, das aber den Vorzug hat, daß man es aufschlagen kann, wo man will, überall ist es gleich langweilig und dumm. Und doch der größte Bucherfolg.

Warum ich über die beiden letzten Bücher so viel gesagt habe? Um überzuleiten zu etwas geradezu Ungeheuerlichem, das sich in Television abspielt. Ein Buch, wie die oben erwähnten, ist ein mehr oder weniger individuelles Verdummungsinstrument, und man muß doch eine gewisse geistige Anstrengung aufbringen, um es zu lesen. Dagegen ist Television in Darbietungen, wie der nachfolgend berichteten, das Massenverdummungsinstrument kat exochen. In einem sehr scharf stellungnehmenden, spaltenlangen Artikel berichtet der angesehene TV (Television) -Kritiker der N. Y. Times, Jack Gould, über die TV-Vorführungen des Rev. Oral Roberts, eines Konkurrenten von Billy Graham. Der Evangelist Roberts ist wöchentlich auf 400 !! TV-Stationen oder Radioübertragungen zu sehen und zu hören, für die er wöchentlich 20 000 Dollar Zeitmiete bezahlt. Sein Programm besteht aus 2 Teilen, erstens einer stürmischen Predigt und zweitens: „Wunderheilungen." Jawohl, Wunderheilungen über Television. Wer lacht da? Wem steigt nicht die Schamröte ins Gesicht, daß so etwas möglich, geduldet und erlaubt ist. Aber Bruder Roberts bezahlt

20 000 Dollar die Woche und dieses Geld strömt ihm zu von den Gläubigen. Wozu noch Ärzte? Man setzt sich vor den TV-Apparat, wartet auf Bruder Roberts, läßt sich von ihm televisieren und ist seine Schmerzen, Krankheiten und Leiden los. Aber Wunderheilungen über TV auf breiter ökonomischer Basis für Bruder Roberts und die betreffenden TV-Gesellschaften sind zulässig! Zu diesem Komplex sagt Gould: „Niemand wird bestreiten, daß der Glaube (faith) eine enorm vitale Rolle in der beschleunigten Heilung körperlicher Krankheiten spielen kann. Ebenso braucht nicht die Existenz von wunderbaren Heilungen in Frage gestellt zu werden, die offensichtlich nicht von der medizinischen Wissenschaft erklärt werden können. Aber es ist doch etwas ganz anderes, Wunder sich auf einer wöchentlichen Basis abspielen zu lassen und auf der TV-Scheibe ohne den leisesten Beweis die Dauerheilung von einer endlosen Vielheit von Leiden zu behaupten." Gould sagt weiter: „Daß aber ein Mann seine TV-Zuschauer auffordert, ihre Babies in Front der TV-Scheibe hochzuhalten, wenn er seine Hand nach der Kamera ausstreckt, mit der kristallklaren Absicht, daß dadurch das Baby von seinen körperlichen Leiden geheilt wird, kann kaum als ein konstruktiver Gebrauch eines Massen-Mediums angesehen werden." Und so geschehen im Jahre 1956 über das weitgespannte Netzwerk einer der modernsten Erfindungen, ohne die ein richtiger Amerikaner gar nicht mehr existieren kann.

Ich wollte noch einiges Interessante aus den medizinischen Berichten der Times mitteilen, da finde ich im Newark Star Ledger, einer Morgenzeitung meines Wohnortes, einen Artikel von größter Aktualität. Vielleicht interessiert den deutschen Leser gar nicht so sehr Eisenhowers Gesundheitszustand mit seinen Konsequenzen wie uns hier, oder warum ich soviel über Dr. White geschrieben habe, besonders in der Weise wie ich über ihn in meinem Brief der „Medizinischen" vom 11. Februar 1956 geschrieben habe. Wie recht ich aber meinem Urteil hatte, ergibt sich treffend aus dem folgenden. schon Ende Dezember, als ich den Brief schrieb, mit

Mr. Drew Pearson, dessen syndizierte Artikel täglich in einer großen Anzahl Zeitungen, meist streng republi-

kanischen, erscheinen, sagt heute: „Zwar ist es nicht angenehm, dem amerikanischen Volke unangenehme Wahrheiten zu sagen, aber im Interesse der Nation ist es nötig. Darum habe ich schon am 4. August 1953 mitgeteilt, daß Präsident Eisenhower ein Herzleiden hat, und daß es in den Kreisen der hohen Armeeoffiziere und nächsten Freunde wohl bekannt war, daß er an hohem Blutdruck leidet. Dies wurde zwar von (seinem Pressechef) Herrn Hagerty streng verneint, ist aber trotzdem wahr. Viele Ärzte, republikanische Ärzte, waren einfach sprachlos, daß Dr. White der Nation einen Bericht erstatten sollte, der so offensichtlich im Widerspruch zu feststehender medizinischer Erkenntnis und auch zu Whites eigenen früheren Ratschlägen steht." Pearson weist darauf hin, daß Dr. White in einem Artikel in den „Annals of Internal Medicine, Dec. 1951, p. 1291, in bezug auf Herzkranke sagt: „Eine der Regeln, die wir für die Behandlung seit vielen Jahren aufgestellt haben, ist die, daß solche Patienten nervliche Anstrengungen vermeiden müssen. Plötzlicher Tod kann verursacht werden auch von scheinbar geringen nervlichen oder emotionellen Anstrengungen." Dr. Samuel Levine, der bekannte Herzspezialist der Harvard-Universität widersprach öffentlich Dr. White, als White der Öffentlichkeit versicherte, daß Ike 5 bis 10 Jahre eines aktiven Lebens noch vor sich hätte. Levine sagte am Tage nach Whites Bericht in einer geschlossenen TV-Sendung vor 25 000 Ärzten: „Niemand kann zuverlässig die Lebensspanne eines individuellen Herzpatienten voraussagen." Auf die Frage, ob eine Herzattacke das Leben verkürze, erwiderte Levine scharf: „Jeder Mann weiß die Antwort: Sie tuts."

Daß hier einmal die volle Wahrheit öffentlich von einem angesehenen, wenn auch nicht gern gesehenen, aber weithin gehörten und gelesenen Zeitungsmann gesagt wurde, noch dazu in einer strikt republikanischen und Eisenhower sehr freundlich gesinnten Zeitung, ist mir eine unerwartete Bestätigung eigener Ansicht und Anschauung.

Walter K.Frankel,M.D. Res:85 Manor Dr,Newark 6,N.J.

Aug.23,1957

Mr.Drew Pearson
Washington Merry-Go- Round
Washington 7,D.C.

Dear Mr.Pearson:

Accept my thanks for your notice of Aug.22 and your interest to have more material about the activities of the "Aufbau" and the "New World Club".

But before going in more detail in regard to them I would point out that I in an article of mine published in Germany at May 5,1956 on p.7 have quoted you for a whole page.I don't know if you ever received this reprint which I undoubtedly have sent to you, which is enclosed herewith.

My whole controversy with "Aufbau" and "New World Club" derives from my fight against the repay of the confiscated nazi assets by the USA Government as it is now intended and of which you have made some days ago your comment which inaugurated my correspondence with you.
I think it would make it a bit easier for me to send you copies of my letters referring to this matter as far as I have them.
Some of them to Mr.Manfred George,Editor-i-C. of "Aufbau are unfortunately in german language but maybe you are able to read them,otherwise and if you consider them of especial value I would be very willing to translate them for your use.

How serious I am taking this matter you will see from the answer received by me today from the office of the Department of State in answer to a protest submitted some weeks ago to the President of USA,2 weeks ago I received a similar letter also signed by Mr.Harlan as an complaint submitted in this matter to the Assistant to the President,Mr.Adams.As I had to wait rather long time on his answer I send at July 2o my letter direct to the President.Exh.A.
I add copy of my letter to Gov.Adams of June 22 as Exh.B and copy of my letter to Chancellor Adenauer also of June 22 as Exh.C. On this letter I received answer from Bonn some days ago which I add as Exh.D.
You will be kind enough after having made the intended use of these letters to return them as all the others to me.
Now to a historical presentation of my fight with 'Aufbau' and 'New World Club:'
At Dec.6,1956 was that meeting in which the german Governments-Director Hess, the head of the Wiesbaden Indemnification Office was the mainspeaker, introduced by the chairman Alfred Prager as if he, Hess, were demigod.He was the guest of the New World Club which also paid for him his trip to USA from Wiesbaden and all his expenses during his stay in New York, perhaps USA, but that I don't know.
In overlong explanations with very dubious reasons Hess tried to defend the enormous delay of indemnification payments to jewish Nazi victims as far as they are still alive.Therefore I lost my patience and was crying with loud voice:Finish, Finish" to the consternation of the podium group and the apparent anger of Hess who flushed,But Prager immidiatly told the assembled mostly elderly jewish refugees who were believing that good and patient behaviour would accelerate their indemnification payments for which they were waiting often like me since 5 & 6 years,that the explanations of Hess were very important and he asked if they didn't think it worthwhile to hear him in politeness to which Prager found the acclaim of the audience.Therefore I left.
In the Aufbau appeared some days later,it is a weekly, a very enthusiastic report

about this Hess-meeting and the promising results of his personal contact with the members of the Jewish Refugee Community represented by the Board of the "New World Club".
I had written the day after the meeting a very sharp letter to 'Aufbau' and 'Club' and bluntly accused them that they were bribed by the german government or perhaps only by the german lobby represented by Abs, Julius Klein and James Finucane to use such meetings for mesmerizing any jewish refugee resistance against the repayment of the confiscated german-japanese assets, what could be happen as I had already done it by letters of me to a number of Senators.
Mr. George of the Aufbau and Mr. Prager of the New World Club answered immediatly, refusing strictly such suspicions of mine with relation to those meetings, Mr. Prager was especially positive in these refuses.
Than some weeks later appeared in the "Aufbau" ads recoomending the buy of the Hess speech of that Dec. 6 meeting which were now available in the Aufbau.
These praising ads of the Hess speech were repeated for 5-6 weeks.

Than suddenly was announced an other meeting of the Aufbau & the New World Club in which the question of sickness indemnification of jewish Nazi victims should be promoted.
As it became the devilish custom of all the meetings of the "New World Club" a free discussion of the heard speeches to make impossible with the arrangement: "questions will be answered" I protested that, but was informed that it were now the accepted rule as discussion-speakers often were far deviating.
The meeting in itself was simply an arrogant, badly veiled trick to do as if something were done, but to continue in the help of the german lobby for the repayment of the confiscated Nazi money.
I add the letter I wrote at March 1 to Mr. George-it is in German. Exh. E.
In an other letter I had characterized the attitude of the physician Riesenfeld, formerly a jewish physician in Berlin like me, now the German Consulate General physician to examine jewish refugee old men and women for their complaints of physical or mental disturbances as that af a Nazi doctor in the high time of Hitler and I told the Aufbau that the deliberations of this man Riesenfeld have been a shame and an offense and a fact that never should have been allowed in a jewish forum by a jewish doctor. I asked George to convey my sharpest condemnation to Riesenfeld and to call him a detestable renegate. On this I haven't received any answer.
But on my request as explained in Exh. E for an appeal in the paper to have "Kampfgemeinschaft" or to have that published on my expenses as an add. George answered me that for juridical reasons it could be done only after a meeting with the Board of Directors. And that was the end of it.
As Senator Jacob K. Javits belongs to the Board of Directors of the "Aufbau" I sent a letter to him and asked him to have a look in the pro-nazi activities of the Jewish weekly Aufbau and the Jewish "New World Club" probably for financial advantages given them by the Nazi lobby in Washington adequate to the attitude of that renegate jewish General Julius Klein so well known to Mr. Drew Pearson. I asked in the same letter Senator Javits to oppose the nazilobby action before Congress.
It is therefore very remarkable that of all Senators whom I have approached in this matter in the last 4 months and so long ago I wrote to Senator Javits he is the only one who haven't answered my letter. Sapienti sat!!!
Aug. 24: This morning was an other long letter in the N.Y.Times protesting the repay of confiscated german assets as my letter in the N.Y.Times of July 30.

At the end of April 1957 it was announced in the Aufbau that some weeks later under the leadership of the "New World Club" would take place a meeting with 3 or 4 prominent officials of the German Finance Ministry to discuss and improve the indemnification of the nazi persecuted jewish residents in USA etc. Admission free on required tickets. Some days later was announced that the request for tickets were such great one that the meeting had to be transferred from the usual meeting place the Community House in the 89.Str.27o W to an other place with much more space and it was finally found in the Grand Ballroom of Hotel - as I am writing just now in Picatinny Arsenal and have the other papers and letter in my residence in Newark perhaps there will be some differences of days in the dates, naturally not in the facts and if you don't have any access to Aufbau issues appering every Friday I have to look for them as far as I didn't keep them-
I contacted immediatly Mr.Alfred Prager and asked if I would be able to say something in the discussion, not only to get questions answered as announced, from his office I was informed that Mr.Prager who was named in the paper as the chairman of this first rank spectacle to show the Aufbau readers what all the Aufbau & the New World Club were doing in promoting the legal interests of their readers and members just left for Europe, probably to see the cousin of an aunt of his wife or some other important business, and that the answer of my letter would therefore be deferred. Until today I haven't got it.
Under these circumstances I sent back my two tickets and got all my informations from the publications and reports in the Aufbau, which expressed its regret that even with the Ballroom provided some thousand requests had to remain unfilled.
About the meeting itself with the german officials, it seems to me that one prominent one didn't participate, the reports were really enthusiastic and in the devote form of former Court reports and for the next 3 weeks the same german officials fiested in New York by the N.W.Club were fiested in other big cities by the representatives of the jewish refugee communitees. If all their expenses also were paid for them by the jewish organisations I don't know.
Anyhow I wrote the Aufbau that this whole maneuver were a shameless betray of the poor people waiting for the advancement of their indemnifications and established as a help for the repay of the confiscated german assets which to get this mission of German officials were sent as harbingers of the impending visit of Chancellor Adenauer with practically the same purpose.
And than lightning struck: At June 21 appeared a short notice in the Aufbau that the german Minister of Finance, the boss of the three men who 4 weeks ago were fieste so much by Aufbau & N.W.Club in a speech has said disquieting things and at June 28 appeared the article in the Aufbau to which I send the same evening the letter to the Aufbau the copy of which is enclosed herewith. I think it will give you a satisfying information. Naturally it wasn't answered by Mr.George.
But at the Aug.16 it was announced that now the Aufbau would publish a bi-weekly se section "Wiedergutmachung". Again I wrote George that now after he was stepped in a personal interview in Bonn with the Minister heavily on his foot he found an attitude requested and followed up by me since 1 year. I asked for a meeting in which I could be one of the mainspeakers. Naturally again no answer.
And that is the situation today.
I would be very thankful if you would make the most farreaching use of my material, you are entitled to use all names mentioned in this letter included my own in the unlimited way you think it useful and I am at any time for any more information in my knowledge etc. at your disposal.
Thanking again for your interest

Yours very truly

Walter K.Frankel,M.D.

Exh. H

Exh. F

I believe that the enclosures will give you a clear picture how Hufbau + Club worked for the Reparations

ADDRESS OFFICIAL COMMUNICATIONS TO
THE SECRETARY OF STATE
WASHINGTON 25, D. C.

DEPARTMENT OF STATE
WASHINGTON

Exh. A

August 22 1957

In reply refer to
GEA 262.1141 Frankel,
Walter K./7-2057

Dear Dr. Frankel:

Your letter of July 20, 1957 to the President concerning the return of vested German and Japanese assets to the former owners has been referred to the Department for reply.

The Department appreciates the receipt of your comments, and it has noted the views expressed in your letter.

Sincerely yours,
For the Secretary of State:

Robert H. Harlan

Robert H. Harlan
Office of German Affairs
Bureau of European Affairs

Walter K. Frankel, M.D.,
Medical Officer,
Picatinny Arsenal,
Dover, New Jersey.

Walter K.Frankel,M.D.
Medical Officer
Picatinny Arsenal
Dover,N.J.

June 22,1957

Exh. B.

Governor Sherman Adams
Assistant to the President
White House
Washington,D.C.

Governor:

Repeatedly I had the honour to contact you,today I take the liberty to submit to you a matter concerning myself.

I have been a victim of the Nazi-persecution in Germany from which I flew in 1939 to the Philippines and I became a victim of the Japanese atrocities in Manila P.I. as at February 12,1945 my wife was murdered lying at my breast and my house wantonly was destroyed with gasoline and handgrenades;at Nov.1.1945 I have been one of the mainwitnesses in the military trial against the japanese Commander-in-Chief General Yamashita who mainly on my testimony was convicted by the Military Tribunal and hanged at Febr.22,1946.

The recent visits of the german chancellor and the japanese prime-minister are revitalising endeavours to refund confiscated german and japanese assets;these efforts are conducted mostly by an organisation of which Mr.James Finucane is secretary and which is lobbying the U.S.Senate Committee in which is pending the bill of Senator Johnston to refund all these confiscated assets.

About one year ago Mr.Finucane in a letter to the New York Times has stated that the nazi-damaged jews of Germany had received a 100% refund of their financial losses by the government of the Federal German Republic.In a letter to Mr.Finucane I told him that either his information must be a very irreliable one or his statement an intentionally mis leading one as also the preamble of the Johnston bill is phrased in a way as if it were the intention of the bill to restore to American citizens suffered financial losses.Only recently an amendment to the Johnston bill by Senator Young would give such a limited repay to Americans who are citizens at the day when the bill should become law.
How misleading the statements of Mr.Finucane are becomes eveident from a report in the "Aufbau" of June 14,1957 which gives the official figures of the submitted,decided and not decided damage-claims in the Federal German Republic of nazipersecuted jews:Until March 31,1957 were submitted 1 835 535 applications of which only 618 718 applications were acted on.Of these cases only 329,461 were decided in a more or less favorable for the applicants i.e. a percentage of only 17.9 % whereas 229 107 cases were unfavorable resp.fully negative in its decision as if any one who has been persecuted by the nazi-criminals and murderers weren't fully entitled to a full repair of at least his financial and health-losses.But 1212 817 applications aren't still not acted on now.You will see from these figures how misleading have been Mr.Finucane s statements as made already 1 year ago.
I personally haven't received 1 ₰ neither from the german authorities to which I already in 1951 have submitted my claims and naturally not anything for my terrible mental personal and financial losses caused by the japanese atrocities.

Some weeks ago in his presseconference President Eisenhower asked about his attitude towards the refunding of confiscated german and japanese assets made a remark which was interpreted as if he were benevolent to the repayment of these assets to Japan and Germany and based on this the combined japanese-nazi-lobby is very hopeful especially as such a refund would be considered helpful for the german chancellor in his

forthcoming election which is at least very doubtful inits results as the opposition of the Social Democrats is a very strong one and the age of the chancellor an other factor against him which would make his immediate success a rather shortlimited one.
I believe that Dr.Adenauer is absolutely of bona fide with regard to the claims applications of former german and nazi-persecuted jews but there is for me now absolutely no doubt that the good intentions of the law regulating refunding of suffered health and financial damages mostly very severe and high are intentionally delayed,denied or dismembered by the widespread antisemitic tendencies prevalent in the lower german ranks of government officialdom.

I believe that also under the constitutionally consecrated laws and treaties of the United States of America with the defeated former Nazi Germany a refund of confiscated former nazi-german assets not less a japnese assets would not be legal as in the different treaties of peace etc. such later repayments to the defeated countries are especially denied and forbidden.

But if for changed political reasons such refunds should be considered as in the interest of the United States of America I strongly believe that even new Americans who have been damaged before by Japan and Nazi Germany so heavily should be included in the refund action as intended by the Young amendment of the Johnston bill.

I would be deeply thankful if you would give some consideration to these my outlines and would think them important enough to be enclosed in discussions of you with the President if this matter should come up for any presidential decision.

With the expression of my highest esteem

Respectfully yours

Walter K.Frankel,M.D.
Medical Officer

Wiedergutmachung

Die neueste Statistik

Noch 1,212,817 Anträge unbearbeitet

Von Kurt R. Grossmann

Die neuesten Zahlen über die Verwirklichung des Bundesentschädigungsgesetzes sind soeben veröffentlicht worden. Sie schliessen mit dem Datum des 31. März 1957 ab und geben im ganzen ein ermutigenderes, wenn auch keineswegs völlig befriedigendes Bild.

In der Gesamtübersicht stellen wir fest, dass bis zum 31. März 1957 1,835,535 Anträge bei den zehn Ländern, in denen Entschädigungsanträge bearbeitet werden, eingegangen sind und dass vom Beginn irgendeiner Entschädigungsgesetzgebung (Länder und dann Bund) 618,718 bearbeitet worden sind, so dass am 31. März 1957 1,212,817 Anträge noch unbearbeitet waren. Ausgedrückt in Prozenten sind also an diesem Stichtag 33.7% bearbeitet gewesen, davon günstig 17.9% (entsprechend 329,461 Anträgen), ungünstig 12.5% (entsprechend 229,107 Anträgen), und 3.3% (entsprechend 60,240 Anträgen) wurden zu anderweitiger Entscheidung an Gerichte oder andere Entschädigungsämter abgegeben. Die Totalleistung für Entschädigungszahlungen beträgt 2,740,-164,000 DM. Das bedeutet, wenn wir die positiv erledigten Fälle mit dieser Summe in Beziehung setzen, dass durchschnittlich per Fall 8318 DM ausgezahlt worden sind. Wie aus früheren Berechnungen hervorgeht, ist dies die ungefähre Ziffer, die immer wieder als Durchschnitt errechnet wurde.

Wenn wir die neuesten Ziffern weiterhin analysieren, so werden wir feststellen, dass zwar in den letzten drei Monaten 68,609 Fälle bearbeitet worden sind — eine Verbesserung um 18% gegenüber der Periode vom 1. Juli 1956 bis zum 31. Dezember 1956 — aber in derselben Periode hat sich die Anzahl der unbearbeiteten Fälle um 87,621 vermehrt, woraus hervorgeht, dass die Entschädigungsämter noch nicht in der Lage sind, die neuen Anträge zu absorbieren.

Was nun die Höhe der Auszahlung anbelangt, so ist ebenfalls in den letzten drei Monaten eine Besserung eingetreten. (Im ganzen wurden 354, 024,000 DM ausgezahlt.) Während der Quartalsdurchschnitt für Auszahlungen bis zum 31. Dezember 1956 127,000,-000 DM war, ist dieser nunmehr auf über 143,000,000 für die vergangenen 14 Quartale auf Grund der Mehrleistungen im letzten gestiegen.

In den letzten neun Monaten haben sämtliche Entschädigungsämter 12.% der von ihnen behandelten Fälle bearbeitet. Aber es ist interessant festzustellen, dass unter diesem Durchschnitt Bayern, Hamburg, Niedersachsen, Rheinland-Pfalz und West-Berlin geblieben sind. Im Vergleich zu den Ziffern vom 31. Dezember 1956 stellt sich die prozentuale Bearbeitung der vorhandenen Anträge in den einzelnen Entschädigungsämtern wie folgt dar:

Land	per 31. 12. 56 %	per 31. 3. 57 %
Baden-Württemberg	12	18
Bayern	7.9	11.3
Bremen	9	15
Hamburg	7.5	10.8
Hessen	18	24
Niedersachsen	3.9	6.8
Nordrhein-Westfalen	9.4	14.1
Rheinland-Pfalz	6.4	8
Schleswig-Holstein	15	22
West-Berlin	5	8.3

Zu den obigen Ziffern muss folgendes qualifizierend gesagt werden: erstens, die letzten Ziffern stellen eine Verbesserung dar. *Hessen* behält die Führung, trotzdem es in den drei Monaten mehr als 18,000 Neuanträge erhalten hat. *Berlin* hat mehr als 24,000 Neuanträge erhalten, aber *Schleswig-Holstein* z.B. nur knapp 2000. Den grössten Anteil von Neuanträgen hat *Rheinland-Pfalz* zu verzeichnen, wo über 41,000 Neuanträge eingegangen sind. Diese Ziffern beeinflussen natürlich den prozentualen Anteil, obwohl wir auch die Zahl und Qualifikation der Angestellten in den Aemtern in Betracht ziehen sollten, um ein vollkommen realistisches Bild zu erhalten.

Was die *Höhe der ausgezahlten Summen* anbelangt, so steht *Berlin* mit über 500 Millionen DM an der Spitze, gefolgt von *Nordrhein-Westfalen* mit über 403 Millionen DM, *Bayern* 294 Millionen, *Hessen* über 277 Millionen und *Rheinland-Pfalz* mit über 148 Millionen, dann *Niedersachsen* mit 128 Millionen, *Hamburg* nahezu 100 Millionen, *Baden-Württemberg* 107 Millionen, *Schleswig-Holstein* über 28 Millionen und *Bremen* nahezu 22 Millionen DM.

Das Entschädigungswerk soll bis zum 31. März 1963 abgeschlossen werden, und trotz einer Verbesserung in der Anzahl der erledigten Fälle beweisen auch die obigen Ziffern wieder, dass wir nicht mit dem Ende zu der angegebenen Zeit rechnen können, obwohl Hessen, Baden-Württemberg und auch Schleswig-Holstein möglicherweise in der Lage sein werden, den Termin einzuhalten.

Die Gründe für die Unmöglichkeit, das gesteckte Ziel zu erreichen, liegen darin, dass verschiedene Arbeitsmethoden angewendet werden, dass z.B. Gesundheitsschäden nur zu einem kleinen Teil bisher erledigt worden sind, und dass die grösste Gruppe, nämlich die der *Berufsschäden*, noch nicht einmal bis zu 50 Prozent entschieden worden ist. Wiewohl es notwendig ist, dass die Antragsteller die schnellere Abwicklung des Entschädigungswerkes dadurch unterstützen, dass sie nicht bis zum letzten Augenblick mit der Einreichung ihrer Anträge warten, kann natürlich die Masse der Anträge etwa nach dem Muster von Hessen nur dann bearbeitet werden, wenn man sich zu anderen Methoden entschliesst. Im anderen Falle würden trotz langsamen Fortschritts hunderttausende Entschädigungsberechtigte einfach nicht mehr herankommen.

I. G. Farben-Aufrufsgesetz verkündet

Im Zusammenhang mit dem *Wollheim-Vergleich* hatte, wie schon gemeldet, der Bundestag am 27. Mai ein Gesetz über den Aufruf der *Gläubiger* der I.G. Farben-Industrie A.G. aufgenommen, das alle Gläubiger verpflichtet, innerhalb von sechs Monaten zwischen der letzten Bekanntmachung der Aufforderung im "Bundesanzeiger" und dem in der Aufforderung für die Anmeldung bestimmten spätesten Zeitpunkt ihre Ansprüche anzumelden. Das Gesetz ist nunmehr im Bundesgesetzblatt Nr. 23 vom 31. Mai 1957 verkündet worden und damit in Kraft getreten. Auf die Bedeutung dieses Gesetzes für die früheren Zwangsarbeiter kommen wir demnächst noch zurück.

Bei Abwesenheit von *mindestens vier Wochen* senden wir Ihnen den "Aufbau" nach, wenn wir zwei Wochen vorher verständigt werden. Geben Sie auch Ihren ständigen Wohnsitz an. Druckschrift erbeten.

KEINE NACHSENDUNG UNTER VIER WOCHEN!

Bayrische Extratour — nicht aufgehoben

Vor einiger Zeit brachte der "Aufbau" zwei Briefe des Präsidenten des Bayerischen Landesentschädigungsamts, Dr. *Troberg*, und des Staatssekretärs im Bayerischen Finanzministerium, Dr. *Panholzer*, die sich mit einem Artikel im "Aufbau" vom 15. Februar befassten. Damals hatte der "Aufbau" das in der ganzen Bundesrepublik einzig dastehende Verlangen des Bayerischen Landesentschädigungsamts, wonach die *Abgabe von eidesstattlichen Versicherungen* nicht mehr vor den *Notaries Public*, sondern nur noch vor den *Konsulaten* geschehen könne, als "bayerische Extratour" gebrandmarkt. Präsident Dr. *Troberg* hat dann mitgeteilt, dass er sich sofort beim Finanzministerium um *Aufhebung* der der Anordnung zugrundeliegenden Entschliessung bemüht habe. Staatssekretär Dr. *Panholzer* schrieb, dass die Anweisung von einem Beamten des Finanzministeriums erlassen wurde; dass sie von irrigen Voraussetzungen ausging; dass sie auf eine missverständliche Auslegung einer Information durch diesen Beamten zurückzuführen sei. Staatssekretär Panholzer schrieb dann weiter: *"Die Anweisung selbst ist inzwischen zurückgezogen und aufgehoben worden. . . . Die von einem Notary Public entgegengenommenen eidesstattlichen Versicherungen werden in gleicher Weise wie bisher als zulässige und formgerechte Beweismittel behandelt werden."*

Nun ergibt sich aus den Zuschriften des Bayerischen Landesentschädigungsamtes an die Verfolgten und ihre Vertreter, dass die Annahme des Staatssekretärs *nicht* zutrifft und dass die vor den Notaries Public abgegebenen eidesstattlichen Versicherungen keineswegs *"wie bisher"* behandelt werden. Auf Grund einer Anweisung des Finanzministeriums vom 20. Februar wird nach wie vor verlangt, dass der Notar angibt, auf Grund welcher Unterlagen er sich von der Identität des Erklärenden überzeugt hat, und dass seine Unterschrift durch das Konsulat legalisiert wird.

An der Wohlgesinntheit der Herren Panholzer und Troberg kann nicht gezweifelt werden. Aber *wer ist der Beamte*, der im Bayerischen Finanzministerium *"von irrigen Voraussetzungen ausgeht"*, *"missverständlich auslegt"*, eine "zurückgezogene und aufgehobene" Anweisung sofort durch eine, ebenso wirklichkeitsfremde, undurchführbare, verschleppende, den Verfolgten schädliche Anweisung ersetzt, offenbar, ohne sich mit dem Staatssekretär und dem Präsidenten besprochen zu haben, und ohne sich um die Vorstellungen des deutschen Generalkonsulats in New York irgendwie zu kümmern?

Es gibt in der Bundesrepublik keine Entschädigungsbehörde, über die so viel und so berechtigt geklagt wird, wie das BLEA. Nach dem Vorstehenden tut man dem BLEA wohl Unrecht: der Geist, der die Wiedergutmachung verneint, wenn nicht gar sabotiert, sie aber ganz bestimmt von seinem grünen Tisch aus nicht versteht, dürfte *im Wiedergutmachungsreferat des Bayerischen Finanzministeriums sitzen*. Und es ist höchste Zeit, dass er ersetzt wird, nicht nur im Interesse der Verfolgten, sondern auch im Interesse Bayerns.

Robert C. Heid

Walter K.Frankel,M.D.
Medical Officer
Picatinny Arsenal
Dover,N.J.

Juni 22,1957.

Exh. C.

An den
Herrn Bundeskanzler der
Westdeutschen Bundes Republik
Dr.Konrad Adenauer
Bonn,Germany

Sehr geehrter Herr Bundeskanzler:

Wenn ich mir die Freiheit nehme,Ihnen persoenliche Angelegenheiten vorzutragen,geschieht es in dem Glauben,dass anderweitig die nachgeordneten Behoerden Ihrer Verwaltung ihre Hauptaufgabe darin sehen,die gesetzlich festgelegten Rechte ehemaliger deutscher und naziverfolgter Juden nach Moeglichkeit und wie ich ueberzeugt bin entgegen dem ausdruecklichen Wunsch und Willen von Ihnen,dem verantwortlichen und tatkraeftigen Leiter der Politik in der Bundesrepublik,zu discriminieren oder zu vereiteln.
Auf der andern Seite ist die deutsch-japanische Lobby,die hierbei Ihrem Be uch im Jahre 1956 wie im Jahre 1957 besonders activ war und ist,die Rueckzahlung der confiscierten deutschen Nazigelder-das ist ihre wahre Bezeichnung,weil sie zum Besitz der Grossindustrie gehoerten die Hitler und die japanische Kriegspartei unterstuetzten und ermoeglichten- und an der Sie selbst als integrierend fuer Ihre Wiederwahl im September1957 interessiert sind,zu erreichen,bedenkenlos genug,die amerikanische Oeffentlichkeit mit falschen aber dafuer sentimentalen Erklaerungen ueber den wahren Sachverhalt zu taeuschen.
In der Ausgabe vom 14.Juni 1957 hat die New Yorker Wochenschrift:Aufbau authentisch die Zahlen mitgeteilt,die sich auf dem Stand der Wiedergutmachung naziverfolgter deutscher Juden beziehen,aus denen ersichtlich ist,dass vom 1 835 535 Antraegen bis zum 31.Maerz 1957 nur 618 738 Antraege bearbeitet waren und vom diesen nur guenstig fuer die Geschaedigten 329 461 Antraege entsprechend 17.9% eine gradezu klaegliche Erfuellung einer weitausposaunten Wiedergutmachung,die Herr Finucane,der Sekretaer obenerwaehnter Lobby schon vor einem Jahr in einem Brief an die New York Times als 100 % erfuellt luegenhafterweise bezeichnete.

Ich war von 1922-1939 Chirurg in Berlin,von 1926 als Leiter einer chirurgischen Abteilung in einem Ambulatorium der Krankenkassen,eine Stellung,die nach dem Arbeitsvertrage nach 5 jaehriger Dienstzeit als lebenslaenglich angesehen werden musste,ich wurde aber wie alle Juden nach der Hitler Uebernahme kurzerhand entlassen.Im Jahre 1939 ging ich mit meiner Frau,einer geborenen Hasslacher,Nichte von Dr.Jacob Hasslacher,nach Manila.Dort wurden wir die Opfer der japanischen Grausamkeiten am 12.Febr.1945,meine geliebte Frau wurde an meiner Brust ermordet von japanischen Soldaten unter dem Kommando von 2 Officieren,mein Haus simmtles zerstoert mit Gasolin und Handgranaten.Ich war einer der Hauptzeugen in dem Process gegen den japanischen Oberkommandierenden,General Yamashita am 8.N.v.45 hauptsaechlich auf mein Urteil hin wurde er verurteilt und am 22.Febr.46 gehaengt

Seit dem 21.Juli 1949 bin ich Amerikanischer Staatsbuerger und seit dem 16.Aug. 1949 Civil arst bei der Army und lebenslaenglich angestellter Beamter des Federal Civil Service.

Im Jahre 1951 habe ich meine Wiedergutmachungsansprueche in Berlin angemeldet, bis heute habe ich noch nicht einen rothen Pfennig erhalten.
Vor einem Jahr hat der Arbeitsminister in Bonn meine Anspruche aus meinem lebenslaenglichen Vertrag mit dem Verband der Krankenkassen in Berlin abgewiesen. Der Minister hat sich dabei auf Feststellungen berufen,die offensichtlich gefaelsc sind;ich konnte mich nicht mehr besinnen,wann ich aus meinem Dienstvertrag widerrechtlich und gewaltsam entfernt bin,der Minister gab an,die Ambulatorien des Verbandes der Krankenkassen seien schon am 31 Dec.1933 aufgeloest worden,inzwischen haben mich die Veroeffentlichungen der juengsten Zeit ueber den Roehmputsch davon ueberzeugt,dass ich erst im Juni 1934 entlassen bin,weil ich Frontkaempfer war und Inhaber des E.K.I. wie ich auch spaeter die Hindenburg Medaille vom "Reichskanzler Adolf Hitler" feierlichst auf dem Polizeirevier Wilhelmsaue in Berlin Wilmersdorf ueberreicht bekam,ich bin auch jetzt davon ueberzeugt,dass man von Berlin absichtlich den Minister ueber die Aufloesung der Ambulatorien des Verbandes der Krankenkassen falsch unterrichtet hat und dass diese Aufloesung erst am 31.Dec. 1934-in Worten vierunddreissig,nicht dreiunddreissig erfolgt ist.

Schon vor einem Jahr teilte ich dem Minister auf seine abkehnende,voellig ungerechtfertigte Entscheidung mit,dass ich als amerikanischer freier Buerger und lebenslaenglich angestellter Beamter im Federal Civil Service mich nicht schwaechlich unterwerfen wuerde,sondern als Wiedervergeltungsmassnahme sofort mit aller Entschiedenheit den Kampf gegen die erhoffte Freigabe des beschlagnahmten deutschen Nazi Vermoegens aufnehmen wuerde,was ich inzwischen hoechst activ getan habe,ja sollte die Johnston Bill vom US.Senat angenommen werden,habe ich schon die notwendigen Schritte eingeleitet,um beim Supreme Court in Washington eine Entscheidung ueber die Constitutionalitaet und Legalitaet der Gesetz gewordenen Johnston bill und die Ungueltigkeitserklaerung dieses Gesetzes zu erwirken.

Vor einigen Wochen schrieb ich dem Arbeits minister in Bonn,dass nach den juengsten Veroeffentlichungen ueber die Roehm moerder und ihre Tat am 30 Juni 1934 nicht 1933 seine Feststellungen ueber meine Entlassung sowie ueber die Schliessung der Ambulatorien des Verbandes der Krankenkassen sicherlich irrtuemlich und damit seine ablehnende Entscheidung meiner Rente ungerechtfertigt waere,ich wies darauf hin,dass es ihm ein Leichtes sein muesste die durch Eid beglaubigte wirkliche Schliessung der Ambulatorien zu erfahren und dann in eine neue Beurteilung meiner Anspruche einzutreten.
Darauf bin ich ohne Antwort geblieben.

Darum nehme ich mir die Freiheit,Ihnen meine Angelegenheiten vorzutragen und Sie zu bitten,eine erneute Nachpruefung anordnen zu wollen.Ich wuerde glauben,wenn der Bundeskanzler nachdrucklich den nachgeordneten Stellen seine Forderung zu einer schnelleren und entsprechenderen Bearbeitung der Wiedergutmachungsantraege zugehen liesse,wir in Veranstaltungen des New Yorker Aufbaus mit Vertretern dieser Wiedergutmachungsaemter nicht hoeren muessten wie sehr solche Bearbeitungen von dem "Wohlwollen der untern Beamten"beinflusst seien.
Mit dem Ausdruck groesster persoenlicher Hochachtung

Ergebenst

Walter K.Frankel,M.D.

DER STAATSSEKRETÄR
DES BUNDESKANZLERAMTES
3 - K 29 769/57

BONN, den 30. Juli 1957
Koblenzer Straße 141
Postfach
Fernruf 20111

Exh. D

Herrn
Walter K.F r a n k e l , M.D.

Picatinny Arsenal
D o v e r , N.J.

Sehr geehrter Herr F r a n k e l !

Ihr an den Herrn Bundeskanzler gerichtetes Schreiben vom 22. Juni 1957 habe ich zuständigkeitshalber dem Herrn Bundesminister für Arbeit, Bonn, mit der Bitte übersandt, Ihre Angelegenheit zu überprüfen. Sie werden von dort weitere Nachricht erhalten.

Hochachtungsvoll
Im Auftrag

(Dr. Dossmann)

Walter K.Frankel,M.D.
Medical Officer
86 Manor Drive,Newark 6,N.J.

March 1,1957.

Exh. E.

Herrn Chefredakteur
Manfred George
Aufbau
2121 Broadway,New York 23,N.Y.

Sehr geehrter Herr George:

Ich bitte Sie ebenso hoeflich wie dringend das Nachfolgende in der naechsten Nummer des Aufbau veroeffentlichen zu wollen:

Nach der Veranstaltung des New World Clubs mit dem Thema:"Wiedergutmachung und Gesundheitsschaeden" am 28.Febr.1957 habe ich mich immer wieder gefragt:Cui bone"(Wem zu Liebe).

Warum eine solche Veranstaltung,zu der Hunderte hineilen in der Erwartung,dass ihnen Wege und Mittel gezeigt werden,die zu einem gewissen Erfolg in ihrer eigenen Sache fuehren koennten,um dann zu erfahren dass

1) ihre Aussichten nicht gut sind,weil die Antragsbearbeitung in den Deutschen Wieder Gut Machungs Aemtern- den W.G.Ae.- eine sehr langsame,wenn nicht uebelwollende ist;(Referent :K.R.Grossmann)

2) selbst bei grauenerregenden seelischen Leiden oder koerperlichen Qualen die Zusammenhaenge zwischen den jetzt bestehenden seelischen Zustaenden und dem angeschuldigten Erlebnis meist nicht anerkannt wuerden,(Referent:Dr.Flora Boenheim,die aber von dem auch in Deutschland weitenerkannten Stress" als Krankheitsursache wie sie von Dr.Han Selye,Professor an der McGill Universitaet,Montreal,Canada,einem Refugee begruendet ist nicht sprach)

3)das "schlechte "Verhalten angeblich Geschaedigter dem Vertrauensarzt des Deutschen Generalkonsulats in New York nur Ungelegenheiten und Schwierigkeiten mache,(Referent:Dr.Fritz Riesenfeld,Vertrauensarzt des genannten General Konsulats)

und das Summa Summarum eigentlich nichts oder nur sehr wenig getan werden koennte,besonders da die Deutsche Medizin weitgehend von der Amerikanischen Medizin verschieden sei,die Entschaedigungen und Entscheidungen aber nach dem Deutschen Bundesentschaedigungsgesetz und nach der Deutschen Medizin erfolgten.

Will man von Seiten des New World Club weiter diese defaitistische Politik treiben?Glaubt man,mit solchen Veranstaltungen wie die vom 6.Dec.1956,als der Leiter des Wiesbadener W.G.A.sprach, und der vom 28.Febr.1957 irgendwelchen beschleunigenden oder wohlwollenderen Einfluss auf die Arbeit der W.G.Ae. oder sabotierende ehemalige Nazis in diesen Aemtern zu erreichen?

Ihnen wie Herrn Prager u.Herrn Grossmann ist die Antwort des Bundesministers fuer Arbeit auf ein sehr scharfes Schreiben von mir,in dem ich den Kampf gegen die von der Deutschen Regierung erstrebte Rueckzahlung der in Amerika beschlagnahmten 500 000 000 Dollars ehemaligen Nazigelder ankuendigte,wohl bekannt.

Wenn die unwilligen Entschaedigungsbeamten oder die noch unwilligeren Vertrauensaerzte in Deutschland erst gelernt haben,dass die an Gesundheit,Leben und Vermoegen so fuerchterlich geschaedigten Naziopfer als juedische amerikanische Staatsbuerger den Kampf gegen die in Deutschland erhoffte Rueckzahlung der oben erwaehnten 500 000 000 $ beschlagnahmten Nazivermoegens beim Amerikanischen Kongress aufgenommen haben,wird das eine ausserordentliche Umstimmung jener auf hohem Ross sitzenden Gesellen herbeifuehren.

Nachdem ich allein aber nicht ohne Resultat diesen Kampf schon aufgenommen habe,wende ich mich an alle Juden und Leser des Aufbau,mit der Bitte,mir ihre Adresse mitzuteilen zur Gruendung einer:

" Kampfgemeinschaft juedischer Naziopfer gegen die Rueckzahlung des in Amerika beschlagnahmten Nazivermoegens."

Mit verbindlicher Begruessung

Hochachtungsvoll

Walter K.Frankel,M.D.
Medical Officer.

Sehr geehrter Herr Georg:

Sollten Sie unverstaendlicher Weise nicht gewillt sein,den obigen Brief in der naechsten Nummer des Aufbau woertlich zu veroeffentlichen bitte ich Sie folgendes als von mir zu bezahlende Anzeige in der naechsten Nummer des Aufbau zu veroeffentlichen,nachdem ich durch Telefongespraech an meine Dienststelle:

Dover 6-0705,Ext.2163,person to person,ebenfalls zu meinen Lasten von Ihrer Anzeigenabteilung ueber den Preis unterrichtet bin u.ihn angenommen habe.Der Wortlaut meiner Anzeige soll sein:

"Da zahme Versammlungen wie die des New World Club am 6.Dec.1956 und 28.Febr.1957 keine Beschleunigung oder wohlwollende Behandlung zahlreicher Entschaedigungs Antraege bei den Deutschen Wieder Gut Machungs Aemtern erreichen,richte ich an alle interessierten Juden die Bitte mir ihre Adresse mitzuteilen zur Gruendung einer

#Kampfgemeinschaft juedischer Naziopfer gegen die Rueckzahlung des in Amerika beschlagnahmten Nazivermoegens."

Walter K.Frankel,M.D.
Medical Officer
85 Manor Drive,Newark 6,N.J.

Copy

The Editor
Aufbau
2121 Broadway, N.Y.C

1957

Exh F.

Sir:

And that must h... against
the venerable feder... speech
against the so-call... Besorg-
nisse" about the in... many hun-
dred thousand Jewis...

And that must hap... oles couldn't
de itself enough in... rruments des-
cending from their ... representati-
ves of the Aufbau a... this character
Hess in Dec. 1956 ar... united in the
endeavour to cheat ... l of resistance
to special purposes ... but meant for
the repayment of th...

That must happen ex... r like an other
"dead sea scroll" or ... by such medical
quislings as the co... medical examiner
the jew Riesenfeld ... nd recommending
the buying of the ... for: Romania

That must happen ex... ed publicity
to the words and de... lebrated from the
East to the West by jewish organisations all enrolled in the big conspiracy to lull every jewish opposition against the Johnston Dirckson bill in favour and honour of an old man who isn't able to do more as to make nice words to the Aufbau and not doing in any respect a thing to direct and to force his lower echelons in the claims offices

That must happen just to the Aufbau which constantly refused to bring my warnings based on better understanding of the so-called german criminal character to the knowledge of its readers, but I believe that my own "one man action" to le USA senators the USA Attorney General and the Assistant to the President has been clouding the reapyment atmosphere for the confiscated assets of the german and japanese war crimina more as the Aufbau supported and propagated shameful antijewish devotion to the deceptive actions of the diff rent partly for Aufbau money and partly for Worldclub expense celebrated Referendarschlochs could make headway. like: kiss my ars people
And that it happened to the Aufbau just in this S.O.S. article to say in paragraph 4, line 5" mit dieser b e f r e u n d l i c h e n Rede" shows after my disliked Freud the deep involvement of the Aufbau in the whole smelling combination and cooperation of which I have already 8 months ago expressed my rejection and damnation.

It will be of interest for you that in a sharp letter to the German Bundeskanzler one week ago I have informed him that if the Johnston Dirckson bill should become law I would immediately thru my lawyers contest in federal courts the constitutionality and legality of such US.Senate legislation as violating the peacetreaties. Under these circumstances it will not be necessary for Aufbau and World Club to present as "paid for guests" in its meetings for the misleading of hopeful and trusting

* see other side.

Bonner Finanzminister will Wiedergutmachung torpedieren!

Eine befremdende Rede in Frankfurt

Bundesfinanzminister Fritz Schaeffer hat am 14. Juni vor der Vereinigung von Freunden und Förderern der Johann Wolfgang Goethe - Universität in Frankfurt am Main eine Rede gehalten, die ernste Besorgnis im In- und Auslande auslösen muss, wenn es richtig ist, dass sie eine Kritik an einem vom Parlament und Kabinett einstimmig angenommenen Gesetzeswerk enthält, für dessen Durchführung Schaeffers Ministerium federführend ist.

Nach der United Press (siehe "Frankfurter Allgemeine Zeitung" vom 15. Juni) erklärte Schaeffer: "Die Wiedergutmachungsgesetze, die vom Bundestag einstimmig angenommen wurden, seien in ihren Auswirkungen sicherlich von den Abgeordneten nicht voll und ganz überlegt worden. Es werde sich wahrscheinlich herausstellen, dass innerhalb der nächsten vier bis fünf Jahre nicht 7 bis 8 Milliaren D-Mark aufgewendet werden müssen, wie ursprünglich angenommen, sondern mindestens 17 bis 18 Milliarden."

Im weiteren Verlauf der Rede erklärte Schaeffer gemäss dem U.P.-Bericht, "dass man nach den Bundestagswahlen sich nochmals über diesen Komplex unterhalten müsse." (Im letzten Budget machten Entschädigungszahlungen etwas über ein Prozent aus.)

Das Direktorium des Zentralrats der Juden in Deutschland hat sich auf einer Sitzung am 18. Juni in Frankfurt mit dieser befreundlichen Rede befasst. Der Zentralrat stellte die Frage, ob der Bundesfinanzminister nicht selbst federführend bei der Gesetzgebung gewesen sei. (sic!) Es sei erstaunlich, dass gerade er die Rechtsansprüche der Opfer des Staatsunrechts erwähne, jedoch über die zusätzlichen Milliardenaufwendungen für die hohen Pensionen der früheren Diener des Dritten Reiches schweige.

Eine "unzweideutige Klarstellung" dieser alarmierenden Bemerkungen Schaeffers ist in der Tat dringend notwendig.

from Aufbau June 28/57

June 28,1957

Exh F.

The Editor
Aufbau
2121 Broadway,N.Y.C.

Difficile est satyram non scribere,

Sir:

And that must happen to the Aufbau to address the public for help against the venerable federal german minister of Finances with his torpedoeing speech against the so-called "Wiedergutmachung" and publicly to speak of"ernste Besorgnisse" about the intentions of this man in regard to the claims of so many hundred thousand jewish applications.

And that must happen to the Aufbau which in its pages and its articles couldn't do itself enough in praise of the demigods of the federal german governments descending from their elevated thrones and sharing with beamingly proud representatives of the Aufbau and the New World Club of this particular honour as this character Hess in Dec.1956 and the 3 later archangels of the saviour Adenauer united in the endeavour to cheat the New York or even the USA jews about their will of resistance to special purposes cleaked in the progress of the Wiedergutmachung, but meant for the repayment of the confiscated german assets.

That must happen exactly to the Aufbau which glorified the Hess paper like an other "dead sea scroll" or gospel of benevolence for the USA jews maltreated by such medical quislings as the consulate general of the German Federal Government medical examiner the jew Riesenfeld and couldn't do enough to itself in advertising and recommending the buying of the Hess schmarres.= a jiddish expression for: Nonsense

That must happen exactly to the Aufbau which gave the most unjustified publicity to the words and deeds of the latest 3 german officials who were celebrated from the East to the West by jewish organisations all enrolled in the big conspiracy to lull every jewish opposition against the Johnston Dirckson bill in favour and honour of an old man who isn't able to do more as to make nice words to the Aufbau and not doing in any respect a thing to direct and to force his lower echelons in the claims offices

That must happen just to the Aufbau which constantly refused to bring my warnings based on better understanding of the so-called german criminal character to the knowledge of its readers,but I believe that my own "one man action" to le USA senators the USA Attorney General and the Assistant to the President has been clouding the reapyment atmosphere for the confiscated assets of the german and japanese war criminals more as the Aufbau supported and propagated shameful antijewish devotion to the deceptive actions of the diff rent partly for Aufbau money and partly for Worldclub expense celebrated Referendarschlochs could make headway. like: kiss my ars people
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Under these circumstances it will not be necessary for Aufbau and World Club to present as "paid for guests" in its meetings for the misleading of hopeful and trusting

* see other side.

Aufbau readers kept in promising submission by this bait former and still nazi-indoctrinated german officials as expensive imports from their homeland.

If you ever should restore the freedom of speech in your meetings in consonance with the admired liberal attitude of the US Supreme Court in its latest decisions, a freedom what cunningly is shoked by the so-called question answering the habit in your meetings, and less expensive as the transport of Hess to New York and back where he belongs to, would pay my bus fare from Newark to New York I would like to give a little lecture of the Aufbau-activities in combination with the New World Club in favour of the German-Japanese Lobby under the direction of the honourable James Finucane.

With the expression of my highest esteem

Sincerely

Walter K. Frankel, M.D.
Medical Officer

for your, Mr. Pearson, better understanding:
"befriendlich" is a printer's-devil
it means: befriended
whereas it was meant to say
"befremdlich" = like "strange"
and is running in relation to Freud's
psycho-analysis of which I am strongly antagonistic.

Zweifel an seinen guten Absichten zu zerstreuen. Er sagte, Amerika sei nach wie vor der Ansicht, dass Israel dasselbe Recht besitze wie alle anderen Völker der Welt, den Suez-Kanal zu benutzen. Er — Dulles — bitte nur um ein wenig Geduld. Er warne vor übereilten Aktionen, die die Chancen ders wenn sie auf [illegible] Schwächeren, z.B. Israels, geschaffen wird.

Die Sitzung des Security Council am vorigen Freitag war eine beschämende Demonstration der Willenlosigkeit und Unentschlossenheit der Westmächte, diesem

(Fortsetzung auf Seite 4)

lxiv. H

Forum über die Wiedergutmachung

Am Donnerstag, den 16. Mai, um 8:30 P. M. findet im grossen Auditorium des Community Center, 270 West 89th Street, ein gemeinsamer

ABEND DES "AUFBAU" UND DER AMERICAN FEDERATION OF JEWS FROM CENTRAL EUROPE

zwecks öffentlicher Diskussion der Durchführung der Wiedergutmachung statt, die nun in ihr entscheidendes Stadium getreten ist.

Im Laufe des Monats Mai trifft in den Vereinigten Staaten eine Delegation aus der Bundesrepublik Deutschland ein, die mit den deutschen Konsulaten, jüdischen Organisationen und anderen an der Sache interessierten Stellen und Persönlichkeiten über die Durchführung der Entschädigungsgesetzgebung beraten soll. "Aufbau" und American Federation of Jews from Central Europe haben drei Mitglieder dieser Gruppe zu einem Abend eingeladen, an dem diese zusammen mit zwei anderen Fachleuten in einem öffentlichen Forum die Frage der Wiedergutmachung behandeln werden.

Mitglieder des Forums werden sein:

Dr. Wilhelm Nowak,
Finanzminister für Rheinland-Pfalz

Ministerialrat Dr. Georg Blessin
vom Bundesfinanzministerium in Bonn

Ministerialrat Blessin ist der führende Kommentator des Bundesentschädigungsgesetzes. Der grösste Teil des Gesetzes beruht auf seinen Entwürfen.

Senatsrat Brockhaus (Berlin)

Senatsrat Brockhaus ist seit langen Jahren der Vertreter Berlins beim Bundesrat für alle Wiedergutmachungs- und Entschädigungsfragen.

Die Leitung des Abends haben

Dr. RUDOLF CALLMANN
Chairman of the Board der American Federation of Jews from Central Europe

Dr. ALFRED PRAGER
Chairman, Aufbau Committee

NACH BEENDIGUNG DES FORUMS, AN DEM DIE FÜNF OBEN GENANNTEN IN WECHSELREDE TEILNEHMEN, KÖNNEN FRAGEN AUS DEM PUBLIKUM GESTELLT WERDEN.

Der *Eintritt* zu diesem Abend ist *frei. Zulassung* erfolgt aber nur *gegen nummerierte Eintrittskarten*, die vom Büro des New World Club, Mrs. Bee Ader, 2121 Broadway, New York 23, N. Y., angefordert werden können. Es können nur zwei Karten pro Bestellung abgegeben werden; der Bestellung ist ein frankiertes Rückkouvert beizulegen. Bitte auf dem Aussenumschlag zu vermerken: Blessin.

Alle Bestellungen werden in der Reihenfolge des Eingangs erledigt, doch machen wir darauf aufmerksam, dass eine Zusendung der Karten erst ab 8. Mai erfolgt.

Walter K.Frankel,M.D. Aug.14,1957.

Mr.Drew Pearson
Columnist
Washington,D,C.

Dear Mr.Pearson:

I am really thankful that you have exposed in your column of today,which I read in the Newark Star-Leger,the activities of those remarkable figures Herman Abs and his employee Julius Klein, the former Jewish War Veterans Commander, for the return of the confiscated german and japanese assets.

I am fighting against this shameless transaction already since one year .
As my legitimate claims against my former german employer the Verband der Krankenkassen in Berlin were denied by the german Minister of Labour in Bonn I told him in May 1956 that I would fight as a retaliation the refund of the confiscated german assets.That was before Adenauer had with Sen.Olin D.Johnston the first talk in 1956 from which originated the Johnston-Dircksen Bill.
At the same time I answered a letter to the editor in New York Times by James Finucane with a direct letter to him in which I told him that he either by error or by intention has published misleading absolutely untrue facts about the state of the german indemnification of nazi-persecuted german jews,

At Dec.6,1956 I tried by a personal demonstration to bring to an end a meeting of the 'Aufbau' and the 'New World Club' in New York City,in which these 2 jewish organisations for reasons not intelligible for me with the help of their guestspeaker a german government's director of the Wiesbaden Indemnification Office,Mr.Hess,tried to mesmerize the jewish audience and thus to avoid any stronger resistance of these now amer ican citizens against the intended repayment of former german nazis and japanese murderers.
In some letter to the chief editor of the 'Aufbau' and the Chairman of the Club a lawyer Alfred Prager I told them in expressis verbis that they were acting contrary to their public responsibility towards their jewish members and still more jewish readers-the "Aufbau" is considered a jewish paper- and that I were strongly suspicious that they were bought out by the german government or the nazi lobby in Washington as Mayor General Julius Klein,whom I mentioned in that letter.
Both men have denied vigorously my accusations but their further actions with meeting for lulling in or with 3 german government officials in the end of May 1957 and of wha was made a big fuss was absolutely in the line of the former attitude.
As Senator Jacob K.Javits is one of the Directors of the "Aufbau" I complained to him about the attitude of the paper and asked him to object as an American Senator especially as a jewish Senator to reject the newly introduced Johnston Dircksen Bill.
Of all the senators I have contacted he is the only one-conspicuously- who hasn't answered my letter.
Recently the editor of the Aufbau,Manfred George,after he suffered apparently a personal snub in a personal interview with the german Minister of Finances in Bonn has for the first time attacked the return of the confiscated money in a very mild form.
I wrote him my request in a new meeting to be the mainspeaker and the jewish readershi of the Aufbau to inform about the policy of the Aufbau and the New World Club which now fully bankrupt.On this my letter I haven't received any answer as on many other le ters vigorously attacking the editor and his paper.
At July 3o,1957 the New York Times published a long letter of mine to the editor,in which I strongly opposed the repayment of confiscated german and japanese assets and branded such an action as immoral and unethical.

Would be interested in more info.

If you would be interested in more material about "Aufbau",New World Club" and thare acytivities,maybe for an other column I would be glad to send it to you.

With the expression of my highest esteem

Sincerely yours

Walter K.Frankel

Walter K.Frankel,M.D.

WALTER K. FRANKEL, M. D.
Picatinny Arsenal
Dover, N. J.

I am medical officer in the Arsenal

Dr. Frankel

4.

He fell victim to the japanese atrocities in Manila, febr. 14, 1945 in whil my beloved wife was murdered being at my side. My house was pantomized destroyed, I lost everything.

At Nov. 1. 1945 I was one of the main-witnesses against the jap. commander-in-ch. general Yamashita, who main[illegible] on my testimony before the Military Tribunal was convicted and at febr. 23/46 hanged.

I didn't get 1¢ indemnification of the losses of everything what I had.

Dr. Frankel

4

August 22, 1957

Walter K. Frankel, M.D.
Picatinny Arsenal
Dover, New Jersey

Dear Dr. Frankel:

Thanks so much for your informative letter on the "Aufbau" and the "New World Club."

I certainly would be interested in receiving any more material you have on their activities, and shall look forward to hearing from you again.

Sincerely,

Drew Pearson

DP:PO

Exh. J.

Walter K.Frankel,M.D.
Medical Officer
Picatinny Arsenal
Dover,N.J.

July 25,1957.

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junge ... WIK-keln lernen. Um Ungeschicklichkeiten und das Pieken mit der Nadel zu vermeiden, möchte ich folgende Methode empfehlen.

Die Windel sieht wie ein Base-...

Notiz

Königin Elisabeth von England hat in der Sotheby Gallery in London die berühmte **Weinberg**-Sammlung vor der Versteigerung besichtigt. Die Königin war von Prinz Philip, Prinzessin Margaret und Sir Arthur Blunt begleitet und liess sich die Herren C. **Weil**, Dr. **Frieder** und R. **Netter**, intime Freunde des verstorbenen Sammlers und Verwalter seines Nachlasses, vorstellen.

... besonders wenn die junge Mutter die "viereckige" Methode vorzieht. Man könnte auf den Sportplatz gehen, oder sich vor dem TV-Apparat verankern und der kleinen Frau mitteilen, dass man jetzt unmöglich gestört werden kann.

Welches ist Ihre Lieblings-Mannschaft? Sie können sie auf TV sehen mit Hilfe der zuverlässigen von Con Edison gelieferten Elektrizität. Television und Elektrizität bilden auch eine perfekte Mannschaft.

Uncle Wethbee

Das Interview mit Finanzminister Schaeffer,

das wir im vorigen "Aufbau" veröffentlicht haben, hat naturgemäss grosses Aufsehen hervorgerufen. Von manchen Seiten wurde es als ein durch die gegenwärtige politische Situation in Deutschland bedingtes Wahlmanöver beurteilt, von anderer Seite wieder als die Eröffnung eines Feldzuges Schaeffers zur Verkrüppelung des Wiedergutmachungsgesetzes. Beide Deutungen und viele andere mehr werden von uns noch an dieser Stelle diskutiert werden. Für heute sei nur gesagt, dass uns die Ziffern, die die Höhe der zu erwartenden Ansprüche wiedergeben und die Schaeffer mit 19—20 Milliarden DM angesetzt hat, höchst unwahrscheinlich vorkommen. Schliesslich und endlich haben die deutschen zuständigen Behörden, als sie selbst seinerzeit nur 6,5 bis 7 Milliarden schätzten, wohl zweifellos eher nach oben als nach unten geschätzt. Praktisch ist es wohl so, dass überhaupt noch keiner weiss, welche Gesamtsumme die Ansprüche erreichen werden, und die vom Finanzminister angegebene Summe dürfte mehr auf propagandistishen Gründen bestimmter Art als auf belegbaren Unterlagen beruhen. Wir sind sicher, dass die aufgeworfenen Fragen in der allernächsten Zeit geklärt werden und sind überzeugt davon, dass eine ebenso sachliche wie scharfe Erörterung der Lage, die auch die gesamte Finanzsituation der Bundesrepublik einschliesslich aller der in verschiedenster Hinsicht zu erörternden übernommenen Verpflichtungen des Finanzministeriums einbezieht, Erhellung der Widersprüche bringt, vor allem aber zur Sicherung der unabdingbaren Ansprüche der Wiedergutmachungsberechtigten führen wird. 7/26/57.

Ein derartiger Standpunkt,

(Fortsetzung auf Seite 2)

Telegramm aus Bonn

10. Juli.

Finanzminister Schaeffer in erstem offiziellen Interview über umstrittene Frankfurter Rede betreffend Wiedergutmachung erklärte Chefredakteur Manfred George: "Habe keine Tendenz, Wiedergutmachungsgesetze in Grundzügen irgendwie zu ändern, erwäge höchstens Möglichkeiten in Nicht-Härte-Fällen Auszahlungsmodus zu ändern." Ausführliches Interview folgt.

en Machthaber im Kreml

And your Mr. ... turned in "Fig" Frank!

If the english queen would have known the very bad reputation of that man I am sure she never would have visited his remaining gallery.

Sincerely - WKF

Exh. J.

Walter K.Frankel,M.D.
Medical Officer
Picatinny Arsenal
Dover,N.J.

July 25,1957.

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en Machthaber im Kreml,

And now Mr. ... turned in "Lug" "Trach"!

If the english queen would have known the very bad reputation of that man I am sure she never would have visited his remaining gallery.

Sincerely - [signature]

Walter K.Frankel,M.D.
Medical Officer
Picatinny Arsenal
Dover,N.J.

The Editor
the Aufbau
2121 Broadway
New York 23,N.Y.

Sir:

Your statement in the Aufbau of July 26 that the interview with the german minister of Finance of you published in the Aufbau of July 19 had evoked great attention proves what I have told you already in aletter to the editor immediatly after the first short notice of the inimical attitude of Mr.Schaeffer in regard to the restitution law,that the deplorable and deceptive policy followed up by Aufbau and New World Club to help to an effectful success of the Adenauer Government in securing a repay of 500 000 000$ of confiscated german assets has suffered the fully justified blow.

You know from many letters of mine to you and Mr.Prager which to publish in the Aufbau you have been cowardly denying that I called the shameful action of servility to a Hess or the 3 other german nazibrothers a crime committed against the interests of the jewish readers or followers of your organisation and I repeat my accusation and compleint that you were acting probably as paid for agents in the interest of the Bonn Government by lulling any possible resistance of the jewish Aufbau readers like me who wasn't lulled,against the half billion repay which Adenauer has promised the former nazi-connected industry to get its help for his reelection.

I have the well-founded belief that my one man action against the german assets repay has shown certain results as will see from the letter of Sen. Smathers whom I contacted like many other senators of whom only Senator Javits hasn't answered probably as I told him who is related to the Aufbau what I were thinking about the attitude of Aufbau and World Club as mention above.

But I don't share now your apparent excitment as I believe that besides of recent other reports published in the N.Y.Times the Adenauer Government will not win the Sept.15 elections and consequently Mr.Schaeffer will disappear from his job. You are speaking in your article of today to be sure that a factual as well as sharp discussion of the situation soon will take place. By whom?Do you intend to call a new meeting of the World Club where than the panel isn't ornated and glorified by representatives of the german government It is my urgent request that in such a meeting I will get the opportunity in a coreferate of about 20 minutes to submit to the audience not only my opinion but also my until now performed actions.

An other topic:On p.6 is published a notice that the english queen has visited the "famous Weinberg Collection."I didn't know anything of Mr.Weiberg, not of his fate nor of his collection until I read about it inthe N.Y.Times after his death.But just in the last months in connection with the publicity given to him as collector I learned to my greatest surprise from 4 different ladies all of the in responsible jobs in jewish organisations,3 refugee and 1 American what a bad name Weinberg had in all the circles knowing that he saved his art-collection but not his wife and his 4 children to which as I from all these very reliable persons was informed he would have been able. If the english queen would have known the very bad reputation of that man I am sure she never would have visited his remaining gallery.

Sincerely MKF

AUFBAU
DECONSTRUCTION

An American Weekly
Published in New York City by the New World Club, Inc.

•

MANFRED GEORGE, EDITOR

Exh. G.
Aufbau and
Ex. Exh. E.

March 28, 19[illegible]

Dr. Walter K. Frankel
85 Manor Drive
Newark 6, N.J.

Dear Dr. Frankel:

I have discussed the advertisement you want to place with the members of our board as there are certain general regulations which govern such advertisements from the legal point of view.

In the meantime, I shall ask the pertinent state agency whether we may accept for publication an advertisement about such a vaguely defined, not yet existing organization as you have in mind. I shall let you know as soon as I have a reply.

Why, incidentally, don't you get in touch with Mr. Bruno Weil, of 112 Central Park South, and the Axis Victims' League? This organization advocates the same ideas as you do and it might be a good idea for you to join forces with them.

As for your allegations that the New World Club supports the Fimucans Committee, I do not want to discuss them. Anybody who reads the Aufbau knows exactly where we stand.

Yours very truly,

Manfred George
Editor

mg/p

Walter K.Frankel,M.D.
85 Manor Dr.Newark 6,N.J.

Sept.26,1958.

Mr.Drew Pearson
Washington Merry-Go-Round
Washington,D.C.

Dear Mr.Pearson:

I take the liberty in continuation of former correspondence with you to send you a page from the so-called jewish weekly:Aufbau in which is reported a reception in honour of the departing German Consul General Dr.Heiferscheidt,given by "his friends."

You will believe me that I don't have any objections if friends are giving a party for an other friend even if they stand at different fences of political views.But it is more than surprising that just the leading men of the so-called jewish Aufbau and the jewish New World Club who here are honoring the representativ of the German Government West which until now has treated the surviving jews escaped mostly to USA so scandalous in their recognised restitution requests and payments for all the losses they suffered under the damned Hitler regime.

You will remember that I already at the time you published your statement about the "famous" General Julius Klein in his relations to Abs and the german claims lined out that from my own impressions assembled on meetings of the New World Club and the Aufbau with representatives of the german Restitution offices brought over here for the money of jewish members of the Club or subscribers of the Aufbau the men of the Aufbau and the New World Club were paid by the german government for their efforts to nail down the jewish public voice as the german government still was hoping for a payment of the claims as Adenauer had arranged it with Senator Johnston.
About this my opinion I have written very sharp letters to Mr.Manfred George and Alfred Prager;in their answer both men have denied such implications vehemently,but I believe not one word of them especially as your "friend Klein" still is on the advisory Board of the Aufbau.

I appeal again to you to use your own power to blow sharply in this mess;I don't have the means to do that by my own but if you want my full support or more information than at any time I am at your disposal.You are also free to make use of my name but the rules of the Picatinny Arsenal where as you know I am medical officer don't allow that the name of the Arsenal will appear in not Arsenal - approved matters in relation to any employee.

Isn't it highly suspicious that also in the "Steuben Parade" as you may read on the same page a member of the New World Club was officially representing this jewish organisation of Nazivictims in a parade in which mostly Nazis or kryptonazis were marching.? I can only say:Sapienti sat.

With the assurance of my highest esteem

Yours very truly

Walter K. Frankel

Walter K.Frankel,M.D.

Eine Ehrung fü
Generalkonsul Reiffe

Anlässlich des Abschieds des New Yorker deutschen Generalkonsuls Dr. *Adolph Reifferscheidt*, der die Stadt verlässt, um deutscher Gesandter beim Europarat in Strassburg zu werden, hatte sich am vergangenen Donnerstag eine Gruppe seiner Freunde, auf die Initiative von Professor Dr. *Hans Simons* von der *New School for Social Research* und des Präsidenten des *New World Club*, *Ludwig Lowenstein*, zu einer Ab-

Professor Dr. Hans Simons bei seiner Tischrede. Rechts neben ihm Botschafter Dr. Grewe, vor ihm Professor Dr. Hans Staudinger.
World Wide Photos

schiedsfeier im *Hotel Pierre* versammelt.

Die Veranstaltung hatte einen ausgesprochen intimen Charakter und vereinte eine Anzahl von Menschen mit dem scheidenden Generalkonsul, die die Persönlichkeit und die Arbeit dieses Vertreters der Deutschen Bun-

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verpflichtet gefühlt hätte, die von einer "grössenwahnsinnigen Verbrecher-Regierung" aus Deutschland vertrieben worden seien. Es sei sein besonderes Bestreben gewesen unter seinem Beamtenstab jenes Verständnis zu wecken, das notwendig sei, um die Arbeit des Konsulats, soweit sie in irgend einer Form mit Wiedergutmachung zu tun hätte, zu beschleunigen und fruchtbar zu gestalten. "Ich habe niemals", erklärte Dr. Reifferscheidt gegen Schluss seiner Rede, "danach gestrebt, Allen zu gefallen. Für mich war es wesentlich die Frage, wem ich gefallen würde. Und ich habe in meiner Schiller-Rede seinerzeit hier im Hunter College sehr deutlich umrissen, welche Wege der Freiheit und

AUFBAU
RECONSTRUCTION

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Assistant Editor:
Richard Dyck

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Former Advisory Board Members:
Leo Baeck — Richard Beer-Hofmann — Albert Einstein — Bruno Frank — Thomas Mann — Franz Werfel.

God grant us the serenity to accept the things we cannot change;

Dr. Adolph Reifferscheidt hält seine Abschiedsrede.

Teilnehmer an der Abschiedsfeier für Generalkonsul Reifferscheidt
Botschafter Grewe, Frau Toni Stolper, Deutscher Botschafter Dr. Wilhelm Grewe, er Leiter des Goethehauses, Dr. Alfred Prager (Chairman des "Aufbau"-Committee), ein (Präsident des New World Club) und Frau Lowenstein, Herr und Frau Generalrscheidt, Herr und Frau Manfred George, Deutscher Botschafter bei den United Na- Dankwort und Frau, Professor Dr. Hans Staudinger und Dr. Adolph Hamburger.
World Wide Photos

doppelt bemerkenswert. Die Herren in Bonn können stolz darauf sein, dass sie mit der damaligen Wahl Dr. Reifferscheidts eine so sichere Hand und einen so sicheren Instinkt für den richtigen Mann am richtigen Platz bewiesen haben.

Zum ersten Mal: Steuben Parade

Zum ersten Mal seit langer Zeit wieder haben auch die Deutsch-Amerikaner New Yorks eine Spezial-Parade abgehalten, die dieses festliche Ereignis auf einen Nenner mit den italienischen, griechischen und anderen Landsmannschaftlichen Gruppen-Demonstrationen bringt und in gewissem Sinne die Deutschamerikaner aus einer politischen Zurückgezogenheit befreit, unter der viele von ihnen lange gelitten

meister *Wagner*, New Yorks republikanischer Gouverneurs-Kandidat *Nelson Rockefeller* und viele andere Vertreter der Behörden sowie der deutschsprachigen Welt der Stadt die Parade ab. Von den deutschsprachigen Immigranten-Organisationen war u. a. der New World Club durch sein Vorstandsmitglied Dr. *Norbert Goldenberg* vertreten.

Eine Ehrung für Generalkonsul Reifferscheidt

Anlässlich des Abschieds des New Yorker deutschen Generalkonsuls Dr. *Adolph Reifferscheidt*, der die Stadt verlässt, um deutscher Gesandter beim Europarat in Strassburg zu werden, hatte sich am vergangenen Donnerstag eine Gruppe seiner Freunde, auf die Initiative von Professor Dr. *Hans Simons* von der *New School for Social Research* und des Präsidenten des *New World Club, Ludwig Lowenstein*, zu einer Abschiedsfeier im *Hotel Pierre* versammelt.

Professor Dr. Hans Simons bei seiner Tischrede. Rechts neben ihm Botschafter Dr. Grewe, vor ihm Professor Dr. Hans Staudinger.
World Wide Photos

Die Veranstaltung hatte einen ausgesprochen intimen Charakter und vereinte eine Anzahl von Menschen mit dem scheidenden Generalkonsul, die die Persönlichkeit und die Arbeit dieses Vertreters der Deutschen Bundesrepublik in der neuen Welt und gab ein mit überlegenem Humor gezeichnetes Bild der politischen Situation eines fortschrittlichen deutschen Diplomaten von Heute. Im Anschluss daran würdigte *Manfred George*, Chefredakteur des *"Aufbau"*, die Persönlichkeit Reifferscheidts, dem es gelungen sei, zwischen dem heutigen Deutschland und den einst aus ihm geflohenen oder ausgewanderten Bürgern eine Brücke zu schlagen, die auf den Begriffspfeilern des Verständnisses und der Gerechtigkeit errichtet war. George pries den Mut Reifferscheidts hier in den USA, sich aufrecht zu den besten Idealen Deutschlands bekannt zu haben und ohne opportunistische Kompromisse seinen Weg gegangen zu sein.

Dann ergriff *Generalkonsul Reifferscheidt* selbst das Wort und schilderte seine Bemühungen um alle ehemals aus Deutschland stammenden amerikanischen Bürger in New York, bei denen er sich ganz besonders den Gruppen verpflichtet gefühlt hätte, die von einer "grössenwahnsinnigen Verbrecher-Regierung" aus Deutschland vertrieben worden seien. Es sei sein besonderes Bestreben gewesen unter seinem Beamtenstab jenes Verständnis zu wecken, das notwendig sei, um die Arbeit des Konsulats, soweit sie in irgend einer Form mit Wiedergutmachung zu tun hätte, zu beschleunigen und fruchtbar zu gestalten. "Ich habe niemals", erklärte Dr. Reifferscheidt gegen Schluss seiner Rede, "danach gestrebt, Allen zu gefallen. Für mich war es wesentlich die Frage, wem ich gefallen würde. Und ich habe in meiner Schiller-Rede seinerzeit hier im Hunter College sehr deutlich umrissen, welche Wege der Freiheit und

Einige Teilnehmer an der Abschiedsfeier für Generalkonsul Reifferscheidt
Von links: Frau Botschafter Grewe, Frau Toni Stolper, Deutscher Botschafter Dr. Wilhelm Grewe, Samuel Reber, der Leiter des Goethehauses, Dr. Alfred Prager (Chairman des "Aufbau"-Committee), Ludwig Lowenstein (Präsident des New World Club) und Frau Lowenstein, Herr und Frau Generalkonsul Dr. Reifferscheidt, Herr und Frau Manfred George, Deutscher Botschafter bei den United Nations, Dr. Werner Dankwort und Frau, Professor Dr. Hans Staudinger und Dr. Adolph Hamburger.
World Wide Photos

Dr. Adolph Reifferscheidt hält seine Abschiedsrede.

doppelt bemerkenswert. Die Herren in Bonn können stolz darauf sein, dass sie mit der damaligen Wahl Dr. Reifferscheidts eine so sichere Hand und einen so sicheren Instinkt für den richtigen Mann am richtigen Platz bewiesen haben.

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Professor Dr. *Hans Simons*, Leiter der New School, umriss in ebenso scharf wie amüsant formulierten Definitionen die Stellung Reifferscheidts in einem neuen Deutschland und einer

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Während des zwanglosen Beieinander, das diesem offiziellen Teil des Abschieds-Dinners folgte, sprachen noch eine Anzahl anderer Redner, unter ihnen Botschafter *Dr. Wilhelm Grewe*, der vor allem Dr. Reifferscheidt für seine neuen Aufgaben in Strassburg Glück und Erfolg wünschte.

Weitere *Abschiedsfeiern* für den Generalkonsul wurden veranstaltet von der *Stadt New York*, in deren Namen Bürger-

Dr. Adolph Reifferscheidt hält seine Abschiedsrede.
World Wide Photos

meister *Robert Wagner Jr.* Dr. Reiffersscheidt ein Farewell-Luncheon gab, sowie vom *Deutschen Presseklub*, vor dem der Generalkonsul eine *Rede über "Gedanken zur inneren und äusseren Situation der Bundesrepublik"* hielt. Die hiesigen Journalisten und auswärtigen Korrespondenten sagten auf einer von dem Pressechef des deutschen Generalkonsulats, *Ruediger von Wechmar*, gegebenen *Cocktail Party* Lebewohl.

Alle diese Feiern zusammen stellen allein schon durch ihre Tatsache ein ganz besonderes Ereignis dar. Denn noch niemals ist es vorgekommen, dass ein deutscher Generalkonsul in New York sich solcher spontanen Kundgebungen der Freundschaft beim Verlassen seines Amtes erfreuen konnte. Dass dies jetzt, nicht allzu lange nach dem Ende des Zweiten Weltkriegs geschehen konnte, macht die Situation

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Auf der Ehrentribüne nahmen Gouverneur *Harriman*, Bürger-

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COMMITTEE FOR RETURN
OF
CONFISCATED GERMAN AND JAPANESE PROPERTY
926 National Press Building
Washington 4, D. C.

Telephone
DISTRICT 7-1856

June 30, 1961

Bell Syndicate, Inc.
229 West 43rd Street
New York 36, New York

Dear Sirs:

Is there any way you could distribute the enclosed letter to the papers which carried Drew Pearson's column of June 24?

Sincerely yours,

James Finucane
James Finucane
Executive Secretary

Enc.

WHAT IS THE COMMITTEE?

The COMMITTEE FOR RETURN is a bipartisan, inter-faith group of U. S. citizens urging, as a matter of principle, the complete restitution of private German and Japanese property confiscated by the United States Government during and after World War II. The COMMITTEE advocates return of the property out of respect for the basic right to own property, in order to restore a historic American precedent, to strengthen the observance of international law, to give greater surety to American investors overseas, and to accelerate the growth of a sound international economy. The members of the COMMITTEE serve without compensation.

Committee for Return of Confiscated
German and Japanese Property
926 National Press Bldg.
Washington 4, D. C.
Tel. DI. 7-1856

June 24, 1961

Editor
The Washington Post
Washington D C

Dear Sir:

In his commendable zeal to stamp out all Nazis, past, present and future, Drew Pearson once in a while strikes wide of the mark.

For example, in his column (June 24) criticizing State Department visa policy, he refers to the "Nazi" property confiscated in the United States. Contrary to Mr. Pearson, many thinking Americans believe the property should be returned to its rightful owners. The label, "Nazi," applied by Mr. Pearson and some others, does not shake their judgement about what they believe is right.

I wonder if Mr. Pearson knows, to cite one category of property, that about one-sixth of what was taken, or $80 million worth, has never been in alien hands. It was created by U. S. wills and trusts but has never been allowed to reach its intended German beneficiaries.

Under the law, even property arising from an American trust created before Hitler was born and intended for a German child born after Hitler had died could be confiscated by the U. S. Office of Alien Property. So wide-reaching and so undiscriminating is the law!

The 1948 U. S. law in question took not only all German private property located in the United States but also all Japanese private property located here, including the goods of corporations, men, women and children, without regard to their

(more)

age, sex, or civil condition. It was total economic warfare against a civilian population carried over into today's wan and wishful peace.

This is in scandalous contrast with United States tradition and with all that the United States preaches about the sacredness of the individual and the integrity of private property.

Even if all these owners of businesses, savings accounts, homes, shops and insurance policies were Nazis, which I do not thank Mr. Pearson would go so far as to claim, this mass, long-distance post-war confiscation would be in contradition of America's basic postulates, stated and implied. The late Justice Jackson, when confiscation was proposed as a punishment at Nuremberg, said he was against it. "Medieval," he said, "like drawing and quartering!"

Calling the victims "Nazis," or as some say, "Japs," citing a treaty, pointing to third-party provisions for compensation, or naming a benevolent purpose for which the proceeds of the property will be used -- none of this can justify an injustice.

Moreover at a time when we are trying to encourage the Germans and Japanese, along with other industrialized countries, to share our burden of investment in the developing countries, the investment deterrent involved in the confiscations is not in America's interest. In a word the confiscations were not only unjust, they have turned out to be stupid.

If Mr. Pearson were to carry his anti-Nazism to its logical conclusion he would certainly have to criticize the elements of the eternal Nazi spirit detectable in an American law which

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penalizes a person by confiscation simply for the crime of having been alive in Germany or Japan during the war.

A growing number of American jurists, churchmen and concerned lay persons are urging that the property be returned. It is their hope that return can be accomplished before the former owners die.

Best wishes,

Sincerely yours,

James Finucane
Executive Secretary
Committee for Return of
Confiscated German and
Japanese Property

End.

German Property

THE GEORGE WASHINGTON UNIVERSITY
Washington 6, D. C.

The Law School

Dear Sir:

Drew Pearson has the reputation of being a versatile and stimulating news commentator. He draws his pen picture in vigorous and broad strokes. But sometimes those strokes are altogether too broad and lead him into false and misleading generalizations.

For example in a recent column (June 24), Mr. Pearson criticizes some of the efforts "to secure the return of Nazi property seized in the United States during the war."

The use of the term "Nazi property seized in the United States" is wholly misleading and this conception is essentially as well as literally quite inaccurate.

All the bills introduced in Congress in recent years for the return of these assets to the individual German owners have carried provisions excluding as beneficiaries any persons who have been convicted of any specific war crimes as set forth in a comprehensive list of such offenses.

As to the nature of these assets, the property in question was simply the property of any description of

(more)

German residents that was located in the United States at the time of the war. It was held for a large part in relatively small items: merchandise, automobiles, furniture, investments in the stocks, bonds and securities of American corporations, legal interests in real estate in the United States, and in insurance policies issued by American companies. The total number of the dispossessed owners was approximately 300,000, direct and indirect.

None of the property now in dispute belonged to the Nazi government or to Nazi organizations. It was the property of individuals, a considerable percentage of whom had resided and labored in the United States for many years and made their various small investments in our country. The investments of German corporations were of a similar constructive nature and relative size. As to size, there is one important exception, the alleged German investment in General Aniline and Film which is however legally claimed by an independent Swiss corporation, "Interhandel." The validity of this claim is being tested in the courts.

Now the custodial seizure of these assets by the United States government was justified constitutionally as a useful military measure that would have the effect of suspending all possible control during the period of the great war by the Nazi government over any of these assets in the United States through pressure on the individual owners as German citizens or residents.

(more)

But the permanent absorption of the ownership without any genuine compensation to the individual owners is pure confiscation. Confiscation was a Nazi policy and still is a Communist policy. It has seldom, if ever, been regarded in the past history of the United States as a genuine American policy.

For example, after World War I the German assets that had been seized here, or the reasonable value thereof, were ultimately returned to the former owners by the United States.

The continued retention of these assets, Japanese as well as German, by the United States baffles and bedevils all our national efforts to obtain genuine security for the immense present investment of the American people in foreign countries. When a dictator like Castro in Cuba confiscates the investments of American citizens and corporations in that country, our complaints are met with the retort, "This is exactly what you did to German and Japanese investments in the United States after World War II."

Of course, there are actually some differences, but our wartime seizures have constituted a most harmful precedent against the safety of our present enormous overseas investments and those of our allies, Great Britain, West Germany and France, in the underdeveloped countries of Asia, Africa, and South America.

(more)

Yet on the chance that these overseas investments of the Free World will have reasonable legal security depends the practicality of the whole, complex program for the strengthening of the developing populations of the world, through means of private investments, loans and credit structures. These private investments are generally agreed to be a necessary supplement and addition to strictly governmental credit and "public aid" transactions, if the world is to enjoy peaceful development rather than horrifying wars during the rest of the troubled Twentieth Century.

It is on these general economic and practical considerations that this great problem about the return of the assets seized in World War II should be decided. In this field as elsewhere honesty is the best policy. Mr. Pearson should abandon his effort to prove that the issues are foreclosed and settled on the basis of old hatreds and grudges. This cannot be the truly wise or constructive ending of this great matter.

Sincerely yours,

Charles S. Collier
Professor Emeritus
The George Washington University
Washington, D. C.

LIMITED OFFICIAL USE

VESTED ASSETS AND AMERICAN WAR CLAIMS AGAINST GERMANY

January 28, 1958

1. The new proposals to Congress should take as a point of departure the sources and amounts of money within the limits of which a settlement of the problem will have to be reached. The funds to be provided would be the following:

a) Free balance in the accounts of OAp	$ 82.8 million
b) Appropriation representing German assets used to pay claims against Japan	125.0 million*
c) Other miscellaneous reparation receipts from Germany (German assets in neutral countries, dismantling proceeds, etc.)	5.6 million**
	$ 213.4 million

To this amount would be added any funds which eventually become available from the reserves in the accounts of OAp amounting to $179.2 million.

2. The Administration should state that if Congress enacts this legislation, the Administration is prepared to seek the necessary appropriations over the period involved. No appropriation would be required during the first year. It is uncertain whether an appropriation would be needed in the second year.

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* In 1955 the Administration took the position that the use of public funds would be justified in an amount equivalent to the German assets used to pay claims against Japan. This amount was then calculated to be $100 million. (This was the basis for the decision in July 1957 to seek an appropriation of $100 million.) In fact, the amount has proved to be slightly in excess of $125 million.

** These funds were paid to the United States pursuant to the Paris Reparation Agreement on war claims against Germany. No legislative provision has been made for their disposition.

LIMITED OFFICIAL USE

5. The legislation should provide for prompt payment of small claims and prompt returns of small holdings of vested properties. This would be responsive to the desire expressed by the President in his letter to Adenauer in August 1954 to provide for hardship cases, which was the basis for the Administration proposals in 1955. The legislation should provide for payment of up to $10,000 on all American claims and for return to former individual owners of vested German and Japanese properties up to $10,000. It is estimated that the cost of a return of up to $10,000 to American claimants would total between $35 million and $50 million. The total cost of this part of the program would thus be approximately $95 million to $110 million.

6. The determination of what would constitute an equitable division of the remaining funds (upwards of $100 million) as between the American claimants and the former German owners should be left to the Congress, which is in a position to give a hearing to the interested parties and to weigh the merits of their respective claims. It is impossible for the Administration to reach a considered conclusion as to what an equitable share might be for the American claimants on the basis of the information available. The greater part of the potential claims involve U. S. corporate property holdings in Europe. The properties of the enterprises involved were in many cases employed in the German war effort. War damage losses affected not only prewar investments but also these war-time accretions. In many cases, there were substantial tax write-offs during the war by the parent companies in the United States.

7. The legislation should give the Administration discretionary authority to work out with the foreign governments involved arrangements with regard to the return of vested assets which would, to the maximum extent possible, relieve the U. S. Government of the burden of administration.

8. In other respects, such as the provisions relating to copyrights, trademarks, property subject to agreement with other countries, war criminals, and the coverage of the claims program, the legislation should follow the lines of previous Administration proposals. In addition, provision should be made for the divesting of interests which the United States has acquired in estates and trusts so that there can be terminated the continuing participation of the United States for an indefinite period in the administration of these estates and trusts.

9. Former owners of Japanese properties should be included in the program for a limited return of up to $10,000, but the question of a further return to such owners should be taken up in connection with the settlement of U. S. claims arising from post-war economic aid to Japan.

Aniline Sale Finally OKd

Judge David A. Pine today cleared the way for the Justice Department to prepare for the sale of General Aniline & Film Corp. after 21 years of Government control.

The huge General Aniline, a chemical and photographic supply producer, was seized as a German-owned asset in 1942 under the Trading With the Enemy Act.

Interhandel, a Swiss holding company, claimed ownership of 89 per cent of the stock. The United States, during the post-war years of litigation, contended that Interhandel did not really own the stock but served as a cloak for the real owner, the German firm of I. G. Farbenindustrie.

The Government and Interhandel agreed in March, 1963, on a settlement of the dispute but legal technicalities have held up the proposed sale of the company's stock.

The last of the technicalities was resolved by today's District Court action, when Judge Pine approved provisions for protection of third parties and lifted the long-standing injunction which had delayed the sale.

The Government is now free to go ahead with preparations for selling the company's stock under the 1963 agreement. Under this agreement, if General Analine is sold at public stock auction for $200 million, the United States would receive about $140 million and Interhandel about $60 million.

College Choir to Sing

The Knoxville (Tenn.) College Concert Choir will sing at 8 p.m. Friday at the New York Avenue Presbyterian Church.

Drew Pearson

ST. LOUIS POST-DISPATCH Wed., Sept. 1, 1965

file
G Farber

Up and Down With Vitamin D

The sunshine vitamin, D, completes a fantastic circle with the proposal of the Food and Drug Administration to limit its use in foods lest it injure the health of infants. To promote the health of infants and children with proper bone growth and prevention or cure of rickets, Vitamin D has long been used in milk, cod liver oil, cereals, bread, crackers, cookies, and in the feed of the chickens that lay the eggs.

From 1925, when it took over patents for producing Vitamin D, until 1946, when the courts opened the patents to the public, the Wisconsin Alumni Research Foundation (no relation to the University of Wisconsin) monopolized the market. It organized international cartels with the notorious IG Farbenindustrie of Germany and Joseph Nathan & Co. of Great Britain, and at one time was taking in $1000 a day. Anxious parents would no more have let their children go without gobs of Vitamin D than they would now let them go without a college degree.

Too much, however, it now turns out, may be bad, along with too little. It cannot be proved, but so eminent an authority as Dr. Robert Cooke of Johns Hopkins University has expressed concern that excessive intakes of Vitamin D might be causing a disease in infants which in severe form increases the calcium in the blood, changes the bony structure of the face, affects the aortic valve of the heart and causes mental abnormalities.

Two medical consulting committees have advised the Food and Drug Administration, despite the absence of conclusive proof, to limit the amount of Vitamin D added to food and in daily dosages of over-the-counter preparations. We applaud the FDA for forthrightly proposing these limits. Many voices are being raised nowadays against precautionary measures where danger is strongly suspected but cannot be proved beyond the shadow of a doubt. We think these are the counsels of sophistry. The counsel of prudence is to take care unless there are grounds for assurance.

UPI-57

(ANILINE)

file Texas Aniline

WASHINGTON--AN INVESTMENT GROUP LED BY BLYTH & CO., WITH A HIGH BID OF $329.1 MILLION TODAY WAS NAMED WINNER TO PURCHASE GOVERNMENT-OWNED STOCK IN THE GIANT GENERAL ANILINE & FILM CO., SEIZED IN 1942 AS A NAZI GERMANY ASSET.

THE ANNOUNCEMENT CAME SHORTLY AFTER ATTY. GEN. KATZENBACH PUBLICLY OPENED IN HIS OFFICE THE SEALED BIDS OF TWO RIVAL INVESTMENT COMBINES SEEKING TO BUY NEARLY 11.2 MILLION SHARES OF THE BIG CHEMICAL CONCERN AND RESELL THE STOCK TO THE PUBLIC.

A SPOKESMAN FOR GENERAL ANILINE TOLD REPORTERS HE EXPECTED THE SHARES WOULD BE SOLD ON THE MARKET TODAY -- POSSIBLY AT AN OPENING PRICE OF $30.75 PER SHARE.

3/9--GE1119A

UPI-190

ADD 3 ANILINE, WASHINGTON

A JUSTICE DEPARTMENT SPOKESMAN SAID THE FEDERAL GOVERNMENT WILL RECEIVE $206.095 MILLION, OR ABOUT 62 PER CENT, OF THE SALE PRICE. INTERHANDEL WILL GET $121.905, OR ABOUT 38 PER CENT.

THE PROCEEDS FROM THE SALE ARE BEING DIVIDED UP UNDER A COMPROMISE SETTLEMENT OF THE CASE WORKED OUT IN 1963. THIS REPRESENTED A PARTIAL VICTORY FOR INTERHANDEL, WHICH HAD SOUGHT TO KEEP ALL THE GENERAL ANILINE STOCK.

3/9--N544PES

Nazis Rewarded for Slaughter Of Prisoners, Ex-camp Aide Says

Witness at Auschwitz Trial of 21 Tells of Extra Pay for Wholesale Killing— Some of Accused Identified

Special to The New York Times

FRANKFURT, Germany, May 8—Nazi killers at the Auschwitz death camp received money awards and special rations of liquor and cigarettes for the slaughter of prisoners, an assize court here was told today.

The testimony was given by Tadeusz Paczula, a Polish doctor, at the trial of 21 men who served as guards at the extermination camp. Dr. Paczula spent two years as a clerk in the camp's sick ward.

He testified that his clerical tasks included the typing of letters requesting additional food and schnapps as a standard reward for the guards' killing of prisoners. He said the extra rations depended on the number of victims subjected to "special treatment," a Nazi euphemism for slaughter.

Dr. Paczula singled out Josef Klehr as one of the accused on whose behalf he wrote many such letters.

He corroborated previous testimony that Klehr, a former SS (Elite Guard) medical orderly, killed sick prisoners with injections of carbolic acid. Last week another Polish witness told the court that he had seen Klehr dispose of at least 20,000 prisoners in this way.

Listed 130,000 as Slain

Dr. Paczula who astonished the court with his memory, said his list of killed male inmates ran to 130,000 entries from 1943 to 1945. But he added that most of the victims, notably those who were gassed, went to their death unregistered.

"And yet our files grew so fast that when I was once ordered to take them to the chief camp doctor I had to use a wheelbarrow," he testified.

The witness not only remembered the wording, color and size of a dozen forms used by the Nazi bureaucrats but also recalled many four-and five-digit numbers of individual prisoners.

Another former medical orderly who was recognized by Dr. Paczula was Emil Hantl, who is accused of having taken part in giving fatal injections to sick inmates. He said Hantl was one of the few guards who were "friendly" to prisoners and did not commit individual acts of brutality.

"Hantl once did not report his discovery of electric hot-plates in a barracks," the witness said. According to Hantl, the secret use of the plates would have been punished by death if he had not looked the other way.

Spectators laughed when Hantl asserted that his "frequent leniency with enemies of the state "could have cost his own life.

Witness Identifies Many

Leon Czekalski, another Polish witness who was a barber in the camp, identified more than half the defendants. He slowly scrutinized each of the accused before saying whether he knew him.

Among those he identified was Robert Mulka, adjutant to the camp commandant. He recalled that he once saw Mulka about when a Jewish boy was shot by Hans Stark, another of the accused. He said that Mulka, who has denied that he ever visited the prisoners' part of the camp, also had directed selections of victims for gassing.

Resorting to its previous tactics of accusing witnesses of collusion, the defense called Mr. Czekalski's testimony "useless," charging that he had been seen with two other witnesses before the session. The court president said the charge would be examined.

file IG Farben

UPI-71

(GENERAL ANILINE)

WASHINGTON--GENERAL ANILINE AND FILM CO., WHICH WAS SEIZED BY THE U.S. GOVERNMENT DURING WORLD WAR II, TODAY FILED A REGISTRATION STATEMENT FOR THE SALE OF MORE THAN $11 MILLION SHARES OF COMMON STOCK.

THE STOCK WILL BE SOLJ UNDER COMPETITIVE BIDDING TO INVESTMENT BANKERS WITH THE REQUIREMENT THAT THE SHARES BE RESOLD "IN A MANNER TO ENCOURAGE THEIR WIDESPREAD DISTRIBUTION TO THE PUBLIC."

UNDER AN AGREEMENT REACHED BETWEEN THE JUSTICE DEPARTMENT AND "INTERHANDEL," THE SWISS HOLDING COMPANY THAT OWNED THE FIRM, THE U.S. GOVERNMENT AND THE FORMER OWNERS WILL DIVIDE EQUALLY THE PROCEEDS FROM 9.9 MILLION SHARES.

PROCEEDS FROM THE SALE OF THESE SHARES ARE EXPECTED TO TOTAL ABOUT $280 MILLION.

2/5--GE1209P

4-13-64
phil
DP requested
Gen Aniline & Film

April 1957 hearings on return of confiscated property held by Senate Judiciary subcommittee, according to material submitted by the Dept. of Justice on
pg. 382: " I. G. Farbenindustrie A.G. of Germany was the beneficial owner of the 97% stock interest in General Aniline & Film Corp. vested by the Alien Property custodian early in 1942."

..."Being by far the largest German exporter of dyestuffs, chemicals and pharmaceuticals, Farben was also German's largest source of fr free foreign exchange. It is estimated that Farben alone produced about 10% of Germany's total supply, so necessary for the financing of Germany's purchases of needed materials and supplies from non-belligerants such as Switzerland, Sweden and Spain. In August 1939, Farben placed Sw fr 10 million at its government's disposal in Swiss banks. An additional Sw fr 10 million, which Farben received in a stock transaction with Internationale Gesellschaft fur Industrie-un Handelsbeteiligungen (I.G. Chemie, Farben's Swiss affiliate), was turned over to the German Reichbank in mid 1940."

...Farben and leading figures in the combine were convicted in Nurenberg of war crimes involving the plunder and spoilation of leading chemical concerns in Norway, France & Poland. They were also conivicted of crimes against humanity arising from Farben's use of slave laborers from the infamous concentration camps at Auschwitz and Monowitz in occupied Poland."

###

5-14-64
phil

DP Am told this is urgent. Others are on to it but that as of now you have a clean scoop. Phil —

General Aniline & Film- GAF

On May 7, 1964 in civil action 4360-48 in U.S. Federal District Court for D.C., Societe Internationale etc (Interhandel- I.G. Chemie) vs/Atty General Robert Kennedy, Robert A. Schmitz thru his atty, Robt. M. Hauseman (of the David Ginsburg & Harold Leventhal firm- St. 3-5650) filed a motion for joinder and to intervene as plaintiff.

Answers are due by May 15. The papers were NOT in the regular file but were in Judge Pine's office- understandable because he can refuse to grant the motion.

The Schmitz motion says that Robert was associated from boyhood with the pre-1959 heads of Interhandel including the largest and controlling stockholder, Dr. Hans Sturzenegger.

Robert said his father was the organizer and until 1942 the ~~preceider~~ president of General Aniline & Film GAF, "an American subsidiary and the principal porperty of Interhandel.

Robert says:

"Because GAF is a valuable property and believing an American corporation would be in a better position than Interhandel to secure the return of the GAF stock" a number of corporations sought to buy and "~~In~~ "Interhandel entertained the idea.".

between 1947 and 1958 Robt Schmitz was successively ~~app authorit~~ authorized to act for Remington Rand, Atlas Corp, Shields & Co. W. R. Grace & Co and Food Machinery & Chemical Corp.

In Dec. 1958, Schmitz in Switzerland on behalf of Food Machinery & Chemical when Dr. Hans Sturzenegger said Interhandel had decided

ag a

Prestrich Industry - father flood of US I G Farben

Herman Industry - uncle - connected

be directing Ministry ..

"let plant et. ream"

to use James for"

against selling its interest in GAF and"would itself negotiate with the U.S. Government"..."thru an agent of its own choosing who must be a man of considerable reputation."

Schmitz"suggested Charles E. Wilson, former president of General Electric Co., a high government official and president of the People to People Foundation." He said Wilson would probably want full trustee powers. Sturzenegger said if trusteeship was not established he did not want any written record. Schmitz asked 5% of the Settlement with the U/S. govt. Sturzenegger suggested 2% or 3% would be "more agreeable to the stockholders."

Schmitz said he worked "from the end of Nov. 1958 until May 23, 1960 when Mr. Wilson accepted the trustee powers," but the Trustees lawyer was reimbursed.

In May 1960 Interhandel reimbursed Schmitz $13,733 for "out-of-pocket expenses"

Wilson served without pay becuase he believed in Interhandel and looked upon the confiscation as against U.S. interests, illegal, immoral

On Oct. 26, 1959 Dr. Alfred Schaefer confirmed the agreement Schmitz made with Dr. Sturzenegger and agreed to 5% of the settlement as "payment to be made when the settlement funds due Interhandel became available." This was not put in writing.

In the summer of 1961 Interhandel began to deal directly with the U.S. govt.

In August 1961, Interhandel told Wilson to suspend.

In the fall of 1961 Wilson caught on and resigned in Nov. 1962.

Schmitz says from June 1, 1960 thru Dec. 31, 1961 he worked for Interhandel for which he asked a "reasonable" balance of $150,000. He said Interhandel paid him $38,000 which Schmitz accepted "only as a payment on account and partial reimbursement for his expenses. Thus,

Schmitz claims $112,000 is owing. He asks 5% from the sale of GAF stock, $112,000 plus interest and action costs.

With his motion is appended a copy of an extract of the minutes of the meeting of the executive committee of the board of Internationale Industrie Und Handelsbeteiligungen A.G., Basle, of Thursday, April 28, 1960 held in the office of the Union Bank of Switzerland in Zurich.

Interesting statements from this extract include how they "always stand reade as Swiss nationals carrying out our duties to our stockholders within a framework of international harmony and law."

It relates how Charles E. Wilson, 7 Hampton Rd., Scarsdale, N.Y. is authorized to seek "settlement and disposiition of our heretofore ~~vest~~ vested property of record including the reciprocal exchange of necessary releases whereby and whereunder clear title shall pass to us and thereupon to American provate ownership" - we the executive board of directors of Interhandel A.G.

Also appended is a copy of an April 28,1960 letter to Charles E. Wilson, 437 Fifth Avenue, N.Y. (with a three months privilege of acceptance) containing an option stating "Interhandel is lawful holder and owner of record of 455,448 shares of Common A. stock and 2,050,000 shares of Common B stock of GAF,"granting him the power of attorney etc.

The court proceedings in this case have now reached 20 volumes. In the last volume there is a 1/15/64 letter from John J. Wilson, attny for Interhandel, (638-0465), to David Ginsburg & Harold Leventhal, atty firm for Schmitz. Wilson tells them you say your client is entitled to millions of dollars as a "finders fee" for alledgedly inducing Mr. Charles Wilson to undertake certain efforts.

a 1/20/64 letter from th Ginsburg charges J.J. Wilson with trying to insulate the court from the Schmitz claims.

These boys seem to resent one another. JJ Wilson sounds betrayed that Schmitz is suing.

other file material indicates that at one time an $80 to $100 millic million return was held up by Remington-Rand which had a 1949 option to purchase for $25Million. Rand is represented by Wm. P. MacCracken Jr of 1000 Conn.

Borkin SAYD HE LEARNED LAST NIGHT that other prople people are on to this - that he believes ~~Dixxxxx~~ Robert is the son of slave labor Schmitz.

phil

file Alien Property

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

Fifteenth

Semiannual Report

To the Congress

For the Period Ending **DECEMBER 31, 1961**

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

Fifteenth

Semiannual Report

To the Congress

***For the Period Ending* DECEMBER 31, 1961**

LETTER OF TRANSMITTAL

To the President of the Senate and the Speaker of the House of Representatives of the 87th Congress:

Pursuant to the provisions of section 9 of the War Claims Act of 1948 (62 Stat. 1240; 50 U.S.C. App. 2001–2016), as amended, and of section 3(c) of the International Claims Settlement Act of 1949 (64 Stat. 12; 22 U.S.C. 1621–1627), as amended, the Foreign Claims Settlement Commission of the United States has the honor to submit the 15th Semiannual Report of its activities as of December 31, 1961.

Respectfully,

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

CONTENTS

INTRODUCTION

The Foreign Claims Settlement Commission of the United States was established on July 1, 1954, when Reorganization Plan No. 1 of 1954 (5 U.S.C. 133(z), 68 Stat. 1279) became effective. Under that plan, the War Claims Commission, created to administer the War Claims Act of 1948 (62 Stat. 1240; 50 U.S.C. App. 2001–2016), and the International Claims Commission, established pursuant to the provisions of the International Claims Settlement Act of 1949 (64 Stat. 12; 22 U.S.C. 1621–27), were abolished and their functions transferred to the newly created Foreign Claims Settlement Commission of the United States.

Under Title I of the International Claims Settlement Act of 1949, the International Claims Commission was given authority to adjudicate claims of nationals of the United States for the nationalization or other taking of property "included within the terms of the Yugoslav Claims Agreement of 1948, or included within the terms of any claims agreement hereafter concluded between the Government of the United States and a foreign government (exclusive of governments against which the United States declared the existence of a state of war during World War II), similarly providing for the settlement and discharge of claims of the Government of the United States and of nationals of the United States against a foreign government, arising out of the nationalization or other taking of property, by the agreement of the Government of the United States to accept from that government a sum in en bloc settlement thereof." Pursuant to these provisions, the International Claims Commission was designated to determine similar claims of nationals of the United States against the Government of Panama upon the conclusion of an agreement between the Government of the United States and the Government of Panama on October 11, 1950.

The International Claims Commission was established within the Department of State. Under the provisions of the International Claims Settlement Act of 1949, the decisions of the Commission were "final and conclusive on all questions of law and fact and not subject to review by the Secretary of State or any other official, department, agency, or establishment of the United States or by any court by mandamus or otherwise." The War Claims Act of 1948 likewise accorded finality to the decisions of the War Claims Commission exempting them from "review by any other official of the United States or by any court by mandamus or otherwise."

Under the War Claims Act of 1948, the War Claims Commission initially adjudicated certain claims of American citizens who were interned or in hiding in specified areas in the Pacific during World War II; certain claims of American military personnel who were imprisoned by the enemy during World War II and were not fed in accordance with the precepts of the Geneva Convention of July 27, 1929; and certain claims of religious organizations in the Philippines or their personnel for expenditures incurred in aiding American military personnel or civilian American internees. Thereafter, that act was amended to cover claims of American military personnel who were mistreated during their imprisonment and claims of religious organizations in the Philippines or their personnel for certain property damages sustained during World War II (66 Stat. 47); claims of civilian American internees in Korea and American military personnel captured during the Korean hostilities (68 Stat. 759); claims of American prisoners of war who served in Allied forces during World War II; claims of American merchant seamen interned during World War II; and certain claims for losses resulting from the sequestration of accounts, deposits, and other credits in the Philippines by the Imperial Japanese Government (68 Stat. 1033). These claims programs were completed according to law by the Foreign Claims Settlement Commission of the United States.

Subsequently, Title III of the International Claims Settlement Act of 1949, as amended, was enacted (69 Stat. 562), under which the Foreign Claims Settlement Commission of the United States was authorized to determine certain claims of nationals of the United States against the Governments of Bulgaria, Hungary, Rumania, Italy, and the Soviet Union. With respect to Bulgaria, Hungary, and Rumania, the statute covered claims for war damages; for the nationalization, compulsory liquidation, or other taking of property in those countries prior to August 9, 1955; and for the failure of those countries to meet certain obligations. Claims against Italy generally were war damage claims arising in areas other than Italy proper, or in territories ceded under the treaty of peace with Italy as a result of Italy's participation in World War II. The statute also provided for claims arising prior to November 16, 1933 against the Soviet Government, and claims based upon liens acquired with respect to property in the United States which was assigned by the Soviet Government to the United States under the Litvinov Assignment of November 16, 1933. The Commission concluded these claims programs on or before the statutory date, August 9, 1959.

One of the two current programs administered by the Commission concerns Czechoslovakian claims authorized under Title IV of the International Claims Settlement Act of 1949, as amended (72 Stat. 527). The Commission's authority to determine Polish claims, the other program presently being administered, stems from the original provisions of the International Claims Settlement Act of 1949, granting jurisdiction over claims of nationals of the United States "included within the terms of any claims agreement hereafter concluded . . . ." (The text of these provisions is quoted hereinabove and found in title I of the act.) Since Rumania was a government "against which the United States declared the existence of a state of war during World War II", the Commission could not undertake the determination of claims of nationals of the United States against Rumania covered by the United States-Rumanian Claims Agreement of 1960 in the absence of specific legislative authority. On the other hand, the Commission possessed the necessary authority to proceed with the processing of claims against Poland upon the conclusion of the Polish Claims Agreement of 1960.

INNOVATIONS AND REVISIONS OF COMMISSION PROCEDURES

The 6 months covered by this 15th Semiannual Report[1] reflects the first full reporting period by the present members of the Commission. Following an intensive review of the agency's policies, procedures, and practice, several innovations have been introduced by the Chairman which were designed to improve substantially the quality and quantity of the combined efforts of the Commission and its staff, and to raise its prestige to the plane of dignity of a national claims commission performing judicial functions.

To this end, claims involving the establishment of Commission policy, precedent decisions, substantial awards, and complex, difficult, or novel questions are assigned to individual members of the Commission for the purpose of assuring, in the first instance, that complete adherence to the statutory precepts administered by the Commission be attained in conjunction with the applicable principles of customary international law and the provisions of pertinent international agreements.

Moreover, considerable effort has been directed toward the improvement in legal draftsmanship on the part of the staff. Standard forms have been dispensed with where practical. The decisions of the Commission reflect full compliance with the statutory requirement that they are to state the reason for the Commission action. The decisions will contain specific findings of fact and conclusions of law related to the individual claims, rather than a general statement of award or denial with a mere reference to some previous decision by the Commission in support of the conclusion.

[1] This report may be cited as: 15 FCSC Semiann. Rep. —, (July–Dec. 1961).

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Steps have been undertaken to provide appropriate guidance to the staff with respect to the proper development and preparation of claims, acceptable maintenance of records in relation thereto, and to bolster orderly presentation before the Commission in both oral hearings and in so-called hearings on the record when the Commission considers objections to the decisions where oral hearings have not been requested by the claimants.

Bearing in mind that the decisions of the Commission are final and conclusive, the review procedures at staff level have been clarified and defined in order to insure full compliance in the preparation of decisions with respect to organization, phraseology, findings of fact, conclusions of law, coverage of all issues, and conformity with Commission policies and decisions.

Particular attention has also been given to assure that claimants before the Commission are fully advised that a request for permission to withdraw a claim may prejudice further rights of recovery.

In addition to the internal improvements of operation initiated during this period, the Commission has physically moved to new quarters located at 15th and L Streets, N.W., Washington 25, D.C. The new offices, definitely more suited to the performance of its functions, have materially facilitated the work of the Commission. The Commission's hearing room provides a dignified and appropriate setting for the oral hearings conducted at the request of the claimants. The staff is more suitably quartered enabling a greater attention to detail without overcrowding, and permitting greater opportunity for consultation with attorneys and claimants. As a result of these and other improvements, considerable progress has been made in the important area of claims adjudication.

Inasmuch as the preceding 14th Semiannual Report presented a comparatively full treatment of the procedures for the processing and adjudication of claims before the Commission, the current report is limited to activities recorded for the period July 1, 1961, to December 31, 1961.

CZECHOSLOVAKIAN CLAIMS PROGRAM

At the commencement of this reporting period, the Commission entered into the windup phase of the Czechoslovakian claims program. Of a total of 3,985 claims originally received by the Commission, a total of 2,699 claims had been adjudicated, leaving a balance of 1,286 claims to be processed.

By the close of the period, December 31, 1961, a total of 1,458 denials had been issued, while 1,800 awards aggregating $21,067,236.68 had been authorized.

Budgetary restrictions were in turn necessarily reflected in staff limitations insofar as they concerned assignment of personnel looking to the completion of this program. Nevertheless, viewed in retrospect, it is felt that considerable progress has been made with a residue of only 727 claims remaining to be completed, particularly since substantial progress has already been made on these remaining claims.

Mindful of the fact that the Czechoslovakian claims program must be completed by September 15, 1962, in accordance with the terms of Title IV of the International Claims Settlement Act of 1949, as amended [72 Stat. 527; 22 U.S.C. 1642 (1958)], the Commission established a target date of June 30, 1962, for the issuance of all proposed decisions. This was considered a prerequisite in order to allow adequate time for the completion of outstanding hearings and the issuance of final decisions within the statute of limitations.

In light of the foregoing, toward the close of the reporting period, Chairman Re ordered a reassessment of the decisional processes. It was ascertained as a result that the weekly production of decisions had fallen below the average necessary to meet the deadlines established. It therefore became necessary to direct the reassignment of personnel from other programs to reduce the lag in production in order to place this program on a currently efficient basis.

Due to the peculiar difficulty experienced by claimants under this program in obtaining records and evidence to substantiate their claims, the Commission has continued the practice of advising them that consideration will be given to the reopening of final decisions. A petition to reopen a final decision may be entertained should claimants secure additional information and evidence not previously before the Commission and submit it sufficiently prior to the terminal date of the program to permit such consideration. In the period covered by this report a considerable number of claimants have been successful in obtaining new evidence which has established eligibility for awards. The Commission, after due consideration of such new material, has vacated final decisions previously entered and has issued appropriate new decisions.

In view of the foregoing, it is believed that the Czechoslovakian claims program is in good order and that the deadlines, self-imposed as well as statutory, will be met.[2]

The nature of the claims[3] remaining outstanding as of December 31, 1961, as a matter of interest, are set out in the following generic groupings:

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[2] The statistics relative to disposition of claims set out in the foregoing narrative reflect division productivity. Charted statistics in the appendices do not account for decisions in administrative process between division issuance and Commission issuance.

[3] Several illustrative examples are reproduced in the appendices.

Agrarian properties (real and personal)	112
Agrarian plus other	78
Business properties (industrial, etc.)	43
Business properties plus other	255
City properties (apartment houses, residences)	74
City properties plus other	30
Deposits in banks	0
Deposits in banks plus other	0
Stock (nonmanagement ownership)	13
Stock plus other	104
Bonds	5
Bonds plus other	4
Miscellaneous	9
Total	727

It was understood that at the close of the reporting period, representatives of the Department of State were about to depart for Prague for the purpose of concluding a negotiated lump-sum settlement of claims of the United States nationals against the Government of Czechoslovakia. The possibility of settlement and the nature of any agreement concluded thereby were matters of speculation on December 31, 1961.

POLISH CLAIMS PROGRAM

At the start of this reporting period, a total of 1,903 claims had been received against the Government of Poland. Following the Commission's public information program, the influx of claims increased rapidly, and by December 31, 1961, a total of 7,886 claims had been filed.

Initially, the Commission had set September 30, 1961, as the deadline date for filing of claims in this category. However, as this closing date approached, the Commission became aware that for varied reasons many potential claimants had found it virtually impossible to file within the allotted time. Accordingly, the terminal date was advanced by Commission action, to March 31, 1962.

In an effort to stimulate and encourage the timely filing of claims, Chairman Re, with the active assistance of Members of Congress whose constituencies comprised large concentrations of potential claimants against Poland, addressed large audiences in New York City, Buffalo, Philadelphia, Detroit, Chicago, and other cities. These meetings proved highly productive and valuable in informing claimants not only of the Polish program but also of Commission practices and procedures.

As was true in the Czechoslovakian program, budgetary limitations precluded the staffing of the Polish program commensurate with the inflow of claims. Nevertheless, this initial deterrent will be offset

in some measure, for as the Czechoslovakian program diminishes, personnel can be shifted from the one program to the other.

Moreover, during the early stages of a claims program, a considerable effort must be directed toward study and research in order that appropriate guides and criteria be established to assure the proper disposition of claims under the applicable agreement. Thus, in addition to the precedent decisions incorporated in the preceding 14th Semiannual Report, new precedent decisions have been issued, to wit, No. 4—Denial for failure to prosecute the claim, and No. 5—Denial, claim based on old Polish paper currency (Polish marks). Also, since precedent decision No. 2, which concerned property located in territory ceded to Russia, did not appear to meet the problem squarely, the Commission directed additional extensive research on that question and issued a new decision superseding the prior opinion. The foregoing precedents are reproduced herein in the appendices.

The staff assigned to the Polish claims program is currently conducting studies and research on the following problems:

1. Valuation criteria and procedures for agrarian and urban properties.
2. Conversion rates for Polish currency.
3. Effective dates of taking under the Abandoned Property Law of 1946, the 1945 Law Regarding Warsaw Sites, the Nationalization Law of 1946, and the Agrarian Reform Law of 1944.
4. Compensability of internal zloty bond issues.
5. Compensability of bank deposit claims.
6. Interpretation of the provisions of the annex to the claims agreement.

As of December 31, 1961, a total of 249 proposed decisions had been submitted by the Division and 217 issued by the Commission. Of this total, 153 decisions had become final as of that date and objections raised as to 24.

Field Office.—During this period, the Commission representative at the Field Office in Warsaw developed procedures for liaison with officials of the Polish Government, conducted local research into Polish laws and decrees affecting properties constituting the bases for claims, inspected specific properties, and made field investigations throughout Poland to ascertain information needed by the Commission in the determination of claims.

In September 1961, the Chairman conducted an inspection of the Warsaw office for the purpose of evaluating its effectiveness in relation to its cost. It was concluded that although the initial expense of establishing the office was costly, viewed in the long run it would prove to be of immeasurable value to the Commission and to claimants alike.

The Chairman conferred with Embassy and Polish authorities concerning procedures for implementing the terms of the agreement relative to the furnishing of claims information by Poland, and conversely, the furnishing of information by the Commission concerning claims disposed by it. He traveled through portions of Poland for the purpose of inspecting typical properties and also conferred extensively with officials in Germany, investigating sources of information relative to property in former German territory now under Polish administration.

It is anticipated that the year 1962 will reflect an extensive upswing in the disposition of claims in the Polish program.

LEGISLATIVE PROGRAM

The Commission complied with 32 congressional committee requests for reports on pending legislation between July 1, 1961, and December 31, 1961.

Also, during this period the Commission took an active part in committee hearings on general World War II war damage legislation before the Subcommittee on Commerce and Finance of the House Interstate and Foreign Commerce Committee. On August 2, 1961, Chairman Re testified as the principal administration witness in support of H.R. 7479. While these hearings related to a dozen or more legislative proposals, the essentials are more roundly reflected in the administration bill, H.R. 7479, and H.R. 7283, a bill introduced by the subcommittee chairman, Representative Peter F. Mack, Jr. At the close of the 1st session, 87th Congress, no committee action had been taken with respect to these measures in the House of Representatives.

On the other hand, no hearings on comparable measures were conducted by the Senate Judiciary Committee on the basis that full hearings had been held during the 86th Congress and that nothing was to be gained by further consideration. Accordingly, on September 22, 1961, the Senate Judiciary Committee reported favorably the bill S. 2618 in a version which would provide only for receipt and adjudication of claims with no provision for payment of awards.

Another measure, H.R. 8617, is a bill designed to equate payments on awards made by the Philippine War Damage Commission under the Philippine Rehabilitation Act of 1946 with the initial congressional intent, i.e., to raise the level of payments from 52.5 percent to 75 percent. The function of administering this program would be assigned to the Foreign Claims Settlement Commission. Under the bill an appropriation of $73 million would be authorized to finance the program. The bill was reported favorably by the Foreign Affairs Committee, and at the close of the 1st session was pending before the Committee on Rules.

A third measure, transmitted to the Congress by the Foreign Claims Settlement Commission, is S. 1987. The bill has not as yet been introduced in the House. This is an omnibus bill designed to establish a completion date for the Polish program, provide a vehicle for deposit of additional Rumanian payments into the Rumanian Claims Fund, authorize the determination of a new category of claims against Rumania, and to provide for the disposition of the residue in the Italian Claims Fund. Congressional action is anticipated early in the 2d session of the 87th Congress.

ORGANIZATION AND ADMINISTRATION

There have been no major changes in the organization of the Commission during the present reporting period.

During this period, claims data submitted to the Commission in the Polish program was incorporated in prepunched cards in order to expedite handling and to provide complete information on each claim.

The Chairman requested the Civil Service Commission to provide the assistance of personnel technicians to the Foreign Claims Settlement Commission in order to make a complete desk audit of each position, and to conduct a comprehensive survey of all personnel policies and procedures. This project has been completed and appropriate action has been taken on various recommendations.

In this respect, the internal management of the Commission has been reviewed resulting in the issuance of new directives governing the following personnel programs and procedures:

Delegation of Authority
Service Recognition
Federal Merit Promotion Program
Attendance and Leave Policy
Standards of Conduct for Commission Employees
Incentive Awards Program
Performance Rating Plan
Employee Grievance Procedures
Monitoring of Telephone Calls
Dismissals During Hazardous Weather
Safeguarding Employees' Personal Property

In addition, two committees were appointed by the Chairman to make a thorough survey of the procedures involving the assignment of claims to staff attorneys and the review of claims within the Commission. At the close of the period, these committees were actively engaged in their assigned studies and in the preparation of reports to the Chairman.

As of December 31, 1961, the Commission employed 61 individuals (including the Chairman and two Commissioners).

EXHIBIT I

Foreign Claims Settlement Commission—Status of Current Claims Programs as of Dec. 31, 1961

Type of claims	Current period: July 1, 1961, through Dec. 31, 1961								Cumulative totals through Dec. 31, 1961							
	Proposed decisions			Final decisions					Proposed decisions				Final decisions			
	Number of claims	Total issued	Denials	Awards	Amount of awards	Total issued	Denials	Awards	Amount of awards	Total issued	Denials	Awards	Amount of awards	Total issued	Denials	Awards	Amount of awards
Czechoslovakian	3,989	546	110	436	$7,262,688	611	117	494	$10,024,619	3,202	1,346	1,856	$18,386,378	2,999	1,214	1,785	$17,996,580
Polish	7,886	104	104			80	80			217	217			153	153		
Total	11,875	650	214	436	$7,262,688	691	197	494	$10,024,619	3,419	1,563	1,856	$18,386,378	3,152	1,367	1,785	$17,996,580

EXHIBIT II

Status of War Claims Fund as of Dec. 31, 1961

For payment of claims:	
War Claims Commission and Foreign Claims Settlement Commission	$181,379,354
Paid to Bureau of Employees' Compensation	23,410,954
Repayment to Department of State of loans	50,550
Transferred to Treasury Department for Bureau of Employees' Compensation for future payments	17,500,000
General Accounting Office for certificate of settlement of claim	70
For administrative expenses:	
War Claims Commission and Foreign Claims Settlement Commission	5,371,279
Bureau of Employees' Compensation	711,224
Total withdrawals	$228,423,431
Unexpended balance	326,569
Total deposits	$228,750,000

EXHIBIT III

Actual Obligations for Administrative Expenses, July 1, 1961, to Dec. 31, 1961

Object class	Description	1st quarter	2d quarter	Total
11	Personnel compensation	$127,763	$133,424	$261,187
12	Personnel benefits	11,080	9,295	20,375
21	Travel	3,205	920	4,125
22	Transportation of things	84		84
23	Rent, communication, and utilities	21,223	1,971	23,194
24	Printing and reproduction	2,868	3,084	5,952
25	Other services	661	2,731	3,392
	Services of other agencies	46	15,933	15,979
26	Supplies and materials	1,171	474	1,645
31	Equipment	3,670	2,741	6,411
	Total obligations	$171,771	$170,573	$342,344

646524—62——3

EXHIBIT IV

Selected Decisions (Czechoslovakian Program)

PETITION TO REOPEN CLAIMS BASED ON NEW EVIDENCE—CONSOLIDATED AWARDS GRANTED

Claims Nos. CZ–4,855, CZ–4,856, CZ–4,857, CZ–4,858—Decision No. CZ–1515

IN THE MATTER OF THE CLAIMS OF MARY IHNAT RASKI, PAUL IHNAT, ANNA IHNAT, CATHERINE IHNAT CULLEY

ORDER AND AMENDED FINAL DECISION

The Commission issued its Proposed Decision denying these claims on October 4, 1960, copies of which were duly served upon the claimants. No objections having been filed within the twenty day period after such service and general notice of the Proposed Decision having been given by posting for twenty days, on November 7, 1960, the Proposed Decision was entered as the Commission's Final Decision on the claims.

Claimants petitioned the Commission to reopen these claims and submitted new evidence in support thereof. Due consideration having been given to the petition and to the new evidence, it is

ORDERED that the Proposed Decision and Final Decision heretofore entered in these claims be amended to read as follows:

These are claims in the amended total amount of 921,149.60 crowns against the Government of Czechoslovakia under Section 404, Title IV of the International Claims Settlement Act of 1949, as amended, by MARY IHNAT, PAUL IHNAT, CATHERINE IHNAT CULLEY, nationals of the United States by birth in the United States on September 2, 1920, April 22, 1915, and September 1, 1926, and ANNA IHNAT, a national of the United States by naturalization on July 15, 1936.

The claims are based on the nationalization or other taking of three deposits in Czechoslovak Banks.

Section 404 of the Act provides, inter alia, for the determination by the Commission, in accordance with applicable substantive law, including international law, of the validity and amount of claims by nationals of the United States against the Government of Czechoslovakia for losses resulting from the nationalization or other taking on and after January 1, 1945, of property, including any rights or interests therein, owned at the time by nationals of the United States.

Clearly then, it follows from the congressional mandate to the Commission that there must be a showing, among other things, that the Government of Czechoslovakia *nationalized or otherwise took* property of a claimant in order for the Commission to act favorably on his claim. A study of the history of events with respect to bank accounts and savings accounts in Czechoslovakia reveals that pursuant to Law 41/53 Sb., effective June 1, 1953, those deposits which were made on or prior to November 15, 1945, in old currency were annulled by the Government of Czechoslovakia.

The Commission finds that claimants' parents, John Ihnat and Katherine Ihnat, nationals of the United States by naturalization on December 11, 1942, and May 28, 1943, respectively, owned equal interests in deposits in Czechoslovak banks as follows: The sum of 143,445.20 crowns in the Tatra Banka in Bratislava; the sum of 295,983.00 crowns in the Slovenska Banka in Bratislava; and the sum of 481,720.40 crowns in the Zivnostenska Banka in Prague, for a total sum of 921,149.60 crowns; that the right to payment of these accounts was property within the meaning of Section 401(1) of the Act which defines property as "any property, right, or interest"; and that this right to payment was taken by the Government of Czechoslovakia on June 1, 1953, by virtue of Section 7 of Law 41/53 Sb., which cancelled such right.

The Commission further finds that the said John Ihnat and Katherine Ihnat died intestate on July 5, 1955, and August 17, 1954, respectively, and that claimants herein inherited their interests in this claim in equal shares.

Accordingly, the Commission concludes, with respect to the instant claims, that claimants are entitled to compensation at the rate of $1.00 for 50 crowns for such taking under Section 404 of the Act.

Section 408 of the Act provides that with respect to any claim under Section 404 of Title IV of the Act which, at the time of the award, is vested in persons other than the person by whom the loss was sustained, the Commission may issue a consolidated award in favor of all claimants then entitled thereto, which award shall indicate the respective interests of such claimants therein, and all such claimants shall participate in proportion to their indicated interests, in the payments authorized by this title in all respects as if the award had been made in favor of a single person.

Accordingly, the Commission concludes, with respect to the instant claims, that pursuant to the foregoing provisions of the Act that claimants are entitled to equal interests in two (2) consolidated awards as follows:

AWARDS

A consolidated award based upon the inheritance of a claim from John Ihnat is hereby made in the principal amount of Nine Thousand Two Hundred Eleven Dollars and Fifty Cents ($9,211.50), plus interest thereon at the rate of 6% per annum from June 1, 1953, to August 8, 1958, the effective date of Title IV of the Act, in the amount of Two Thousand Eight Hundred Sixty-Six Dollars and Thirty-Four Cents ($2,866.34), for a total award of Twelve Thousand Seventy-Seven Dollars and Eighty-Four Cents ($12,077.84), in which the interests of the claimants are as follows:

	Principal	Interest	Total
Mary Ihnat Raski	$2,302.88	$716.59	$3,019.47
Paul Ihnat	2,302.88	716.59	3,019.47
Anna Ihnat	2,302.87	716.58	3,019.45
Catherine Ihnat Culley	2,302.87	716.58	3,019.45
Total	$9,211.50	$2,866.34	$12,077.84

and a consolidated award based upon the inheritance of a claim from Katherine Ihnat is hereby made in the principal amount of Nine Thousand Two Hundred Eleven Dollars and Fifty Cents ($9,211.50), plus interest thereon at the rate of 6% per annum from June 1, 1953, to August 8, 1958, the effective date of Title IV of the Act, in the amount of Two Thousand Eight Hundred Sixty-Six Dollars and Thirty-Four Cents ($2,866.34), for a total award of Twelve

Thousand Seventy-Seven Dollars and Eighty-Four Cents ($12,077.84), in which the interests of the claimants are as follows:

	Principal	Interest	Total
Mary Ihnat Raski	$2,302.88	$716.59	$3,019.47
Paul Ihnat	2,302.88	716.59	3,019.47
Anna Ihnat	2,302.87	716.58	3,019.45
Catherine Ihnat Culley	2,302.87	716.58	3,019.45
Total	$9,211.50	$2,866.34	$12,077.84

and it is hereby

ORDERED that the awards granted herein be certified to the Secretary of the Treasury.

Dated at Washington, D.C., July 13, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

PENSION RIGHTS

BREACH OF EMPLOYMENT CONTRACT

ANNULLMENT BY CZECHOSLOVAKIAN TRIBUNAL OF JUDGMENT BASED ON CLAIM FOR SEVERANCE PAY, SALARY, BONUSES—HELD A COMPENSABLE TAKING

Claim No. CZ–2,097—Decision No. CZ–2322

IN THE MATTER OF THE CLAIM OF TONI FELIX

FINAL DECISION

The Commission issued its Proposed Decision on this claim on May 17, 1961 granting claimant an award in the principal amount of $13,500.00, plus interest thereon in the sum of $4,538.30, for a total award of $18,038.30, based on the taking by the Government of Czechoslovakia of improved real property owned by claimant.

A portion of the claim was based on an asserted loss by claimant's late husband, Ernest O. Felix (hereinafter called "decedent"), of the sum of 522,000 crowns allegedly due him by a Czechoslovak corporation called "Gefia" on account of severance pay (termination of employment contract prior to its expiration date), salary and bonuses. This was denied for the reason that it had not been established that the alleged loss resulted from the nationalization or other taking of property by the Government of Czechoslovakia within the meaning of Section 404 of the Act.

A copy of the Proposed Decision was duly served upon the claimant who filed objections thereto, insofar as it denied the portion of the claim referred to in the preceding paragraph, and a hearing was held on this matter.

Briefly, it appears that decedent was employed prior to World War II by "Gefia" in Czechoslovakia under a contract due to expire on December 31, 1941; and that in 1939 the contract was terminated by "Gefia." It further appears that "Gefia" was nationalized pursuant to Czech Law 100/1945 Sb., effective October 27, 1945. This law provided, among other things, that the State enterprise taking over the property of a concern assumes responsibility for its liabilities. It also provided that such State enterprise was entitled to rectify "by abolition or other suitable adjustment" obligations which were "economically unjustifiable." If no agreement could be reached, the matter would be referred to and decided by Arbitration Courts. Law 228/1946Sb., effective November 21, 1946, was enacted to implement the said provisions of the nationalization statutes, and pursuant to this law, Arbitration Tribunals were established.

It further appears that subsequent to the termination of World War II, an action was instituted by decedent against "Gefia" in the District Court for Civil Matters at Brno-City based on the breach of the aforementioned employment contract. "Gefia" apparently admitted its liability and decedent was granted judgment for the sum of 522,000 crowns, plus interest from the date of the breach of contract. "Gefia," nevertheless, referred the matter to the Arbitration Tribunal for determination. This tribunal, by decision dated November 18, 1948, "annulled" the obligation of "Gefia" to pay to decedent the amount of the judgment on the ground that it was "economically unjustified."

This matter must be cousidered in light of this Commission's previous decisions that (1) "creditor claims" as a general rule are not compensable under Section 404 of Title IV of the Act,[1] and (2) claims against the Government of Czechoslovakia by stockholders or owners of Czechoslovak enterprises which were nationalized arose on the effective date of the nationalization decree.[2]

If the matter before us falls within the rules of law established in either the SKINS TRADING CORPORATION or the DAYTON decisions, cited herein, it must be found to be not compensable under the Act, for the nationalization decree pertaining to "Gefia" was effective October 27, 1945, a date on which decedent was not a national of the United States.

We are of the opinion that this claim is an exception to the two general rules referred to above for the following reasons. The decedent filed his action for breach of contract in the appropriate forum in Czechoslovakia where his claim was reduced to judgment. He thus became a judgment creditor of the nationalized corporation with vested rights against that enterprise. Further this matter is to be distinguished from the claim of a stockholder of a nationalized corporation whose claim arose on the date of the nationalization of such corporation or its assets. Here we have a judgment creditor whose rights were fixed by a court of law in Czechoslovakia subsequent to the nationalization of the primary debtor. Indeed, the Commission has recognized the distinction between these types of claims in making awards to owners of bonds of nationalized corporations, holding that claims based on bond obligations did not arise on the date of the nationalization of the corporation or its assets, but, rather on June 1, 1953, when the obligation to pay these bond obligations was annulled pursuant to the provisions of Czechoslovak Law 41/53 Sb.[3]

As stated above, decedent had a vested right as a judgment creditor, and we feel that the action of the Arbitration Tribunal, which was an official arm of the Czechoslovak Government, in annulling decedent's rights therein amounted to a confiscation or taking of property within the meaning of the statute.

After due consideration of this matter, we find that the principal amount plus interest of "Gefia's" obligation to the decedent on November 18, 1948, when the

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[1] Decision No. CZ–734, *In the Matter of the Claim of SKINS TRADING CORPORATION,* Claim No. CZ–3,978.

[2] Decision No. CZ–1022, *In the Matter of the Claims of MARY DAYTON and PAUL DAYTON,* Claims Nos. CZ–4,113 and CZ–4,123.

[3] Decision No. CZ–683, *In the Matter of the Claim of CLAIRE L. CLAUS,* Claim No. CZ–1,082.

Arbitration Tribunal annulled his vested rights was 737,586 crowns and conclude that the claimant herein is entitled to compensation for this loss. Accordingly, it is

ORDERED that the Proposed Decision heretofore issued be and it hereby is amended to conform with the foregoing, the award being restated as follows:

AWARD

Pursuant to the provisions of Title IV of the International Claims Settlement Act of 1949, as amended, an award is hereby made to TONI FELIX in the principal amount of Twenty-eight Thousand Two Hundred Fifty-one Dollars and Seventy-two Cents ($28,251.72), as follows: $14,751.72 for the annulled obligation and $13,500 for the real property, plus interest thereon at the rate of 6% per annum from the respective dates of taking to August 8, 1958, the effective date of Title IV of the Act, in the amounts of $8,602.76 and $4,538.30, respectively, for a total award of Forty-one Thousand Three Hundred Ninety-two Dollars and Seventy-eight Cents ($41,392.78); and it is further

ORDERED that the Proposed Decision as herein amended be and the same is hereby entered as the Final Decision on this claim, and that the award granted herein be certified to the Secretary of the Treasury.

Dated at Washington, D.C., November 22, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

REAL PROPERTY

DEPRIVATION OF INCOME AND USE

RECORD OWNERSHIP IN CLAIMANT OF TITLE TO REAL PROPERTY HELD NOT A BAR TO CLAIM BASED ON LOSS OF CONTROL AND ITS INCOME

Claim No. CZ-4,067—Decision No. CZ-2714

IN THE MATTER OF THE CLAIM OF ALEXANDER FEIGLER

FINAL DECISION

This is a claim in the amount of $125,000 against the Goverument of Czechoslovakia under Section 404, Title IV of the International Claims Settlement Act of 1949, as amended by ALEXANDER FEIGLER also known as Sandor Feigler, a national of the United States since his naturalization on September 14, 1921. The claim is asserted for the nationalization or other taking of the following property:

(1) One-third (⅓) interest in eight (8) houses located in Bratislava;

(2) Farm land situated in the Community of Cierna Voda, Czecboslovakia;

(3) 117 Certificates of shares of stock in the First Savings Association of Bratislava; and

(4) Bank deposits in the Bratislava Savings and Loan Association.

Section 404 of the Act provides, inter alia, for the determination by the Commission, in accordance with applicable substantive law, including international law, of the validity and amount of claims by nationals of the United States

against the Government of Czechoslovakia for losses resulting from the nationalization or other taking on and after January 1, 1945, of property including any rights or interests therein owned at the time by nationals of the United States.

(1) *Houses and City Property*

The Commission finds that claimant owned—

A. A 16/60th interest in the following houses in Bratislava, Czechoslovakia:

1. 8 Banskobystricka Street (formerly Donner Street)	Liber No. 893	Bratislava.
2. 10 Banskobystricka Street (formerly Donner Street)	Liber No. 893	Bratislava.
3. 9 First of May Square (formerly Senne Square, Heumarkt)	Liber No. 893	Bratislava.
4. 52 Cervena Armada Street (formerly Groessling Street)	Liber No. 893	Bratislava.
5. 59 Zidovska Street (formerly Jewish Street)	Liber No. 3552	Bratislava.
6. 61 Palisady	Liber No. 3696	Bratislava.

B. A 5/20th interest in house:

7. 9 Sladkoviceva Street (formerly Vorosmarty Street)	Liber No. 4792	Bratislava.

C. A 7/24th interest in house:

8. 8 Smetana Street (formerly Hausberg)	Liber No. 11341	Bratislava.

D. A 13/48th interest in a vacant lot:

9. On Danube Embankment, Bratislava having an area of 728 square meters	Liber No. 10209	Bratislava.

The Commission further finds that in 1946 claimant's interest in the above-described property was confiscated by the Government of Czechoslovakia pursuant to Decree No. 108/1945 Sb. as property belonging to a person of German ethnic nationality. However, upon representations made by the claimant and by the American Embassy in Prague, the authorities in Bratislava by Decision No. 5605/1/VI of July 20, 1948, revoked the coufiscation action relating to claimant's interest in the property.

Nevertheless, Czechoslovak Law No. 80/52 Sb., effective January 1, 1953, compelled owners of buildings with a gross rental income of 15,000 Czech crowns or more per year to deposit the rents in special accounts. From such accounts, a real property tax (45 to 50% of the gross rent) and other taxes were deducted. Additionally, at least 30% of the rent was then transferred into a building repair account. Thus, in Czechoslovakia, owners of buildings larger than one-family dwellings having a gross rental income of 15,000 Czech crowns or more per year were and are precluded from the free and unrestricted use of their realty and the fruits of such realty. To all intents and purposes, owners of sucb property, despite the fact that they may have remained the record owners, lost all control over the property and were little more than collecting agents for the Czechoslovakian Government. In view of the foregoing, the Commission has concluded that improved real property having a gross rental income of 15,000 Czech crowns or more per year is considered as constructively taken by the Government of Czechoslovakia as of January 1, 1953.

The Commission finds that the houses described above under 1 through 8 were in the category of having a yearly gross rental income of 15,000 Czech crowns or more and that they were taken without conpensation on January 1, 1953. The Commission further finds that the value of claimant's interest in the houses, after deduction of war damage and mortgages, was as follows:

1. 8 Banskobystricka Street	16/60ths of Kc.	400,000=Kc.	106,667
2. 10 Banskobystricka Street	16/60ths of Kc.	1,000,000=Kc.	266,667
3. 9 First of May Square	16/60ths of Kc.	1,025,000=Kc.	273,333
4. 52 Cervena Armada Street	16/60ths of Kc.	300,000=Kc.	80,000
5. 59 Zidovska Street	16/60ths of Kc.	180,000=Kc.	48,000
6. 61 Palisady Street	16/60ths of Kc.	1,050,000=Kc.	280,000
7. 9 Sladkovic Street	5/20ths of Kc.	560,000=Kc.	140,000
8. 8 Smetana Street	7/24ths of Kc.	250,000=Kc.	72,917
Claimant's total interests in the above houses			Kc. 1,267,584

(Converted into United States dollars at the rate of exchange of two cents for 1 Kc.=$25,351.68.)

In evaluating the above houses, the Commission gave consideration, among other things, to their description furnished by the claimant and by Czechoslovakian authorities, to the yearly rental income estimated by the claimant which in some instances is corroborated by reports of the Government of Czechoslovakia, and to the fact that two of the houses (61 Palisady and 9 Sladkovic Streets) were slightly damaged during World War II. By capitalizing the rental income on the basis of approximately 7% per annum (or fourteen times the yearly income), the Commission used the valuation methods adopted by the Czechoslovak Law No. 134/46 Sb., and the Rules of Valuation provided for by Announcements No. 1703 and No. 1704 of Aug. 23, 1946, of the Czechoslovakian Ministry of Finance for the purpose of assessing property taxes. From the so computed valuation figures were deducted the mortgages in the amounts of 175,000 and 168,000 Czech crowns, respectively, which encumbered the properties.

No evidence has been submitted regarding the taking by the Government of Czechoslovakia of claimant's fractional interest in the vacant lot situated at the Bratislava Danube Embankment. In the absence of such evidence, no award can be granted for this lot.

The Commission, therefore, concludes that claimant is entitled to compensation under Section 404 of the Act for his interest in the above eight houses in Bratislava in the amount of $25,351.68, plus interest as specified below.

(2) *Farm Land in Cierna Voda*

The Commission finds that claimant was the owner of approximately 96½ cadastral yutars (55 hectares) of farmland, including approximately ten (10) cadastral yutars of marshland, in the Community of Cierna Voda near Tallos, District of Galanta, Czechoslovakia. Such land had been originally rented out to tenants, but the Commission's records disclose that under the Czechoslovakian Agrarian Reform Act No. 46/1948 Sb., agricultural land in excess of fifty hectares which was not tilled by the owners was expropriated and turned over to the State. Based on such records, the Commission has concluded that, absent evidence to the contrary, agrarian property of an area of more than fifty hectares which was owned by a United States national who was not physically present in Czechoslovakia to till the land so owned by him was taken by the Government of Czechoslovakia without compensation as of March 21, 1950.

In view of the foregoing, the Commission finds that claimant's farmland in Cierna Voda was taken by the Government of Czechoslovakia without compensation on March 21, 1950.

Statistics and data with respect to land values in Czechoslovakia, namely, the Fifth Supplement to the Listing of Agricultural Property, published by the President of the German Federal Equalization Office, Bad Homburg, 1960, disclose that the equivalent dollar value of the average farmland in the area af Galanta, Czechoslovakia, was $330.00 per hectare. However, since part of the land owned by the claimant was marshland, the Commission concludes that the average value of the subject land of fifty-five (55) hectares was $300 per hectare and that the claimant is entitled to compensation under Section 404 of the Act in the amount of $16,500.00 with the respective interest thereon.

(3) *Shares of Stock*

The Commission further finds that claimant was the owner of 117 shares of stock in the Bratislava First Savings Bank Corporation of 1,000 Kc. par value each, and that the said bank was nationalized without compensation by the Government of Czechoslovakia on October 27, 1945, pursuant to Decree No. 102/1945 Sh.

In computing the value of this stock, the Commission has considered the financial data from the "Compass" Financial Year Book for 1944 for the State of Slovakia, including balance sheets and operating statements published therein. On the basis of all the evidence and information available to the Commission, the Commission finds that the value of such stock at the time of nationalization was 1,700 Kc. which, converted at two cents per 1 Kc. at the then prevailing exchange rate, equals $34.00 per share.

Accordingly, the Commission finds that claimant is entitled, for his 117 shares of stock in the aforesaid bank, to an award of $3,987.00, plus interest thereon as specified below.

(4) *Bank Deposits*

Claimant asserts that he had on deposit with the Bratislava First Savings Bank Corporation:

Kc. 50,496.00 in Savings Book No. 52366,
1,166.00 in Savings Book No. 35178,
15,674.00 in Current Account,
171,190.00 in Current Account;

with the General Bank, Inc., in Bratislava:

Kc. 1,610.00 in Savings Book No. 43080; and

with the Discount and Trade Bank, Inc., in Bratislava:

Kc. 2,046.00 in Savings Book No. 12061.

A study of the history of events with respect to bank deposits and savings accounts in Czechoslovakia reveals that pursuant to Law No. 41/53 Sb., effective June 1, 1953, those deposits which were made on or prior to November 15, 1945, in old currency were annulled by the Government of Czechoslovakia.

The Commission finds that the above-stated amounts totaling Kc. 242,182.00 in old currency were on deposit in claimant's favor in the aforementioned banks; that claimant's right to payment of these accounts was property within the meaning of Section 401(1) of the Act which defines property as any property, right, or interest, and that this right to payment was taken by the Government of Czechoslovakia on June 1, 1953, by virtue of Section 7 of Law No. 41/53 Sb., which cancelled such right.

The Commission concludes with respect to this portion of the claim for bank deposits that claimant is also entitled to compensation at the rate of 2¢ per 1 K for such taking under Section 404 of the Act in the amount of $4,843.64, plus interest thereon as stated below:

Recapitulation

Property	Principal amount	Date of taking	6% interest from date of taking to 8/8, 1958	Total award
8 houses	$25,351.68	1/1/53	$8,522.47	$33,874.15
Farmland	16,500.00	3/21/50	8,296.70	24,796.70
Shares of stock	3,978.00	10/17/45	3,050.45	7,028.45
Bank deposits	4,843.64	6/1/53	1,507.20	6,350.84
Total	$50,673.32		$21,376.82	$72,050.14

AWARD

Pursuant to the provisions of Title IV of the International Claims Settlement Act of 1949, as amended, an award is hereby made to ALEXANDER FEIGLER in the amount of Fifty Thousand Six Hundred Seventy-three Dollars and Thirty-two Cents ($50,673.32), plus interest thereon at the rate of 6% per annum from the above specified dates of taking to August 8, 1958, the effective date of Title IV of the Act, in the amount of Twenty-one Thousand Three Hundred Seventy-six Dollars and Eighty-two Cents ($21,376.82), for a total award of Seventy-two Thousand Fifty Dollars and Fourteen Cents ($72,050.14).

Dated at Washington, D. C., November 15, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

RECOGNITION OF EQUITABLE OWNERSHIP IN REAL PROPERTY GOVERNED BY LAW OF LAND WHERE SITUATED. U.S. NATIONALITY OF CLAIMANT REQUIRED AT TIME OF TAKING

Claim No. CZ-3,993—Decision No. CZ-2556

IN THE MATTER OF THE CLAIM OF JOSEPH SINGER

FINAL DECISION

The Commission issued its Proposed Decision on this claim on July 26, 1961, denying the claim for the reason that claimant failed to submit evidence that he inherited the property upon which the claim is based, and for the further reason that claimant did not establish that the property was taken subsequent to July 26, 1955, the date he became a United States citizen.

Claimant through his attorney filed objections to the Proposed Decision and submitted extracts from the land register of Lucenec, Czechoslovakia, which show, among other things, that claimant in 1947 was recorded as part owner of the property involved in this claim and that such property was confiscated on June 10, 1955. Claimant also submitted affidavits executed by Nathan Greenfeld, Abraham Klein, and Bella Klein to the effect that part of the property recorded in the name of Joseph Singer was equitably owned by Henry Singer, his brother, a national of the United States since his naturalization on September 3, 1953. Claimant, therefore, requests that Henry Singer be added as party claimant to the proceedings.

Section 405 of the International Claims Settlement Act of 1949, as amended, provides that a claim shall not be allowed unless such claim has been owned by a national of the United States since its inception until the date of filing with the Commission.

Joseph Singer's claim arose on June 10, 1955. At that time he was not a national of the United States and his claim for the above property is not compensable under the Act.

Henry Singer's claim based upon his equitable ownership in the real property recorded in the name of his brother, Joseph Singer, cannot be entertained by the Commission for, among other things, the following reasons:

It is well settled that ownership of real property is subject to the laws in effect within the territory where such real property is situated. Beale, *The Conflict of Laws*, section 50.1, p. 292; *Goodrich on Conflict of Laws*, 3d Ed., p. 454. This Commission, *in the Matter of the Claim of Anna Langenecker*, in Decision Y-1374, Claim No. Y-591, reaffirmed a statement in the case of *The United States of America on Behalf of John Bezanos* v. *The Republic of Turkey*, (Opinions of the U.S. Commission established pursuant to the American-Turkish Claims Settlement of 1934, p. 250): "It is recognized throughout the world that all incidents of ownership of real property are governed by the law of the place where the property is situated."

The real property involved here is located in the territory of Slovakia which with respect to the laws on real property was governed by Hungarian Customary Law until January 1, 1951. The Hungarian Customary Law relating to ownership of real property is largely based on the Austrian Civil Code and on the Austrian laws which introduced land registers and procedures for the recordation of real property rights in Hungary (and Slovakia) during the period 1852 through 1867.[1]

By Section 322 of the Austrian Civil Code, where land registers or similar records are established, the legal possession of a right in real property can be acquired only by a regular entry in the public books; and by Section 431 of the said Code, in order to transfer ownership of real property, the acquisition thereof must be evidenced by an instrument in writing, duly acknowledged and recorded in public books established for that purpose.

The Customary Law of Hungary does not recognize equitable ownership in real property. Trusts in the meaning of the American law are wholly unknown in the territory where that law is in effect.[2] The rule is that the record owner of real property is considered as the legal owner as against the whole world—except as against the sovereign, and if there are rights acquired by third persons, these are contractual rights only. Exceptions to this rule, such as the recognition for limited purposes of a nonrecorded title of an heir in decedent's realty pending the entry of an inheritance decree, or of a nonrecorded title of a grantee designated in a written instrument duly executed and acknowledged, need not be discussed here.

In the present case, claimant asserts that his brother had such rights in the real property recorded in claimant's name, since by agreement claimant acquired title to the real property not only for himself but also for his brother Henry. However, even if such agreement were enforceable as against the record owner, it did not create an ownership interest in favor of the claimant to any share [title] to the property since the agreement was not reduced to writing, duly acknowledged and recorded in the office of the land register pursuant to local law.

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[1] Armin Ehrenzweig. "System des Oesterreichischen Allgemeinen Privatrecht," 1st Volume, p. 35, published Vienna, 1925.

[2] Martindale-Hubbell Law Directory for 1951, Article, *Hungary Law Digest* by Dr. Charles Havos of the Budapest Bar, caption "Trusts."

The Commission, therefore, has denied claimant's request that Henry Singer be added as party claimant to the proceedings.

In view of the foregoing, it is

ORDERED that the Proposed Decision be and the same is hereby entered as the Final Decision on this claim.

Dated at Washington, D.C., November 15, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

FUNDS TAKEN BY GERMAN OCCUPATION AUTHORITIES IN CZECHOSLOVAKIA NOT COMPENSABLE

Claim No. CZ–2570—Decision No. CZ–2943

IN THE MATTER OF THE CLAIM OF ALICE KORTER, EXECUTRIX OF THE ESTATE OF KARL KORTER, DECEASED

PROPOSED DECISION

Claim has been asserted under Title IV of the International Claims Settlement Act of 1949, as amended, in a total amount of $147,284.10 based on property assertedly owned and inherited by decedent, KARL KORTER, who became a national of the United States on December 27, 1943, and who died in New York State on February 12, 1956. Claimant, Executrix and beneficiary of the Estate of said decedent, became a national of the United States on May 21, 1945. The property assertedly taken from decedent by the Government of Czechoslovakia is described below.

Section 404 of the Act provides, inter alia, for the determination by the Commission in accordance with applicable substantive law, including international law, of the validity and amount of claims by nationals of the United States against the Government of Czechoslovakia for losses resulting from nationalization or other taking on and after January 1, 1945, of property, including any rights or interests therein, owned at the time by nationals of the United States.

The claim is based upon (1) bank accounts, and (2) insurance policies, assertedly owned by KARL KORTER now deceased; (3) bank accounts; and (4) House No. 294 in Asch, assertedly owned by CHARLOTTE KOHN, who died during the war and whose estate was distributed to the aforenamed KARL KORTER by Decree of September 3, 1947; (5) insurance policy, bank account, and a one-half interest in House No. 22 (Registry 223), House 289 (Registry 289), House 290 with meadow (Registry 290), House 3339 with garden (Registry 2089), all in Asch, and a meadow at Unter-Reuth (Registry 279), assertedly owned by OSCAR KOHN, who also died during the war, and whose sole heir was declared to be KARL KORTER.

Claimant has submitted copy of a letter from the Prague Credit Bank, of February 18, 1946, addressed to KARL KORTER advising that they have received certain deposit books, with balances, as given below, which had been registered under Czech Law 95/45 Sb., and credited to said KARL KORTER'S account:

	Kc
Book No. 102542	13,341.40
Book No. 102543	14,301.60
Book No. 102544	13,360.80
Book No. 102545	6,393.20
Total	47,397.00

A study of the history of events with respect to bank accounts in Czechoslovakia reveals that pursuant to Law 41/53 Sb., effective June 1, 1953, those deposits which were made on or prior to November 15, 1945, in "old crowns" were annulled by the Government of Czechoslovakia. The Commission finds that KARL KORTER owned bank deposits as described above; that the right to payment thereof was property within the meaning of Section 401(1) of the Act which defines property as "any property, right or interest"; and that this right was taken by the Government of Czechoslovakia on June 1, 1953, by virtue of Section 7 of Law 41/53 Sb., which cancelled such right. Accordingly, the Commission concludes that claimant is entitled to compensation for said bank accounts at the rate of 50 crowns per dollar, the official rate of exchange prevailing on June 1, 1953.

Claim is also based on three Phoenix insurance policies, said to total 70,000 crowns, assertedly owned by KARL KORTER. Life insurance policies were put upon the same basis as bank accounts by the Government of Czechoslovakia and the proceeds (cash value) thereof as of December 31, 1945, in "old crowns" were placed in blocked accounts which were later annulled, pursuant to Law 41/53 Sb.

The Commission finds, however, that the record is insufficient to establish that KARL KORTER owned the aforementioned three life insurance policies or that any proceeds thereof were taken from him by the Government of Czechoslovakia on or after January 1, 1945.

Claimant has submitted Merkur policy No. 46268 in the amount of 19,000 crowns and Merkur policy No. 46267 in the amount of 11,000 crowns, in the name of KARL KOHN, later known as KARL KORTER, due on December 1, 1951. However, by letter of September 19, 1961, counsel for claimant stated that no record could be found of these policies having been registered. Additionally, claimant has submitted copies of "Prihlaska" or Registration, No. 11824, reciting the facts of a policy issued by Wohlfahrstverein Union, in the amount of 10,000 crowns on the life of said KARL KOHN, later known as KARL KORTER, and a document dated February 10, 1947, of Czechoslovak authorities, to the effect that its value could not be ascertained for lack of documents. Lack of documentation to establish value cannot be construed to mean that there were nevertheless any outstanding policies having any value on November 15, 1945. The Commission finds that as to the three last-mentioned policies, the claimant has not established that the Government of Czechoslovakia took the proceeds thereof from KARL KORTER, now deceased, on or after January 1, 1945. Accordingly, this portion of the claim based on life insurance policies is hereby denied.

Claim is also made for two asserted bank deposits in the Bohemian Union Bank in the amounts of Kc 117,320 and Kc 37,158 said to have been carried in the name of the Estate of CHARLOTTE KOHN, Deceased. By letter from the Commission of July 24, 1961, claimant was advised that the existence of these accounts on November 15, 1945, has not been substantiated. Counsel for claimant has submitted a document described as the "Capital Tax Levy of KARL KORTER, File No. 88043," apparently showing a tax basis of Kc 115,343. He

states that this document seems to refer to the bank account of CHARLOTTE KOHN, since the amount of "her account" (although two accounts were claimed) was almost identical with the basis of the tax levy. He has also submitted a document described as a "Levy upon the Capital Increase," also addressed to KARL KORTER, and bearing the same file No. 88043, apparently showing a tax basis of Kc 21,775. Counsel says that this document seems to be the tax on the interest which accrued on "the account." The Commission finds that it has not been established that these documents are in any way related to the asserted bank accounts of CHARLOTTE KOHN (now deceased); that such bank accounts had been owned by CHARLOTTE KOHN, and that they were taken by the Government of Czechoslovakia on or after January 1, 1945. In view thereof, this part of the claim must be and hereby is denied.

The Commission finds that KARL KORTER (now deceased) had inherited from CHARLOTTE KOHN, House No. 294 and building lot No. 439, in Asch, and that said property was constructively taken, without compensation, by the Government of Czechoslovakia on January 1, 1953, pursuant to the provisions of Law 80/52 Sb.

Claimant asserts that the value of this property was $80,000. She described the house as being approximately 50 by 150 feet, with a store on the ground floor, five rooms on each of the second and third floors, and apartments on the fourth and fifth floors. In response to the suggestions made by a member of the Commission's staff as to evidence on value, made at an interview held in New York on May 9, 1960, and in the Commission's letter of July 24, 1961, counsel for claimant stated that the valuation of $80,000 was based on the fact that in the late 1930s the firm "Bata of Zlin" had offered to buy the said property for the sum of Kc 2,500,000. No evidence bas been submitted in support of this offer, and counsel states that claimant has no further documentary evidence as to value of this property or other real properties in Asch.

In arriving at the value of the House No. 294 with lot, in Asch, the Commission considered the evidence recited above, as well as all other evidence relating to value, including the description of the property. Upon the entire record, the Commission finds that it was worth $9,300 and concludes that claimant is entitled to compensation therefor under Section 404 of the International Claims Settlement Act of 1949, as amended.

Claim has also been made for a bank account in the name of OSCAR KOHN (now deceased), in the amount of Kc 35,855, assertedly maintained in the Bohemian Discount Bank. In this connection, there has been submitted a letter from the Bohemian Union Bank of January 30, 1947, addressed to KARL KORTER, stating, in substance, that the registration sent for the account in the name of OSCAR KOHN is considered ineffective as the said bank had not carried the account since November 15, 1945, but that on February 5, 1943, it was transferred to the Property Office. The bank suggested that claim for this account be made to the National Administration of the Property Funds of the former Property Office and Emigration Fund. The record does not reflect if such claim was made. Claimant contends that funds transferred to the Property Office during the German Occupation and held by the Property Office came into the hands of the Czech Government and should have been restored to the original owners, that the bank account in question thus came under the control of the postwar Government of Czechoslovakia. However, the record does not reflect that the account remained undisturbed by the German Occupation authorities after the transfer of February 5, 1943, and it follows that the Government of Czechoslovakia could not restore that which it is not shown to have controlled or possessed. The Commission finds that the claimant has not established that this bank account was taken by the Government of Czechoslovakia on or after January 1, 1945. Accordingly, this part of the claim must be and is hereby denied.

Claim is also made for an insurance policy, No. 11028091, issued in the amount of 100,000 crowns by Phoenix, later Star Insurance Company, on the life of OSCAR KOHN, who died during the war, and which had a blocked value on December 31, 1945, of 3,000 crowns. Claimant contends that inasmuch as OSCAR KOHN was killed during the German occupation, the sum payable on said policy was its full nominal amount of 100,000 crowns. However, no evidence has been adduced to establish that the proceeds of such policy in excess of 3,000 "old crowns," was placed in a blocked account by the insurance company, and subsequently annulled under Czech Law 41/53 Sb., *Supra*.

Accordingly, the Commission concludes, with respect to the last-mentioned insurance policy, that claimant is entitled, under Section 404 of the Act, to compensation at the rate of $1.00 for 50 crowns for the taking of 3,000 crowns.

The Commission finds that meadowland recorded in Registry 279, of Unter-Reuth, had been inherited by KARL KORTER from OSCAR KOHN (both now deceased), and that said land was confiscated by the Government of Czechoslovakia on April 30, 1949.

Upon the entire record including statistics and data with respect to land values in Czechoslovakia, namely the Listing of Agricultural Property, published by the President of the Federal Equalization Office, Bad Homburg, 1956, which discloses that the equivalent dollar value of the average farmland in the vicinity of Unter-Reuth was $300 per hectare, the Commission finds that the valne of the subject meadowland was $150 and that claimant is entitled to compensation therefor under Section 404 of the Act.

The Commission further finds that the following real property in Asch, which had been inherited by KARL KORTER from OSCAR KOHN (both now deceased) was placed under national administration by the Government of Czechoslovakia and that the said property was not restored to KARL KORTER who had applied for restitution:

½ interest in House No. 22 in Registry 223
House No. 289 in Registry 289
House No. 290 with meadow, in Registry 290
House No. 3339 with garden, in Registry 2089

Evidence available to the Commission indicates that restitution actions involving American-owned property, not previously concluded, were suspended in December 1949, in anticipation of a claims settlement agreement with the United States. It appears that generally instructions ordering suspension of restitution proceedings were received by local officials on or about December 21, 1949, and that in no instance was favorable action taken thereafter on restitution claims. Accordingly, since the record herein discloses that the property on which the claim is based was not restored to KARL KORTER prior to December 21, 1949, the Commission finds that it was effectively taken from him without compensation as of that date.

Claimant asserts that the value of this property was $50,000. In support thereof she has submitted the affidavit of Alfred E. Stark, Esquire, who represented KARL KORTER in legal matters in Czechoslovakia subsequent to World War II. Mr. Stark states that OSCAR KOHN was the owner of a department store and a house on the Augergasse in Asch, as well as of a large apartment house on the Market Place; that he also owned a factory, and an apartment house on the Hohe Rain Strasse in Asch. No further evidence has been submitted with respect to the value of these properties. The report of an interview held in New York on May 9, 1960, discloses that after discussion of the value of the House No. 294, formerly owned by CHARLOTTE KOHN, claimant stated there

was no point in trying to obtain further evidence with respect to the value of the other real property subject of this claim. In response to the suggestions in the Commission's letter of July 24, 1961, concerning a report which was required to be filed by owners of real property in Czechoslovakia pursuant to Law 134/46 Sb., or documentation with respect to rentals of the property, its dimensions, etc., claimant replied that the asserted value is based on her general knowledge of the facts, that said property included a fully equipped knitting mill. Claimant's counsel stated in his letter of September 19, 1961, that claimant has no further documentary evidence relating to value thereof.

In arriving at the value of the above-listed four real properties in Asch, the Commission considered all the evidence above described as well as information received from overseas on these and similar properties.

On the basis of all evidence and data of record, the Commission finds that the ½ interest in the House No. 22 (Registry 223) had a value of $2,793.75; that the property in Registry 289 had a value of $5,362.50; that the property in Registry 290 had a value of $625 and that the property in Registry 2089 had a value of $625 and concludes that claimant is entitled to compensation therefor under Section 404 of the Act.

The Commission deems it unnecessary to make determinations with respect to other elements of such parts of this claim as have been denied.

AWARD

Pursuant to the provisions of Title IV of the International Claims Settlement Act of 1949, as amended, an award is hereby made to ALICE KORTER, Executrix of the Estate of KARL KORTER, Deceased, in the principal amount of Nineteen Thousand Eight Hundred Sixty-Four Dollars and Nineteen Cents ($19,864.19) as follows: $947.94 for bank accounts, $60.00 for insurance policy proceeds, and $18,856.25 for real property; plus interest thereon at the rate of 6% per annum from the respective dates of taking to August 8, 1958, the effective date of Section 404 of the Act, in the sum of $294.97, $18.67, and $8,080.63, respectively, for a total award of Twenty-Eight Thousand Two Hundred Fifty-Eight Dollars and Forty-Six Cents ($28,258.46).

Dated at Washington, D.C., December 20, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

EXHIBIT V

Pilot Decisions (Polish Program)

LOSS OF SOVEREIGNTY BY POLAND TO U.S.S.R. NOT A TAKING BY POLAND OF PRIVATE PROPERTY WITHIN THAT TERRITORY

Claims Nos. PO–1758, PO–1759—Pilot Decision No. 2 (Polish)

IN THE MATTER OF THE CLAIMS OF LENA SILBERG AND MUSIA MOGILANSKI

FINAL DECISION OF THE COMMISSION

These claims are based upon the asserted ownership and loss by the claimants, LENA SILBERG and MUSIA MOGILANSKI, of property situated in Nieswiez, Krzywoszyn, and Ostrow in which each claims a one-half interest. The loss was alleged to have occurred after World War II, when territory including these three communities was ceded to the U.S.S.R.

Under Section 4(a) of the International Claims Settlement Act of 1949, as amended, the Commission is given jurisdiction over claims of nationals of the United States included within the terms of the Polish Claims Agreement of 1960, Article 2 of which provides:

> Claims to which reference is made in Article 1 and which are settled and discharged by this Agreement are claims of nationals of the United States for
>
> (a) the nationalization or other taking *by Poland* of property and of rights and interests in and with respect to property;
>
> (b) the appropriation or the loss of use or enjoyment of property under *Polish* laws, decrees or other measures limiting or restricting rights and interests in and with respect to property . . .; and
>
> (c) debts owed by enterprises which have been nationalized or taken *by Poland* and debts which were a charge upon property which has been nationalized, appropriated or otherwise taken *by Poland.* [Italics added.]

If an award is to be made on a claim filed under the Agreement, the Commission must find that the claim comes within the purview of the above-quoted Article. Hence, a claim may be compensable only if based upon a loss arising from a nationalization, appropriation, or other taking of property *by the Government of Poland.*

In Proposed Decisions issued on April 19, 1961, the Commission found that Nieswiez, Krzywoszyn, and Ostrow are situated in the so-called Polish Eastern Territories which are now a part of the U.S.S.R., and that the Government of Poland had no control over these territories after September 17, 1939, and no sovereignty over the territories after August 16, 1945. It was concluded that there could not have been a nationalization, appropriation, or other taking of property there by the Government of Poland after September 17, 1939, and the claims accordingly were denied.

The claimants have objected, stating that the Eastern Territories remained under Polish sovereignty until August 16, 1945; that in July 1944, a Polish army, formed in the U.S.S.R., liberated the Eastern Territories with the help of the Soviet Army; that when Lublin (in present-day Poland) was freed, a Committee of National Liberation proclaimed itself the Provisional Government of Poland; that between July 1944 and August 1945 this government confiscated all Jewish property, acting under Polish law in territory under Polish sover-

eignty, and administered the property confiscated in the Eastern Territories until cession of the area to the Soviet Union.

The Commission has stated that the Eastern Territories have been under the sovereignty of the U.S.S.R. since August 16, 1945, and this is not disputed. The Commission has not held, and does not now hold, that sovereignty passed to the Soviet Union on any earlier date, it being sufficient for the purpose of this decision to find, as was done in the Proposed Decision, that the territory was beyond the control of the Polish Government after September 17, 1939. Claimants' allegations regarding events between July 1944 and August 1945 are found to be contrary to fact.

Except for a short-lived "Congress Poland" (1815–32), there was no independent state of Poland from the time of the Third Partition in 1795 until the close of World War I. Although the Allied Governments agreed upon a reconstitution of Poland, the Paris Conference of 1919 was unable to settle the matter of its eastern boundary, and hostilities continued between Poland and Russia in 1919 and 1920. The Curzon Line, which approximates the present boundary, had its origin when the northern half of the present line was proposed on December 8, 1919, by the Supreme Council of the Allied and Associated Powers for purposes of an armistice. It was rejected by both belligerents. Polish forces drove deep into Russia in the spring of 1920, but by July 10, 1920, had retreated to the gates of Warsaw, and announced that they would accept an armistice along the proposed line. In a note to the Russians, Lord Curzon, the British Foreign Secretary, extended the line southward to its present length. Russia declined the proffered armistice, and the conflict continued with the Poles prevailing until the Treaty of Riga was signed on October 12, 1920, establishing a border well to the east of the Curzon Line, and embracing between the two lines the Eastern Territories of interest herein. Both governments approved the treaty on March 18, 1921. It was recognized by the Council of the League of Nations on February 3, 1923; by the Conference of Ambassadors on March 15, 1923; and by the United States on April 5, 1923, and remained unchallenged until 1939. During this period, privately owned property in the Eastern Territories was located within Poland and might have been subjected to Polish nationalization measures had the Government of Poland embarked upon any such programs.

Shortly before the onslaught of World War II, the Ribbentrop–Molotov agreement was signed on August 23, 1939, binding Germany and the U.S.S.R. to mutual nonaggression. By a secret protocol to the agreement, spheres of interest were laid down for application "in the event of a territorial and political rearrangement." Such an event occurred when Germany invaded Poland on September 1, 1939, and Russia followed suit on September 17, at which time the Polish Government fled the country to operate in exile from Rumania, France, and finally London. Poland was occupied completely by German and Russian forces, meeting at the Ribbentrop-Molotov line, which corresponded partially with the Curzon line and otherwise was more favorable to the Soviet Union. This line was formalized by German-Russian treaty on September 29, 1939. The Polish Government in Exile rallied Polish armed forces to Allied support, but was at no time able to enforce its will in Poland.

On June 22, 1941, Germany attacked Russia. The British then moved to reconcile its old and new allies, Poland and Russia. After a month of negotiations, during which the Russians insisted that their western frontier was not open to discussion, an agreement was signed in London on July 30, 1941, by representatives of Poland and the U.S.S.R., which stated, among other things, that earlier German-Russian agreements had lost their validity, but was silent as to where the Russo-Polish frontier should be fixed. The Poles had wanted

more than mere dissolution of the Ribbentrop-Molotov line, and had striven for specific treaty recognition of the 1921 boundaries; but they signed the agreement in the knowledge that they could get nothing better.

In the meantime, however, the Eastern Territories had been incorporated formally into the Soviet Union, supposedly according to the will of the inhabitants as freely expressed in a "plebiscite" held shortly after the 1939 Russian invasion. Immediately upon occupation of Eastern Poland in 1939, Soviet authorities had removed all members of State and local government administrations from office, arresting most of them, and appointing so-called "temporary administrations" in their place, composed principally of Red Army officers and Soviet officials. On October 6, 1939, an election was scheduled for October 22, 1939, of National Assemblies for the Western Ukraine and Western White-Ruthenia, which between them would govern the Eastern Territories. On the latter date, elections were conducted by the Red Army, NKVD, and Communist organizers. The two National Assemblies convened in Lwow and Bialystok, and on October 27 and 29, enacted resolutions for incorporation of their territories into the U.S.S.R. Formal incorporation of Western Ukraine was accomplished by Decree of the Supreme Council of the U.S.S.R. on November 1, 1939, and of Western White-Ruthenia on November 2, 1939.

The Poles now hopefully interpreted the London Agreement of July 30, 1941, as Soviet recognition of the pre-1939 boundary, but the Soviet Government would not commit itself, and made no move to disincorporate the territories. At every opportunity, the London Poles expressed their claim to all territory within their prewar boundaries, but were met with official silence. In any event, all of Poland and the Eastern Territories was now under German control, with the battle line well into Russian territory. As they had advanced, the Germans had incorporated Western Poland into the Reich in two Gaus—Danzig and Warthegau. The rest of Poland up to the Ribbentrop-Molotov line was given the name "General Government." Lands east of the line were administered separately, as part of German-occupied Russia.

Friction arose between the London Poles and the Soviet Government over many things, not least over the citizenship status of Poles who had fled or been deported to Russia. On November 29, 1939, a Soviet Decree stated that all citizens of Western districts of the Ukrainian and White-Ruthenian Soviet Socialist Republics who were present in those districts on November 1 and 2, 1939, acquired Soviet citizenship. As evidence of "good will," the Soviet Government exempted persons of "Polish origin" from this automatic Soviet citizenship; but on January 16, 1943, they eliminated this exception.

On February 19, 1943, an article appeared in Radianska Ukraina, setting forth in print for the first time since the agreement of July 30, 1941, the Russian claim to retention of the Eastern Territories, and characterizing Polish pretensions as wholly unjustified. A stiff Polish note of February 25 elicited a Soviet reply of March 1, 1943, invoking the Atlantic Charter of August 14, 1941, as justification for the Curzon Line. Then, in April 1943, the Germans announced the discovery at Katyn of a mass grave of thousands of Polish officers who had been missing since taken as prisoners-of-war by the Russians. The Poles appealed to the International Red Cross for an investigation, whereupon the Soviet Union broke off diplomatic relations with the Polish Government in Exile, stating that the motive for the Katyn accusations was to wrest concessions from them regarding the Eastern Territories.

The British now began urging the London Poles to accept the inevitability of the Curzon Line. With the tide of battle running in its favor, the Soviet Government issued a statement on January 11, 1944, that the injustices of the 1921 Riga

Treaty had been rectified by the 1939 incorporation of the Eastern Territories into the Soviet Union, and that Poland must be reformed by the acquisition of German lands in the west. The eastern boundary was to be the Curzon Line, but willingness to negotiate adjustments therein as warranted by population majorities was expressed. It was already apparent, however, that the Kremlin would not be satisfied to see the Polish Government in Exile restored to power. In Moscow, a Union of Polish Patriots had been formed among pro-Soviet Poles in 1943, and was groomed for eventually taking over the government of a liberated Poland. Pro-Soviet resistance elements from Poland were added, and the group became the Polish Committee of National Liberation, pledged to recognize the Curzon Line as their eastern frontier.

In July 1944 the Red Army crossed the Curzon Line at the Bug River, and so, in the official Soviet view, entered Poland. As Soviet troops moved westward, the Polish Committee of National Liberation moved with them, establishing themselves in Lublin, and receiving from the Red Army the responsibility for civil administration behind the front. On December 31, 1944, they proclaimed themselves the Provisional Government of Poland and were recognized as such by the Soviet Government on January 5, 1945.

At the Yalta Conference in February 1945, Roosevelt, Churchill, and Stalin agreed formally on the Curzon Line, with slight modifications in Poland's favor, and decided that the Lublin Government must be reorganized to include democratic leaders from the West, and must then hold free elections. A commission established to work out details was unable to agree, and a months-long deadlock ensued. The deadlock was broken by Mr. Harry Hopkins, representing President Roosevelt in a June visit to Moscow, after which the commission quickly agreed upon a list of leaders. On June 28, 1945, the new Polish Provisional Government of National Unity was installed, with a twenty-man Cabinet including sixteen Lublin members. British and United States recognition came on July 5, 1945. The new government and the Soviet Union formalized their mutual frontier by the treaty of August 16, 1945, since which time the Eastern Territories have been indisputably under Soviet sovereignty.

From the above historical narrative,[1] it will be seen that at no time since September 17, 1939, could there have been a nationalization or other taking of property in the Eastern Territories by a Polish Government. During a six month period from January 5, 1945, to July 5, 1945, there were two rival Goverunents of Poland—the Lublin group which was recognized by the Soviet Union, and the London group recognized by Britain, the United States, and other nations. The London Poles, who had held out for reestablishment of the 1921 eastern frontier, never regained power within the country from which they had been exiled. The Lublin group, the only one to which the claimants' allegations could refer, was the pro-Soviet group which had pledged its acceptance of the Curzon Line as the eastern boundary of Poland before any Polish territory was liberated. As the liberation progressed, it was this group which received civil authority over lands west of the Curzon Line, and evolved into the postwar Government of Poland. The claimants' allegations of circumstances under which Polish taking of property in the Eastern Territories might have been accomplished between July 1944 and August 1945 are without foundation and contrary to fact.

In the instant claims, there is no evidence that the property of the claimants was nationalized or otherwise taken by the Government of Poland or any other government at any time. True, there was a transfer of sovereignty, from

[1] Sources include: Mikolajczyk, *The Pattern of Soviet Domination;* Churchill, *The Second World War;* Kirkien, *Russia, Poland and the Curzon Line;* Shotwell & Laserson, *Poland and Russia, 1919–1945;* Grabski, *The Polish-Soviet Frontier;* Jordan, *Poland's Frontiers.*

Poland to the U.S.S.R., of the territory in which the property was located; but, whether this occurred on August 16, 1945, or earlier, the transfer of sovereignty did not constitute a taking of the private property of individuals within the territory, and in itself did not disturb the title of private individuals to property. A taking by the Government of Poland of property owned by United States nationals in the Eastern Territories, when that government had the sovereign right and the power to effectuate such a taking, might give rise to a compensable claim under the Agreement. The loss of sovereignty over the territory was not a taking of private property within the territory by the Government of Poland; and a later taking of such property by the new sovereign is not within the purview of the Polish Claims Agreement.

Notwithstanding the claimants' allegations to the contrary, the Commission affirms its findings that the Eastern Territories were beyond the control of a Polish Government after September 17, 1939, and outside the sovereignty of the Government of Poland after August 16, 1945. Inasmuch as the claimants' property was located within the Eastern Territories, it is manifest that there could not have been a nationalization or other taking thereof by the Polish Government during or after World War II. Accordingly, the claims are denied.

Dated at Washington, D.C., December 20, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

FAILURE TO PROSECUTE

COMMISSION UNABLE TO DETERMINE COMPENSABILITY WITHOUT DOCUMENTARY SUPPORT

Claim No. PO–1437—Pilot Decision No. 4 (Polish)

IN THE MATTER OF THE CLAIM OF NANCY B. SIMON

PROPOSED DECISION

On November 15, 1960, the Commission received one copy of FCSC Form 709 executed by the claimant, NANCY B. SIMON, as a claim under the Polish Claims Agreement of 1960.

On January 17, 1961, the form was returned to the claimant in order that it might be resubmitted in triplicate as required by Commission regulations, and that additional information regarding the nature of the claim, and evidence in support thereof, might be provided. There has been no response from the claimant, although by letters dated March 30 and May 25, 1961, she was requested to resubmit the claim form, and further by letter dated August 9, 1961, she was advised that failure to reply within ten days of the date of receipt would result in denial of the claim for failure of prosecution. This letter was received by claimant on August 11, 1961.

Accordingly, there being no record upon which the Commission might determine whether the claimant has a compensable claim under the Agreement, and it appearing that further effort to adduce such a record would be futile, the claim is denied.

Dated at Washington, D.C., November 1, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

DEVALUATION OF POLISH CURRENCY NOT A COMPENSABLE CLAIM

Claim No. PO–1011—Pilot Decision No. 5 (Polish)

IN THE MATTER OF THE CLAIM OF HERBERT S. HALE

FINAL DECISION

This claim is based upon ownership by the claimant, HERBERT S. HALE, of two pieces of Polish paper currency, issued in 1919, each in the denomination of one thousand Polish marks.

Under Section 4(a) of Title I of the International Claims Settlement Act of 1949, as amended, the Commission is given jurisdiction over claims of nationals of the United States included within the terms of the Polish Claims Agreement of 1960, Article 2 of which provides:

> Claims to which reference is made in Article 1 and which are settled and discharged by this Agreement are claims of nationals of the United States for
>
> (a) the nationalization or other taking by Poland of property and of rights and interests in and with respect to property;
>
> (b) the appropriation or the loss of use or enjoyment of property under Polish laws, decrees or other measures limiting or restricting rights and interests in and with respect to property . . .; and
>
> (c) debts owed by enterprises which have been nationalized or taken by Poland and debts which were a charge upon property which has been nationalized, appropriated or otherwise taken by Poland.

If an award is to be made on a claim filed under the Agreement, the Commission must find that the claim is of such nature as to come within the purview of the above-quoted article.

Inasmuch as the claimant's currency is still in his possession, and does not represent a debt of a nationalized enterprise or a debt which was a charge upon nationalized property, the claim must be considered as one for compensation for loss suffered by reason of depreciation of value of the currency.

Polish marks were one of several currencies in circulation when Poland reemerged as a sovereign nation in 1918. At that time the Polisb Government took over the Polska Krajowa Kasa Pozyczkowa as a bank of issue, and accepted its banknotes, the Polish marks such as the claimant owns, as the temporary currency of Poland. The zloty was adopted as a monetary unit in 1919, and became the legal currency of Poland in the spring of 1924 when the Bank Polski was organized as the bank of issue. The Polish mark was witbdrawn from circulation and exchanged into the new currency at the rate of 1,800,000 Polish marks for one zloty, which was then valued at $0.19142. Thus, without regard to the considerable devaluation of the zloty which has occurred in subsequent monetary reforms, it will be seen that the claimant's 2,000 Polish marks were worthless in 1924, and have no value today.

It is recognized in international law that a state has the right to make every effort to stabilize its currency in times of financial stress; and as long as its measures of monetary reform make no discrimination between nationals and aliens, no claim arises under international law. A state is not liable under international law for fluctuations in the value of its currency, or for losses stemming therefrom. (See *Scott and Bowne, Inc.*, General Docket No. 2378, Decision No. 1–B, American-Mexican Claims Commission; *Borden Covel, Administrator, Estate of Leo Sigmund Kuhn, Deceased*, General Docket No. 2775, Decision No. 25–B, American-Mexican Claims Commission; Hackworth, *Digest of International Law*, Vol. V, p. 633; Mann, *The Legal Aspect of Money*, pp. 419–420; and

decisions of the Foreign Claims Settlement Commission *In the Matter of the Claim of Joseph Winkler*, Docket No. Y–1465, Decision No. 1134, and *In the Matter of the Claim of Karolin Furst*, Claim No. CZ–1381, Decision No. CZ–682.)

The 1924 substitution of the zloty for earlier currencies was a readjustment of the monetary system made necessary by the presence in the reestablished nation of various currencies of depreciated value. It was applicable to Polish nationals and aliens alike, without discrimination. The claimant's loss was caused by the drastic depreciation of the value of the Polish mark. Although the conversion of the mark into zlotys may have made such loss apparent, it was not the proximate cause thereof. It was not an action of the Polish Government constituting a nationalization or other taking of property or appropriation of the use or enjoyment of property within the meaning of the Polish Claims Agreement of 1960.

The claim, therefore, is not one within the purview of Article 2 of the Agreement, and accordingly is denied.

Dated at Washington, D.C., December 20, 1961.

EDWARD D. RE, *Chairman.*
THEODORE JAFFE, *Commissioner.*
LAVERN R. DILWEG, *Commissioner.*

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Arthur Miller: How the Nazi Trials Search the Hearts of All Germans

By Arthur Miller

The playwright who, a spectator at the Frankfurt Nazi trials, wrote this commentary exclusively for the Herald Tribune.

FRANKFURT.

There is an unanswerable question hovering over the courtroom at Frankfurt, where 22 Hitler SS men are on trial for murdering inmates in the Auschwitz Concentration Camp during World War II. Can the kind of movement which gave life-and-death power to such men ever again rise in Germany?

It seemed to me, sitting at one side of the courtroom one day last week, that as in all murder trials the accused here were becoming more and more abstract. Once the jack-booted masters of a barbed-wire world, they are now middle-aged Germans in business suits, near-sighted some of them, laboriously taking notes, facing the high tribunal with a blue-uniformed policeman at each one's elbow. The two exceptions are, indeed extraordinary. One has an imbecile stupidity written on his face, the other shifts constantly in his chair, a free-floating violence so clear in his eyes that one would find him frightening if met on a train, let alone on trial for murder.

But the others could pass for anybody's German uncle. In fact, the lives most of them have lived since they scooted into oblivion before the allied advance show them entirely capable of staying out of trouble. Some have turned into successful business men, professionals and ordinary workers. They have reared families and even became civic leaders in their communities. When arrested they were not picked up drunk or disorderly, but at work or at rest in the bosom of their families.

PAPA KADUK

For example, the one whose violence seemed to show in his quick-roving eyes was, in fact, a real sadist. He was almost constantly drunk in the camp and liked to walk into a barracks and fire his pistol at random into the sleeping prisoners. If he didn't like the look of a passing inmate he would blow his head off.

But after the war this man got a job in a hospital as a nurse, and his patients have written to the court saying that he was an especially tender helper, an unusually warm person. "Papa Kaduk," they called him. No one knows anymore exactly how many defenseless people Papa Kaduk murdered in his four years at Auschwitz. A massive man, overweight now, his small eyes blaze with mocking victory whenever a witness sounds uncertain of a date or a fact, and he reaches over to nudge his black-robed lawyer who then rises to protest hearsay evidence. He seems, in short, to be quite convinced that he is indeed Papa Kaduk and not at all the monster being painfully described from the witness chair.

Another is a pharmacist who helped select prisoners for the gas chambers. He has become an important man in his town; the arresting officer had had to wait for him to return from a hunting expedition in Africa, and the local gentry showed real surprise on learning of the charges against him. Especially since it had been he who suggested that whenever the town leaders met to discuss civic affairs they wear tuxedos. How, it was actually asked, could a gentleman of such sensibility have done such awful things?

THE SEARCH

Yet, the doctor testifying hour after hour this day leaves no doubt about the facts. He was himself an inmate, but since he did get more food than the others he is here to tell the tale. And as he describes babies ripped from their mothers' arms, bed linen changed twice a year, the almost total absence of medicine, Red Cross trucks being used to transport prisoners to their deaths, tortures and beatings—and names one of the defendants after the other as the actual perpetrators, the German housewives who comprise most of the jury burst into tears or sit with open horror in their faces. And they are of an age which indicates they lived in Nazi Germany while this was happening; they were shopping, putting their children to bed, going on picnics on sunny days, worrying about a daughter's wedding dress or a son's well-being in the army

Weiner-Brackman

Arthur Miller at the trial.

while mothers like themselves and children no different from their own were forced to undress, to walk into a barren hall, and breathe the gas which some of the defendants now sitting here carefully administered.

Yet, lawyers on the tiny prosecution staff believe that 90 per cent of the German people are opposed to this and other trials like it. They base their judgment on the mail they receive and on their own difficulties in getting local co-operation for some of the arrests they have made, and finally, on the absence of any clear voice or movement from among the Germans demanding that the country's honor be cleared by bringing such murderers to justice.

On the contrary, it is widely felt, according to these lawyers, that trials like this only give Germany a bad name; that it all happened so long ago why pluck men out of their lives at this late date, and so on. Time and again these lawyers have had to escort arrested men across Germany to the Frankfurt jail because they could not find a police officer to help. And the government has given them 25 marks a day for expenses on these trips; the most common lodging for a night costs 11 marks. This handful of Germans nevertheless intends to go on searching for every last man down to the truck drivers who drove prisoners to the gas chambers, until justice is done.

THE ENIGMA

But is there really any long-range point in all this? They do not know. Some of them have been on these cases since 1959 when the first arrests were made in this particular group of cases. They have read through millions of words of testimony, stared at photographs of the camps taken by an SS man with a penchant for photography, showing the defendants actually at work separating the doomed from those temporarily spared for labor in the camp. By this they have lost any sensitivity about what others might think and are doggedly pursuing the goal.

And what is the goal? These lawyers are in their middle thirties, veterans of the Wehrmacht themselves, German through and through. They know their people and they know that even if every last SS man were convicted for his particular crime, it would not in itself prevent a new recrudescence of brutal nationalism which could once again confront the world with a German problem. It is something else they are after.

Imbedded in every word of testimony, and in the very existence of this trial, is a dilemma which is first of all a German dilemma, given the history of concentration camps, but is actually an unresolved problem for all mankind. For the final defense of these accused is that they acted under government orders.

When so many Germans oppose this trial, it is not simply an insensitivity to suffering, or even an immunity to the question of justice. Germans too weep for their dead and help the sick and care very much about their children. As for a respect for law, they have that even to an inordinate degree. What scares some Germans, however, and makes the German to this day an enigma to many foreigners, is his capacity for moral and psychological collapse in the face of a higher command.

Several times during the course of this trial, newsmen covering it were ordered to leave, for one reason or another, and the dozen or so police who sit below the judges' tribunal are in charge of carrying out such orders. Not long ago three policemen were asked what they would do if ordered to shoot a newsman who disobeyed the court's command. One replied that he could not do that; the other two said they would carry out orders.

The point which the prosecution is trying to open up first to Germany, and then to the world, is individual conscience and responsibility in the face of inhuman orders. A judge (who has no connection with this trial) told me that his fears for Germany stemmed from precisely this profound tendency to abjure freedom of choice, to fall into line on orders from above. Another man of the law, a high official in this court, feels that the day is far off, but that his duty is to work for its coming when the Germans would question authority. He sees the root of the difficulty in the especially authoritarian role of the father in the German family, which is the microcosm reflected in the authoritarian state. The underlying point of these trials is that there can be no mitigating excuse for the conscious and planned murder of 6 million men, women and children, orders or no orders. Some 6,000 SS men did duty in Auschwitz during its four years of operation, and not one is known to have refused to do what he was told. And it is no mean irony that the Jew, whose skepticism once leavened the authoritarian character of German culture, is not around any more to help humanize the pompous general with a little healthy doubt as to his real importance.

UNKNOWNS

All of which sounds hopeless and dangerous, and perhaps that is all that should be said. But there are a few unknowns which some Germans would point to with some small and uncertain hopefulness. The young, they say, are less hermetically sealed in the old German ways than any younger generation of the past. Movies, television, books and plays from abroad flood Germany. Germans travel more than they use to, and tourists from abroad come in greater numbers than ever, and there are over 1 million foreign workers employed in the country now.

So that a German youth is perhaps more internationally minded than his parents and not as contemptuous of strangers and ways of life that are not German. Finally there is the more impressive fact that Germany for the first time in modern history is not flanked by a line of backward peasant countries whose defenselessness was all too tempting in the past. The equalization of industrial and hence military strength through the whole of Europe makes expansion by force a good deal less possible than before.

It is in this context, a context of much distrust and home hopefulness, that the prosecution presses for a German verdict of guilty upon members of the German armed forces. Thus far none of the accused has suggested he may have done something wrong; there is no sign of remorse, and they appear to maintain a certain unity among themselves even now. Some have been in jail two, three and four years awaiting trial and have undoubtedly read what the world press has had to say about their deeds, but no sign shows of any change of attitude toward the past.

In fact, one defendant carries out his familial duties from prison, and his authority and racial ideas are still so powerful (he dropped the gas cartridges into the gas chambers full of people) that his daughter broke off with her betrothed because he, the defendant, believes that no good German girl can possibly marry an Italian.

This trial will go on for about a year, during which time some 300 psychologically and physically scarred survivors will face the high tribunal in Frankfurt, living evidence of how one of the most educated, technically developed, and artistic nations in the world gave itself over to the absolute will of beings it is difficult to call human. And while that testimony fills the silent courtroom, and the world press prints its highlights, German industry will pour out its excellent automobiles, machine tools, electronic equipment, German theaters will excellently produce operas and plays, German publishers will put out beautifully designed books—all the visible signs and tokens of civilization will multiply and make even more abstract, more bewildering the answer to the riddle which the impassive faces of the accused must surely present to any one who looks at them. How was it possible in a civilized country?

It is the same question to which Cain gave his endlessly echoed answer, and I have often thought that this is why it is the first drama in the Bible, for it provides the threat, the energy for all that comes after. If man can murder his fellows, not in passion but calmly, even as an "honorable" duty leading to a "higher" end—can any civilization be called safe from the ravages of what lies waiting in the heart of man? The German government which Hitler destroyed had some of the most intelligent and advanced legislation in the world. The present republic also is buttressed by excellent laws.

NAGGING TRUTH

What is in the German heart, though? Does the rule of law reach into that heart or the rule of conformity and absolute obedience? Surely, if the German police had picked up a 22-man gang that had tortured and killed merely for money, or even for kicks, an outcry would go up from the Germans, a demand that justice be done. Why is there this uneasy silence at best, and this resentment at worst, excepting that in the Frankfurt cases these accused worked for a state under its orders? Perhaps the problem becomes clearer now, and not only for the Germans.

The disquieting, nagging truth which I think dilutes the otherwise clear line this trial is taking is that the human mind does in fact accept one kind of murder. It is the murder done under the guise of social necessity. War is one example of this, and all peoples reject the idea of calling soldiers murderers. In fact, the entire nation so deeply shares in this kind of killing that it must reject any condemnation of the individuals who actually do the killing, lest they have to condemn themselves.

The problem for the Germans is that they are being called upon to identify themselves with the victims when their every instinct would lead them to identify with the uniformed, disciplined, killers. In short, they are being called on to be free, to rebel in their spirit against the age-old respect for authority which has plagued their history.

This, I think, is why it is perfectly logical for the German housewife on the jury to weep as any human being would at the horrors she hears, even as she and her millions of counterparts have, for at least a decade now, heard just such evidence a hundred times with no sign of public protest against Nazism. It is why the officers who tried to assassinate Hitler in 1944 have never been celebrated in Germany either; for they did the unthinkable, they took a moral decision against their obedience to authority.

So that the German looking at these 22 men may well be revolted by their crimes and yet feel paralyzed at the thought of truly taking sides against them. For part of his soul is caught in the same air-tight room with theirs—the part that finds honor and goodness and decency in obedience.

But who, in what country, has not heard men say, "If I did not do this someone else would, so I might as well go along?"

So the question in the Frankfurt courtroom spreads out beyond the defendants and spirals around the world and into the heart of every man. It is his own complicity with murder, even the murders he did not perform himself with his own hands. The murders, however, from which he profited if only by having survived.

It is this profound complicity which the Frankfurt prosecution is trying to open up by sticking to its seemingly simple contention that all murder is murder. With the atomic bomb in so many different hands now it might be well to take a good look at the ordinariness of most of the defendants in Frankfurt. The thought is hateful, to be sure, and no one would willingly think it, but we do, after all, live in the century when more people have been killed by other people than at any other period. Perhaps the deepest respect we can pay the millions of innocent dead is to examine what we believe about murder, and our responsibility as survivors for the future.

A view of some of the barracks at Auschwitz Concentration Camp; these are still standing.