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EXECUTIVE
CO251
FG235
JL9
CO38
CO127

September 23, 1968

Dear Irv:

Thank you for your letter expressing concern for the claimants against the Rumanian Government. Certainly the delay in distribution of awards is regrettable. However, the Foreign Claims Settlement Commission faces an extremely difficult appropriation situation. The Commission is not now in a position either to absorb the costs of the Rumanian program or to gain Congressional approval of a supplemental appropriation.

Expeditious handling of Rumanian, Bulgarian, and Italian claims authorized by the recent Omnibus Claim Act will, of course, receive careful consideration during the preparation of the President's 1970 budget.

Sincerely,

Joseph A. Califano, Jr.
Special Assistant to the President

Irving R. M. Panzer, Esq.
Attorney at Law
1735 DeSales Street, N. W.
Washington, D. C. 20036

EXECUTIVE Fill
CO81
CO92
ND19/WW1
JL9
FG105
FI9

CHARLES E. BENNETT
MEMBER
3D DISTRICT, FLORIDA

COMMITTEE:
ARMED SERVICES

CHAIRMAN, REAL ESTATE
SUBCOMMITTEE
MEMBER, CIA SUBCOMMITTEE

Congress of the United States
House of Representatives
Washington, D.C. 20515

J. RICHARD SEWELL
ADMINISTRATIVE ASSISTANT

AUDREY W. STRINGFELLOW
EXECUTIVE SECRETARY
IN CHARGE OF JACKSONVILLE OFFICE
352 FEDERAL BUILDING

~~NICK~~ VAN NELSON
LEGISLATIVE ASSISTANT

JEANNETTE CHESBROUGH SOWERS
VERA BISHOP
PAUL J. WALSTAD
DOROTHY C. WADLEY
ANN DUPREE
ERICA S. LITTLE
SHIRLEY LAZONBY
SECRETARIES

April 5, 1968

Mr. William B. Macomber, Jr.
Assistant Secretary for
Congressional Relations
Department of State
Washington, D.C. 20520

Dear Mr. Macomber:

Thank you for your letter of March 26th in reply to my letter of March 19th, a copy of which I enclose herein. Your March 26th letter addresses itself to the first paragraph of my March 19th letter and although disclaiming precise information apparently makes the assumption that the argument of France (that it should be paid German reparations before paying France's debt to the United States) seems to be a fallacious argument in view of the fact that apparently more money has been paid by Germany to France for this purpose than has been paid by France to the United States.

Your letter of March 26th made no reference to the second paragraph of mine of March 19th and neither did the enclosure of your letter of March 26th. Specifically, what are the available courses by the United States to enforce the World War I debts of France? Can the matter be litigated? If so, why is it not being litigated. Can the matter be tied up in an effective manner for the United States position with regard to the present gold crisis? I understand that the Senate has proposed an amendment on legislation to accomplish this. Would not this be in the best interest of the United States at this juncture of history?

I would appreciate your comments on this matter as I want to do what is best for my country and without all of the facts it is difficult to know how to make a decision. I am very disappointed that you did not answer the second paragraph to my letter of March 19th because this is such a vital question before our country today and my constituents expect me to know the facts even if I may not know the answers to all of the problems. I surely will appreciate your help in this.

With kindest regards, I am

Sincerely,

Charles E. Bennett

RECEIVED
APR 21 1968
CENTRAL FILES

CEB:sl

CC: The White House

EXECUTIVE (5)
FO4-1
FO5
JL9
CO81
FO5-2

Jan. 13, 1968

McGimsey, Brooke
Kelly Field Nat. Bank

Dear Mr. McGimsey: E. F.

I was pleased to have your letter of January 2, 1968, commenting on my New Year's Day Balance of Payments message.

Your letter contains two suggestions which call for comment.

You suggest a passport ban on travel to France. I am advised that serious constitutional questions would be raised by such action on the part of the Executive.

You also suggest that we credit against the French World War I and II debts those dollars presented by the French for the purchase of gold.

The French Government recognizes its World War I debt to the United States. However, the French position is that payment of the French World War I debt to the United States is contingent on Germany paying reparations due to France. Thus, the net result of insisting that France pay her World War I debt would be that the Germans would be doing the paying.

As for World War II, the French Government has been regularly servicing its obligations to the United States. At this point the French have paid 880 million dollars in advance of the due date. The outstanding World War II French indebtedness as of June 30, 1967, was approximately 300 million dollars.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

EXECUTIVE
JL9
FG115
FG120-5
ST43
FI7

December 4, 1967

MEMORANDUM FOR THE FILE

I called W. H. Bauer and advised him that, as the Department of Defense reads the statute, 31 U.S.C. 529 prohibits any advance payment unless there is special authorizing legislation.

L-E-T-

Larry E. Temple

December 7, 1967

W. H. Bauer subsequently called back and asked that we contact the Department of Defense to see if monthly rental payments could be arranged. Since he had had previous contact with the DOD, I asked Bill Blackburn to make this inquiry. The DOD officials saw no reason why this would not be a satisfactory arrangement and suggested that the attorneys representing the Hawes family contact Mr. John Gehardt at the Corps of Army Engineers Office in Forth Worth and make appropriate application with him. I so advised Mr. Bauer.

W. H. BAUER
PORT LAVACA, TEXAS

27 November 1967

The President
The White House
Washington, D. C.

Dear Mr. President:

Our Government has done a great Texas family an injustice and I need your assistance in calling this to the attention of the proper authority.

Enclosed is "Brief Memorandum on the Hawes Family and Matagorda Island" and I request that an advance payment be made to these widows due to their age and their having been deprived of the use of their minerals. I would be most grateful for your help in making these two widow ladies happy in their last few years they have to live. This is a matter dear to my heart of helping other people and this case in particular is one I need assistance on.

I am your most grateful servant.

Sincerely,

W. H. Bauer

Enclosure

BRIEF MEMORANDUM ON THE HAWES FAMILY AND MATAGORDA ISLAND

Sometime before 1840 the Hawes family settled on Matagorda Island and from that time on have conducted ranching operations on the island. These ranching operations have generally extended over some 20,000 acres on Matagorda Island, which is on that part of the island in Calhoun County. Prior to 1940 this portion of Matagorda Island was owned entirely by the Hawes and Little families, although the Littles never occupied or ranched any of their property; the ranching operation over the entire surface having been conducted by the Hawes family. Because of the government's taking of this property in 1940, members of the Hawes families have had to leave the family ranching unit and follow other economic pursuits. Members of the families are now located in Wharton, Matagorda, Victoria, Jackson, Calhoun, Nueces, as well as other counties along the Texas Gulf Coast and are engaged in such things as banking, oil and gas and mainland ranching. In 1940 the United States Government condemned and took the surface of 18,000 acres on Matagorda Island from the Hawes and Little families, leaving these families with the minerals but with a moratorium on drilling for the duration of the war.

The Government established an Air Force Base on this property in the early 40's and has continued to use the property since that time for bombing and gunnery range purposes. The base itself is not very large and covers some 1500 acres. The

Hawes family has leased this surface from the Government since the original taking of the surface and continues to conduct ranching operations on the property under such leases, the latest of which is dated July 1, 1967. Since the Air Force owned the surface of this property and was in possession of part of it, it was generally considered by that agency that it controlled this surface for all purposes. The Air Force apparently refused to recognize the value of the mineral estate owned by the Hawes and Little families and thus from the end of the war until 1967 refused for all practical purposes to permit use of the surface for exploration and development of the mineral estate. It would be impossible to determine the sum of money these two families have lost by way of lost bonuses, rentals and royalties. The families have not sought monetary damages against the Government, either in Federal District Court or in the Court of Claims.

In 1965, the Air Force finally realized that they could no longer continue exclusive use of the surface of this property to the exclusion of the mineral owners and that if they were to continue such use either the mineral estate would have to be condemned or subordinated to the surface use. In late 1965 and early 1966 the Air Force considered condemning the mineral estate under this portion of Matagorda Island but after

discovering through engineering reports that the cost would run into the millions decided to subordinate the mineral estate to the surface estate by appropriate agreements with the mineral estate owners. Negotiations to this end were entered into in the spring of 1967 with representatives of the Hawes and Little families, the ownership of the mineral estate by this time being vested principally in the Alfred E. Hawes estate, Edwin Hawes, Jr. estate, Hugh Hawes estate, W. I. Hawes estate, Mattie Hill estate, and the heirs of William Little. It was determined by agreement between Government representatives (Corps of Engineers) and the representatives of the Hawes and Little families that the agreement concerning the use of the surface should take the form of a subordination agreement wherein the mineral estate is subordinated to the surface use. Under such a proposed agreement the majority of this portion of Matagorda Island is entirely closed for any use of the surface for mineral development with a portion of the island open for mineral development upon proper application and permit from the Air Force. The payment by the Government for the exclusive use of the surface is to be $6.00 per acre per year. The Government has requested a subordination agreement with a ten (10) year term with annual payments at the end of each year. The Hawes family has requested an eight (8) year subordination agreement with the first four (4) years paid upon execution and the second four (4) years paid annually. The Hawes family would even agree to the ten (10)

year term agreement if the first four (4) or five (5) years of that term were paid in advance. Advance payment under the subordination agreement is very important to the Hawes families because of the age of the widows involved. These widows have been deprived of the enjoyment of their mineral estate for many years and now, because of their age, will probably not live to enjoy payments under a subordination agreement if made annually at the end of each year. An advance payment under a subordination agreement between the Hawes families and the United States Government would seem to be very little to ask in return for the long standing injustice that these families have tolerated.

Contacts:

Mr. M. L. Null
Proctor, Houchins, Anderson, Smith & Null
P. O. Box 1817
Victoria, Texas 77901

Mr. Joe D. Hawes
Port O'Connor, Texas

Mr. W. H. Bauer
P. O. Box 131
Port Lavaca, Texas 77979

EXECUTIVE
JL9
FG115

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

October 5, 1967

TO: MARVIN WATSON

FROM: BILL BLACKBURN

Somehow I got involved in this matter as well as Col. Cross, and rather than duplicate efforts I have carried it forward myself. Col. Ashley tells me that Defense has been negotiating with the Hawes family through their attorney, Mr. M. L. Null. As a matter of fact, sometime back John Steadman's office prepared a lengthy brief on this problem for the White House. They think that at that time Joe Califano's office was involved. They offer to send over this brief, now updated, but at this point I don't think it necessary. The status is as follows:

(1) Defense has granted a new 10 year grazing lease to the family. This is in lieu of the usual five year lease, and this was granted with a waver of competition, i.e. no one else was given an opportunity to bid.

(2) Negotiations are currently underway to identify the area where the surface cannot be developed for mineral purposes and the remaining area will be subject to exploration and development. Presumably there will be a settlement with the family for the loss of that area not subject to development.

(3) As the law now exists, it is impossible to reunite the mineral and surface estates if the Air Force subsequently releases or declares excess the Matagorda property. The only way this can be avoided would be through special legislation.

Congressman John Young and Congressman Mendel Rivers have been interested in this case, and Col. Ashley at the Department of Defense tells me that they have been informed of these developments.

Bill Bauer of Port Lavaca now requests that the Hawes family be paid four (4) years advance payments on these above mentioned agreements, due to the age of the Hawes' widows. Bauer has requested that you intercede with the Secretary of the Air Force and make an appointment with him for Mr. Null, the attorney, to see if this can be arranged.

I am advised by DOD that they consider 31 U.S.C. 529 , which prohibits advance payments in the absence of legislation, to be controlling, and the Hawes family and their attorney have had this explained. It is suggested that this matter is being given a full and fair treatment, and that no real purpose could be served by Null coming to Washington, but Air Force will, if requested, talk to him, if only to restate their position.


RECEIVED
OCT 9

September 28, 1967

MEMO FOR: MR. JOHN STEADMAN

Please research this and furnish us with some background information on which to base a reply.

JAMES U. CROSS
Colonel, U. S. Air Force
Armed Forces Aide to the President

Attachment
re: Hawes family & Matagorda Island

SUSPENSE FILE:JUC:aw

ET-

EXECUTIVE
JL9
FG130
ND19/WWII
ST43
NULL, M.L.
HAWES, H.W.
Matagorda Island

September 27, 1967

Dear Bill:

I had heard of the situation you describe and have asked for a report. When I have further information, I'll let you know.

Best personal regards,

Sincerely,

W. Marvin Watson
Special Assistant
to the President

Mr. W. H. Bauer

Port Lavaca, Texas
WMW:MJC:cc

FILE TO COLONEL CROSS: More on the case I asked you about a couple of days ago. Thanks. WMW

To: Central Files

September 27, 1967

Dear Bill:

I had heard of the situation you describe and have asked for a report. When I have further information, I'll let you know.

Best personal regards,

Sincerely,

W. Marvin Watson
Special Assistant
to the President

Mr. W. H. Bauer

Port Lavaca, Texas
WMW:MJC:cc

FILE TO COLONEL CROSS: More on the case I asked you about a couple of days ago. Thanks, WMW

inc ltr 9/26/67

re Dawes Family, Matagorda Island — gov. - bought properly, legal delin involved

To: Colonel Cross

From: Marvin Watson
September 27, 1967

More on the case I asked you about a couple of days ago. Thanks.

W. H. BAUER
PORT LAVACA, TEXAS

26 September 1967

Mr. W. Marvin Watson
Special Assistant to the President
The White House
Washington, D. C.

My dear Marvin:

Enclosed is memorandum giving background information on the Hawes family and Matagorda Island, which I request you read. This family was mistreated during World War II when their land was taken away at $7.50 per acre and they were deprived of the minerals.

Mr. M. L. Null, their attorney and a dear friend of mine, has been representing the Hawes family and has reached an agreement with the Air Force on the grazing lease part of the problem. Settlement could be made on the minerals if the Air Force would agree to a four (4) year advance payment which is being asked due to the age of the Hawes widows. Mr. Null and the Hawes family request an appointment with the Secretary of the Air Force and I would be most grateful if you would make arrangements where they may have a conference. This is so important to me and to the Hawes family and is so urgent in the way of time that I make this appeal to you.

Mr. Null's address is Victoria Bank & Trust Co. Building, P. O. Box 1817, Victoria, Texas, telephone number is Area Code 512-573-9191, or please call me.

With personal good wishes, I am

Sincerely,

W. H. (Bill) Bauer

Enclosure
cc: Mr. M. L. Null

W. H. B.
Port Lavaca, Texas

I am enclosing memorandum giving background information concerning a family by the name of Hawes. This family was mistreated back during World War II when their land was condemned for $7.50 an acre and they were deprived of the minerals.

Mr. M. L. Null, their attorney, Victoria Bank & Trust Co. Building, P. O. Box 1817, Victoria, Texas, had reached an agreement with the Air Force for grazing lease for the Hawes. He has also reached an agreement in regards to the minerals, but is requesting that the Air Corps pay four (4) years in advance due to the age of the Hawes widows and I think the Secretary of the Air Force can justify this.

I would like for you to present all of this to Marvin Watson and likely have Marvin make an appointment with the Air Force for you and Bud Null to make a trip to Washington to see if this great injustice to the Hawes family can be remedied.

At any convenient time I am going to present this to the President as I know he will do something about the matter. Blake, I feel this is one of the things that you can do for me for someone else. I, personally, never want anything for myself and I do want to help this fine family.

W H B

Mr. B thought this could be handled by phone or letter. - said he would call Sen. & - for appointment -

BACKGROUND INFORMATION MEMORANDUM ON HAWES FAMILY AND MATAGORDA ISLAND

The Hawes family originally settled in Matagorda Island sometime before 1840 and from that time on to 1940 conducted ranching operations on the island. On November 8, 1940 the United States Government filed a condemnation case covering some 18,000 acres on Matagorda Island principally owned by the Haweses and Littles. Sometime prior to the entry of final judgment in this condemnation case the Government, acting through the U. S. Attorney's office, and the defendants (called Owners, acting through their attorneys) entered into a stipulation providing that the United States should own the surface only of the property being condemned and that the defendants would own the minerals with the right to use so much of the surface as might be necessary or useful to explore for and produce oil, gas and other minerals. This stipulation was signed by all of the interested parties and filed with the papers of the case. The stipulation was entered into by the United States Attorney in accordance with the authority vested in the Justice Department through Public Law No. 752 of the 77th Congress. In October, 1943 a final judgment was entered in this condemnation case which deleted the mineral estate from the original fee simple title taken in the condemnation case. This final judgment provides that title to oil, gas and other minerals lying under the land involved is divested out of the United States and re-invested in those defendants who owned the same on November 8, 1940. Both the stipulation and the judgment established a moratorium on the use of the surface of this land for oil and gas purposes until after the war was over.

On September 17, 1947, a notice was filed in this condemnation case which states that the moratorium on the right to explore and exploit oil, gas and other minerals in the Matagorda Island in the Bombing and Gunnery Range was rescinded by the Secretary of War on August 18, 1947. This notice contains a condition that holders of oil, gas and mineral rights not erect structures in such places within the flying field area and approaches thereto as would violate existing criteria relating to structures in the vicinity of flying fields. The notice goes on to give notice of the right to resume the exploration and exploitation of oil, gas and other minerals after obtaining clearance through the Local Commanding Officer of the appropriate Armed Air Forces Command having jurisdiction over the Matagorda Island Bombing and Gunnery Range relative to the erection of structures within the flying field area and approaches thereto.

It is apparent from the foregoing that the Government owns only the fee to the surface estate of Matagorda Island and that the Government recognizes that the minerals underlying such surface are owned by the individual owners with the right to use so much of the surface as may be necessary or useful to explore for such minerals, however, due to a misinterpretation of the above referred to notice of September 17, 1947 all requests, both written and oral, for use of Matagorda Island surface have been denied, both to the Hawes family and to

oil companies making inquiries. The Air Force evidently interpreted the taking of the surface of Matagorda Island as giving them the right to the exclusive use of such surface. Either that or they interpreted the notice of September 17, 1947 to give the local Base Commander authority to determine what uses would be made of the surface of the island. In any event, as noted, all requests for use of the surface for mineral development were denied either by local Base Commanders or headquarters.

Finally, in November of 1965, the Hawes family, acting through their attorney, contacted the United States Attorney's office in Houston, Texas, to take up the problem of the Government's exclusive use of the surface of Matagorda Island, as well as the continued use of the surface for grazing purposes by the Hawes family. It should be pointed out that economic pressures on the Hawes family were somewhat relieved after 1947, in which year the Air Force, acting through the Corps of Engineers, entered into a grazing lease with the Hawes family for a five year term. This lease has been renewed for successive five year terms until the present time. The latest lease has an expiration of sometime in the spring of 1967. Upon contacting the United States Attorney's office it was learned that a possible condemnation suit by the Government covering the minerals underlying Matagorda Island was being seriously contemplated, and until such suit was filed an agreement was worked out whereby a danger area was set aside covering a portion of the island's surface in which there would be no oil and gas development, but the area outside this danger zone could be used for oil and gas development based upon applications for such use being made to the Corps of Engineers. The United States Attorney's office had just completed settling a condemnation case against the State of Texas involving property adjoining the Hawes property based upon a similar agreement, but which carried with it the payment of some $15,500.00 a year to the State for their not being able to use some 10,000 acres for mineral development.

In an attemp to work out some mutually satisfactory agreement covering the problems involved in connection with the division of these two estates, mineral and surface, the Hawes family contacted their representative, the Honorable John Young, in the summer of 1966. Congressman Young was asked to put the Hawes family and their representative in touch with these appropriate government agencies so that an agreement concerning these problems could be worked out if possible.

The Hawes family is interested in entering into an agreement with the Government, through the appropriate governmental agencies, covering the following matters:

(1) A solution to the problem of the use of the surface for mineral development.

(a) Identify the area where the surface cannot be used for mineral development and pay the mineral owners an annual sum for the loss of the use of such surface.

(2) A guarantee of a continued grazing lease in favor of the present lessees until the Air Force releases or declares excess the Matagorda Island property.

(3) A re-uniting of the mineral and surface estates when the Air Force releases or declares excess the Matagorda property.

M. L. Null

The condemnation case referred to above is Civil Action No. 22. In the United States District Court for the Southern District of Texas, Victoria Division, entitled United States of America, Petitioner, versus 18,643 Acres of Land, more or less, in Calhoun County, Texas, H. W. Hawes, et al, Defendants.

[Settlement]

(1) 10 yr lease - waiver of completion
until the next 10yrs -

(2) negotiating for coal area - allowed
to drill w/o out -

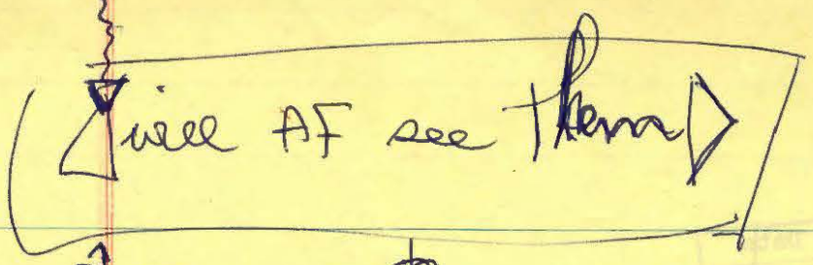
(3) reserving mineral + surface
when declared excess -
not legally able to do so -
must competitively bid -
special leases needed

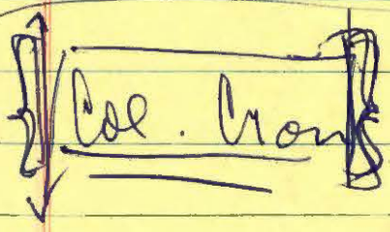
[Young Bureaucrat
Rules -]

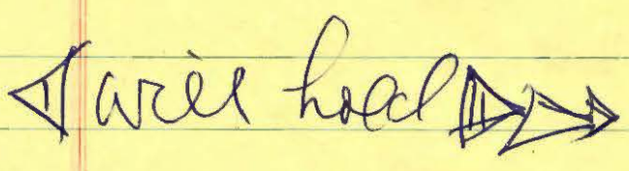
Jim Iron

Bill Bauer > col. Iron >

Will [Atty] make settlement - 4yrs advance


will AF see them


Col. Cron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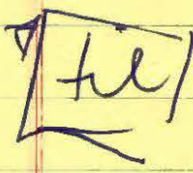
tell

Name	Date
Mr Bill Blackburn	12-4-61

EF

BROUGHT FORWARD

EXECUTIVE

JLG — 10/5/67
Previously filed — Date

NAME Memo to Mr. Watson fm Bill Blackburn

ORGANIZATION Re: The Hawes Family

Same — 12/4/67
New File Symbol — Date

FINAL ACTION Memo for the File fm
Larry Temple

EF

BROUGHT FORWARD

EXECUTIVE

JLG — 9/27/67
Previously filed — Date

NAME Baker, W. N.

ORGANIZATION Re: Hames, H. W. and War Claim

Same — 10/5/67
New File Symbol — Date

FINAL ACTION Memo to Watson for Bill Blackburn

BB/

EXECUTIVE (3)
JL9
FG 11-1
FG 235
Kagan, Saul

7

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

SEP 27 1967

MEMORANDUM FOR MR. HOPKINS

Subject: Third Progress Report of the Jewish Restitution Successor Organization

I am forwarding herewith a brief report required by statute regarding the activities of the Jewish Restitution Successor Organization.

In his transmittal to the President, the Chairman of the Foreign Claims Settlement Commission makes the following statement:

> "The Commission from time to time has been consulted by the Jewish Restitution Successor Organization with respect to its plan for disbursement of the $500,000 allocation, and, having studied the third progress report by that organization is of the opinion that it has followed both the spirit and the letter of the law."

We have no reason to question this statement.

It is our understanding that the White House is not required to take any further action on the report. As required by the statute, the FCSC has already transmitted it to the Congress.

James M. Frey

Acting Assistant Director for
Legislative Reference

Attachment

RECEIVED
SEP 28 1967
CENTRAL FILES

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

OFFICE
OF THE CHAIRMAN

September 13, 1967

Honorable Charles L. Schultze
Director, Bureau of the Budget
Washington, D.C.

Dear Mr. Schultze:

Enclosed for your information is a self-explanatory memorandum for the President transmitting the third progress report of the Jewish Restitution Successor Organization for the period ending June 30, 1967.

Sincerely yours,

Edward D. Re
Chairman

Enclosure

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

OFFICE
OF THE CHAIRMAN

September 13, 1967

MEMORANDUM FOR THE PRESIDENT

Subject: Third Progress Report of the Jewish Restitution Successor Organization

I am pleased to transmit herewith the third progress report of the Jewish Restitution Successor Organization filed with the Foreign Claims Settlement Commission of the United States as designee of the President pursuant to the terms of Public Law 87-846 and Executive Order No. 10587, as amended on February 26, 1963.

Under Public Law 87-846 provision was made for the settlement of claims of successor organizations for the return of vested heirless property. The statute authorized the allocation of a sum in the amount of $500,000 in full and complete settlement of the claims.

The Commission from time to time has been consulted by the Jewish Restitution Successor Organization with respect to its plan for disbursement of the $500,000 allocation, and, having studied the third progress report by that organization is of the opinion that it has followed both the spirit and the letter of the law.

Edward D. Re
Chairman

Enclosure: Report

Cable Address: "MECULTFUND" New York OREgon 4-5858

Jewish Restitution Successor Organization

215 PARK AVENUE SOUTH

New York, N. Y. 10003

June 30, 1967

Honorable Edward D. Re
Chairman
Foreign Claims Settlement Commission
Washington 25, D.C.

Dear Mr. Chairman:

We are pleased to advise you that the distribution of the $500,000, awarded to the Jewish Restitution Successor Organization, pursuant to Public Law 87-846, was substantially completed. The report which follows shows that $460,000 were actually disbursed by April 30, 1967, for relief, rehabilitation and resettlement programs benefiting victims of Nazi persecution who settled in this country.

Agudath Israel World Organization, New York — $ 50,000

The above sum was allocated toward the cost of establishing a housing project under religious auspices for elderly Nazi victims. The organization has acquired a suitable building in Manhattan which has been adapted to the needs of the prospective tenants. The project is nearing completion. The organization has a waiting list of 36 candidates and the apartments will be assigned to the most needy by a committee. The care and maintenance of the property has been assured by the sponsoring organization.

Catholic Relief Service - National Catholic Welfare Conference, New York — $ 50,000

This allocation was reserved for one-time rehabilitation grants for needy and handicapped Nazi victims, with grants not to exceed $1,500 per family. $10,000 was spent to assist individuals in meeting special medical expenses.

...cont'd...

Nehemiah Robinson Memorial Scholarship Fund, New York — $100,000

This Fund was established in memory of Dr. Nehemiah Robinson, who devoted a great part of his life to the cause of compensation for victims of Nazi persecution. The Fund is being administered by United Help, Inc., in New York, a social agency serving exclusively the needs of Nazi victims in the United States. Scholarships for vocational and professional training are awarded to Nazi victims who have completed their secondary education.

From the inception of the program, the Fund has expended $56,304, of which $50,329 was spent for grants and $5,975 for loans. The Scholarship Fund has assisted 133 students since its inception.

United Hias Service, New York — $100,000

The above sum was allocated for the resettlement of difficult-to-resettle families outside of New York City through one-time grants not to exceed $1,500 per family. This program is being carried out in cooperation with the local Jewish resettlement agencies.

From the inception of the program, a total sum of $81,530 was spent; $11,550 was disbursed in 1964, $40,020 in 1965, and $29,960 in 1966.

Assistance was given to 120 individuals and/or families in more than 40 communities throughout the United States.

United Help, Inc., New York — $200,000

This allocation was made toward the cost of establishing a housing project for elderly Nazi victims in the New York area, in which there resides the largest number of Nazi victims in any one city. The land required for the construction has already been purchased. The project calls for the building of 288 rental apartments, of which 72 will be one-bedroom apartments and 216 efficiency apartments. It is expected that ground will be broken in the fall.

Sincerely yours,

Saul Kagan
Executive Secretary

EXECUTIVE

JL9
FE6
FG110
FG105
FG135

May 14, 1966

Dear Mr. Secretary:

The President on May thirteenth signed an Executive Order #11281 entitled "Transferring Jurisdiction Over Certain Blocked Assets from the Attorney General to the Secretary of the Treasury."

A White House Press Release with regard thereto is enclosed.

Sincerely

William J. Hopkins
Executive Clerk

The Honorable
The Secretary of the Treasury
Washington, D. C.

Enclosure

tmj

E. O. Dated: 5/13/66
To Archives: 5/16/66

Press Release issued but the Order was not stencilled

May 14, 1966

Dear Mr. Secretary:

The President on May thirteenth #11281 signed an Executive Order entitled "Transferring Jurisdiction Over Certain Blocked Assets from the Attorney General to the Secretary of the Treasury."

A White House Press Release with regard thereto is enclosed.

Sincerely,

William J. Hopkins
Executive Clerk

The Honorable
The Secretary of State
Washington, D. C.

Enclosure

tmj
3

May 14, 1966

Dear Mr. Attorney General:

The President on May thirteenth #11281 signed an Executive Order entitled "Transferring Jurisdiction Over Certain Blocked Assets from the Attorney General to the Secretary of the Treasury."

A White House Press Release with regard thereto is enclosed.

Sincerely,

William J. Hopkins
Executive Clerk

The Honorable
The Attorney General
Washington, D. C.

Enclosure

tmj
J

To be dated May 13
& Covered work
release 7 that date

CJH

THE WHITE HOUSE

WASHINOTON

May 13, 1966

TO: Bill Hopkins
From: Harry McPherson

I would recommend having the Treasury official charged with this responsibility available on the phone when the Order is released. It is a complicated matter.

(E.O. Received in Records Office; 5/14/66)

E.O. Dated: 5/13/66

To Archives: 5/16/66

Press Release issued but the Order was not stenciled !!

NOTED 5/14/66 LBJ

DRAFT PRESS RELEASE FOR USE IN ANNOUNCING THE SIGNING OF EXECUTIVE ORDER ENTITLED "TRANSFERRING JURISDICTION OVER CERTAIN BLOCKED ASSETS FROM THE ATTORNEY GENERAL TO THE SECRETARY OF THE TREASURY."

The President today announced the consolidation, in the Department of the Treasury, of jurisdiction over all foreign property in the United States which is "blocked" or "frozen."

The Treasury Department already administers controls over the property of North Viet Nam, North Korea, Communist China, Cuba and the nationals of those countries. Today's consolidation, accomplished by an Executive Order effective on May 15, 1966, will transfer from the Department of Justice to the Department of the Treasury jurisdiction over the foreign assets which were blocked during World War II and which still remain blocked.

The World War II blocking control program was initiated in the Treasury Department in April 1940. At the end of the war it was transferred to the Office of Alien Property, Department of Justice. The prospective termination of the Office of Alien Property makes necessary the reassignment of responsibility for the administration of the remaining frozen assets to the Treasury Department.

No changes in the licensing policies applicable to these assets are being made by the Treasury Department. All outstanding orders, regulations, rulings, instructions, licenses and other public documents issued with respect to this blocked property and in force on May 15, 1966 will continue in full effect until they are revoked or modified by the Treasury Department. License applications not acted upon by the Office of Alien Property before May 15, 1966

will be processed by the Treasury Department in accordance with existing procedures without the necessity of filing new applications.

Inquiries with respect to blocked property should be addressed to the Office of Foreign Assets Control, Department of the Treasury, Washington, D.C. 20220. Matters relating to the World War II vesting program of the Office of Alien Property will remain within the jurisdiction of the Department of Justice.

May 12, 1966

MRS. ROBERTS:

In transmitting this proposed Executive Order to Mr. McPherson, Budget says that the order draft "has apparently been designed on the basis that the order will be issued before midnight of May 15, 1966."

William J. Hopkins

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 11, 1966
Wednesday
6 PM

For the President:

The attached Executive Order transfers the "blocking of foreign assets" program from Justice to Treasury. This is a hangover from WWII days, and has been lodged along with the vesting-of-assets program, in the Alien Property Office. That office goes out of existence June 30; but there is still a need to manage the blocking program and everyone agrees that Treasury, with its similar Cuban and Chinese programs, is the place where it should go.

I recommend your signature on the Order.

Harry

Harry C. McPherson

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

MAY 10 1966

MEMORANDUM FOR THE SPECIAL COUNSEL TO THE PRESIDENT

Subject: Proposed Executive order relating to blocked assets

There are attached the following:

--a proposed Executive order entitled "Transferring Jurisdiction over Certain Blocked Assets from the Attorney General to the Secretary of the Treasury";

--copy of a letter of May 4, 1966, from Assistant Attorney General Wozencraft, transmitting the proposed order to the Bureau of the Budget; and

--copies of an exchange of correspondence between the Attorney General and the Secretary of the Treasury, agreeing to the transfer of jurisdiction contemplated by the proposed order.

The draft order is fully explained in Assistant Attorney General Wozencraft's transmittal letter. In brief, the order would transfer from the Attorney General to the Secretary of the Treasury functions under section 5(b) of the Trading with the Enemy Act, as amended (50 U.S.C. App. 5(b)), pertaining to the control of the remaining World War II blocked assets.

Under arrangements made informally with a representative of the Department of Justice, that Department will transmit to the White House Office a draft of a press release for possible use in connection with the issuance of the order.

The text of section 8 of the order draft has apparently been designed on the basis that the order will be issued before midnight of May 15, 1966.

The proposed order has the approval of the Director of the Bureau of the Budget.

Arthur B Focke

General Counsel

Attachments

The White House
Washington

1966 MAY 11 AM 9 58

ASSISTANT ATTORNEY GENERAL

Department of Justice
Washington
20530

MAY 12 1966

MEMORANDUM TO MR. WILLIAM J. HOPKINS
Executive Clerk of the White House

Re: Draft Press Release.

At the request of the Bureau of the Budget, I am enclosing a draft press release for use in connection with the proposed Executive order entitled "Transferring Jurisdiction Over Certain Blocked Assets from the Attorney General to the Secretary of the Treasury."

Frank M. Wozencraft

Frank M. Wozencraft
Assistant Attorney General
Office of Legal Counsel

Attachment

DRAFT PRESS RELEASE FOR USE IN ANNOUNCING THE SIGNING OF EXECUTIVE ORDER ENTITLED "TRANSFERRING JURISDICTION OVER CERTAIN BLOCKED ASSETS FROM THE ATTORNEY GENERAL TO THE SECRETARY OF THE TREASURY."

The President today announced the consolidation, in the Department of the Treasury, of ~~the~~ jurisdiction over all foreign property in the United States which is "blocked" or "frozen."

The Treasury Department already administers controls over the property of North Viet Nam, North Korea, Communist China, Cuba and the nationals of those countries. Today's consolidation, ~~will be~~ accomplished by an Executive Order ~~No. That Order, which will be~~ effective on May 15, 1966, will transfer from the Department of Justice to the Department of the Treasury jurisdiction over the foreign assets which were blocked during World War II and which still remain blocked.

The World War II blocking control program was ~~originally~~ initiated in the Treasury Department in April 1940. At the end of the war it was transferred to ~~and administered by~~ the Office of Alien Property, Department of Justice. The prospective termination of the Office of Alien Property makes

necessary the reassignment of responsibility for the administration of the remaining frozen assets to the Treasury Department.

No changes in the licensing policies applicable to these assets are being made by the Treasury Department. All outstanding orders, regulations, rulings, instructions, licenses and other public documents issued with respect to this blocked property and in force on May 15, 1966 will continue in full force and effect until they are revoked or modified by the Treasury Department. License applications not acted upon by the Office of Alien Property before May 15, 1966 will be processed by the Treasury Department in accordance with existing procedures without the necessity of filing new applications.

Inquiries with respect to blocked property should be addressed to the Office of Foreign Assets Control, Department of the Treasury, Washington, D. C. 20220. Matters relating to the World War II vesting program of the Office of Alien Property will remain within the jurisdiction of the Department of Justice.

Assistant Attorney General

Department of Justice
Washington
20530

MAY 4 1966

Honorable Charles L. Schultze
Director, Bureau of the Budget
Washington, D. C.

Dear Mr. Schultze:

I am herewith transmitting a proposed Executive order entitled "Transferring Jurisdiction over Certain Blocked Assets from the Attorney General to the Secretary of the Treasury." I am also transmitting copies of an exchange of correspondence in which the Attorney General proposed and the Secretary of the Treasury agreed to the transfer of jurisdiction.

The Executive order, which was prepared in this Department, has been approved by the Treasury Department, as written. It has also been informally reviewed by members of your staff.

The order would have the effect of returning to the Treasury Department the responsibility for completing a World War II program originally assigned to it under Executive Order 8389 of April 10, 1940. The initial purpose of that order, which was issued the day after Germany invaded Denmark and Norway, was the protective blocking of assets in the United States owned by the latter two countries and their nationals. Executive Order 8389 and the blocking action taken thereunder by Treasury were grounded on section 5(b) of the Trading with the Enemy Act (50 U.S.C. App. 5(b)).

For a variety of reasons, the controls first exercised in April 1940 were extended within the next two years to the American assets of a sizeable number of countries (including those which became our enemies after Pearl Harbor) and their nationals. One of the reasons for the blocking

of enemy assets was to immobilize them until action could be taken by the Government, on a case by case basis, to vest them--i.e. seize ownership thereof--under section 5(b) of the Trading with the Enemy Act, supra. The vesting program was the responsibility of the Alien Property Custodian from the time President Roosevelt established that office in 1942 (Executive Order 9095 of March 11, 1942, as amended) until President Truman abolished it in 1946 and transferred the Custodian's functions to the Attorney General (Executive Order 9788 of October 14, 1946).

In 1948 President Truman transferred the blocking program to the Attorney General with a view to facilitating the vesting operations of the Department of Justice (Executive Order 9989 of August 20, 1948). Both the vesting and blocking programs have been administered in the Department by the Office of Alien Property.

The Office of Alien Property completed the World War II vesting program under the Trading with the Enemy Act in 1953. A separate program of vesting certain blocked Bulgarian, Hungarian and Roumanian assets under the International Claims Settlement Act, as amended in 1955 (22 U.S.C. 1631 et seq.), was begun by the Office of Alien Property in that year and completed a few years later.

Despite the cessation of vesting activity, the Office of Alien Property maintains residual controls over a small amount of the property originally blocked during World War II. These controls, which are being continued at the request of the State Department, are the subject matter of the proposed Executive order.

The main tasks of the Justice Department in administering alien property have been completed, and the Office of Alien Property will be terminated on June 30, 1966. It is necessary, therefore, to make some disposition of the Attorney General's blocking function. Since the Treasury Department presently carries on a similar function in its Foreign Assets Control program relating to Cuban, Red Chinese and other assets, it has the know-how necessary to complete the World War II

program. The proposed transfer thus is supported by considerations of efficiency.

Although the Secretary of the Treasury stated in his letter to the Attorney General that he would like the transfer of jurisdiction to him to become effective May 1, 1966, the Treasury Department has not yet been able to make the necessary preparations. It has suggested that the transfer be delayed until May 15, the date which appears in the attached document.

The proposed Executive order is approved as to form and legality and its prompt issuance is urged. If it is acceptable to you, it may be presented to the President without further reference to this Department.

Sincerely,

Frank M. Wozencraft

Frank M. Wozencraft
Assistant Attorney General
Office of Legal Counsel

Enclosures

THE SECRETARY OF THE TREASURY
WASHINGTON

APR 12 1966

Dear Nick:

The Foreign Assets Control staff has explored with your representatives the transfer to the Treasury of control over the remaining World War II blocked assets proposed in your letter of March 18, 1966.

From these discussions, we have concluded that we can agree to the proposal. For administrative reasons, I would prefer to make the transfer effective May 1, 1966. The draft Executive Order you enclosed with your letter seems generally appropriate, although we may wish to suggest certain minor modifications after further study.

The Foreign Assets Control staff will be in touch with your representatives to work out detailed implementation of the transfer. In view of the close cooperation which has existed in this area over the years between our two Departments, I am confident that the transfer will take place in good order.

I am sending a copy of this letter to the Bureau of the Budget, for its information.

With best wishes,

Sincerely,

Henry H. Fowler

The Honorable
Nicholas deB. Katzenbach
Attorney General
Washington 25, D. C.

Bureau of the Budget

MAR 1 8 1966

Honorable Henry H. Fowler
Secretary
Department of the Treasury
Washington, D. C.

Dear Mr. Secretary:

This refers to Attorney General Rogers' letter of December 30, 1959 proposing the transfer to the Department of the Treasury of the foreign funds control functions being performed by the Office of Alien Property.

As you know these functions were transferred from the Department of the Treasury to the Department of Justice in 1948 by Executive Order 9989 essentially for the purpose of coordinating both blocking and vesting functions in one agency. In responding to Attorney General Rogers' proposal by letter dated January 18, 1960, Acting Secretary of the Treasury Fred C. Scribner noted the rationale for the transfer of blocking functions to Justice in 1948 and concluded that any decision with respect to the disposition of World War II blocked asset functions should be postponed until the vested assets function ceased to be an active operation. Although the proposed transfer was explored further by other correspondence and conferences between our two Departments, the matter has not been brought to a head.

The Office of Alien Property has now completed its vesting program and with few minor exceptions will have completed the administration and liquidation of vested property by June 30, 1966. At that point, the Office of Alien Property will cease to exist as an organizational entity and, therefore, the immediate scheduling of the time for disposition of the remaining foreign funds functions has become imperative. In addition, the President has added to the sense of urgency with which the problem must be treated. In a letter to the Congress transmitting the most recent report on the Office of Alien Property he announced the imminent termination of the Office and stated that the functions relating to the administration of blocked assets might be transferred to another agency.

It is our view that the blocking functions performed by the Office of Alien Property are closely related to similar functions now being performed by your Department's Foreign Assets Control office and, therefore, that such functions should be transferred to the Department of the Treasury by Executive Order. A draft of a proposed Executive Order, which would call for such a transfer, is enclosed for your consideration. I have made a copy of it available to the Bureau of the Budget together with a copy of this letter.

I hope that the proposed transfer will be acceptable to you, and that representatives of our respective Departments can meet reasonably soon for the purpose of working out its details.

Sincerely,

Nicholas deB. Katzenbach
Attorney General

Enclosure

NOT STENCILLED

EXECUTIVE ORDER

TRANSFERRING JURISDICTION OVER CERTAIN BLOCKED ASSETS FROM THE ATTORNEY GENERAL TO THE SECRETARY OF THE TREASURY

WHEREAS before October 1, 1948, the Secretary of the Treasury administered the blocking controls and other restrictions over property and interests of certain foreign countries or their nationals that had been imposed, under the authority of section 5(b) of the Trading with the Enemy Act, as amended (50 U.S.C. App. 5(b)), by means of and under Executive Order No. 8389 of April 10, 1940, as amended; and

WHEREAS by Executive Order No. 9989 of August 20, 1948, jurisdiction over the property and interests which remained blocked or restricted under Executive Order No. 8389 on September 30, 1948, was transferred, effective October 1, 1948, to the Attorney General to aid him in carrying out his functions as successor to the Alien Property Custodian, including, among others, the function of vesting property pursuant to the provisions of the Trading with the Enemy Act, as amended; and

WHEREAS by Executive Order No. 10644 of November 7, 1955, the Attorney General was designated to carry out the functions of the President under Title II of the International Claims Settlement Act of 1949 (as added by the Act of August 9, 1955, Public Law 285, 84th Congress, 69 Stat. 562), including certain vesting and blocking functions required by section 202

of that Act (22 U.S.C. 1631a), and the Attorney General, as designee of the President, exercises controls under Executive Order No. 8389 with respect to the net proceeds of certain property that are carried, pursuant to section 202, in blocked accounts with the Treasury; and

WHEREAS the functions of vesting property under the Trading with the Enemy Act and under section 202 of the International Claims Settlement Act of 1949 have been terminated; and

WHEREAS the blocking controls now exercised by the Attorney General under Executive Order No. 8389 are limited in application to property of Hungary or its nationals acquired on or before January 1, 1945; property of Czechoslovakia, Estonia, Latvia, Lithuania or nationals of those countries acquired on or before December 7, 1945; property of East Germany or its nationals acquired on or before December 31, 1946, and certain securities scheduled in General Rulings No. 5 and No. 5B, as amended (8 CFR 511.205 and 511.205b); and

WHEREAS the Office of Alien Property, through which the Attorney General carries out or has carried out the various responsibilities described above, will be abolished on or before June 30, 1966, and the Attorney General thereafter will not be in a position to administer blocking controls under Executive Order No. 8389 efficiently; and

WHEREAS in the interest of efficiency it is desirable to return to the Secretary of the Treasury jurisdiction over the property and interests remaining subject to such blocking controls:

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and the laws of the United States, including the Trading with the Enemy Act, as amended, Title II of the International Claims Settlement Act of 1949 and section 301 of Title 3 of the United States Code, and as President of the United States, it is hereby ordered as follows:

SECTION 1. The authority granted to the Attorney General by Executive Order No. 9989 with respect to property and interests blocked or otherwise subject to restriction under Executive Order No. 8389 is hereby terminated and Executive Order No. 9989 is hereby superseded.

SECTION 2. The Secretary of the Treasury shall hereafter be responsible for the administration of the controls exercisable under Executive Order No. 8389, and he is authorized and directed to take such action as he may deem necessary with respect to any property or interest that remains blocked or restricted under Executive Order No. 8389 on the effective date of this order. In the performance of the functions and duties hereby reassigned to him, the Secretary of the Treasury may act personally or through any officer, person, agency or instrumentality designated by him.

SECTION 3. All orders, regulations, rulings, instructions or licenses issued prior to the effective date of this order by the Attorney General or the Secretary of the Treasury with respect to any of the property or interests referred to in Section 2 shall continue in full force and effect except as hereafter amended, modified or revoked by the Secretary of the Treasury.

SECTION 4. No person affected by any order, regulation, ruling, instruction, license or other action issued or taken by either the Attorney General or the Secretary of the Treasury in the administration of Executive Order No. 8389 may challenge the validity thereof or otherwise excuse any action, or failure to act, on the ground that it was within the jurisdiction of the Secretary of the Treasury rather than the Attorney General or vice versa.

SECTION 5. Section 1 of Executive Order No. 10644 of November 7, 1955, is hereby amended to read as follows:

"SECTION 1. (a) With the exception of the functions referred to in subsection (b) of this section, the Attorney General, and, as designated by the Attorney General for this purpose, any Assistant Attorney General are hereby designated and empowered to perform the functions conferred by Title II of the International Claims Settlement Act of 1949 upon the President, and the functions

conferred by that title upon any designee of the President.

"(b) The Secretary of the Treasury, and any officer, person, agency or instrumentality designated by the Secretary of the Treasury for this purpose, are hereby designated and empowered to perform the functions conferred upon the President by section 202 of Title II with respect to the release of blocked property and of the net proceeds of property that are carried in blocked accounts with the Treasury."

SECTION 6. Executive Order No. 8389, this order and all delegations, designations, regulations, rulings, instructions and licenses issued or to be issued under Executive Order No. 8389 or this order are hereby continued in force according to their terms for the duration of the period of the national emergency proclaimed by Proclamation No. 2914 of December 16, 1950. Executive Order No. 10348 of April 26, 1952 is hereby superseded.

SECTION 7. Nothing in this order shall be deemed to revoke or limit any powers heretofore conferred on the Secretary of the Treasury by or under any statute or Executive order, or to revoke or limit any powers heretofore conferred upon the Attorney General by or under any statute or Executive order other than Executive Order No. 9989 or No. 10644.

SECTION 8. This order shall become effective at midnight, May 15, 1966.

THE WHITE HOUSE
May 13, 1966

IMMEDIATE RELEASE MAY 13, 1966

Office of the White House Press Secretary

- -

THE WHITE HOUSE

The President today announced the consolidation, in the Department of the Treasury, of jurisdiction over all foreign property in the United States which is "blocked" or "frozen."

The Treasury Department already administers controls over the property of North Viet Nam, North Korea, Communist China, Cuba and the nationals of those countries. Today's consolidation, accomplished by an Executive Order effective on May 15, 1966, will transfer from the Department of Justice to the Department of the Treasury jurisdiction over the foreign assets which were blocked during World War II and which still remain blocked.

The World War II blocking control program was initiated in the Treasury Department in April 1940. At the end of the war it was transferred to the Office of Alien Property, Department of Justice. The prospective termination of the Office of Alien Property makes necessary the reassignment of responsibility for the administration of the remaining frozen assets to the Treasury Department.

No changes in the licensing policies applicable to these assets are being made by the Treasury Department. All outstanding orders, regulations, rulings, instructions, licenses and other public documents issued with respect to this blocked property and in force on May 15, 1966 will continue in full effect until they are revoked or modified by the Treasury Department. License applications not acted upon by the Office of Alien Property before May 15, 1966 will be processed by the Treasury Department in accordance with existing procedures without the necessity of filing new applications.

Inquiries with respect to blocked property should be addressed to the Office of Foreign Assets Control, Department of the Treasury, Washington, D. C. 20220. Matters relating to the World War II vesting program of the Office of Alien Property will remain within the jurisdiction of the Department of Justice.

# # # # #

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

EXECUTIVE
JL9
FG11-1
FG235
KAGAN, Saul

MAY 12 1966

MEMORANDUM FOR MR. HOPKINS

I am forwarding herewith a brief report required by statute regarding the activities of the Jewish Restitution Successor Organization.

In his transmittal to the President, the Chairman of the Foreign Claims Settlement Commission makes the following statement: "The Commission from time to time has been consulted by the Jewish Restitution Successor Organization with respect to its plan for disbursement of the $500,000 allocation, and, having studied the second progress report by that organization is of the opinion that it has followed both the spirit and the letter of the law." We have no reason to question this statement.

It is our understanding that the White House is not required to take any further action on the report. As required by the statute, the FCSC has already transmitted it to the Congress.

Wilf Rommel
Acting Assistant Director
for Legislative Reference

Attachments

RECEIVED
MAY 12 1966
CENTRAL FILES

OFFICE
OF THE CHAIRMAN

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

April 21, 1966

MEMORANDUM FOR THE PRESIDENT

Subject: Second Progress Report of the Jewish Restitution Successor Organization

I am pleased to transmit herewith the second progress report of the Jewish Restitution Successor Organization filed with the Foreign Claims Settlement Commission of the United States as designee of the President pursuant to the terms of Public Law 87-846 and Executive Order No. 10587, as amended on February 26, 1963.

Under Public Law 87-846 provision was made for the settlement of claims of successor organizations for the return of vested heirless property. The statute authorized the allocation of a sum in the amount of $500,000 in full and complete settlement of the claims.

The Commission from time to time has been consulted by the Jewish Restitution Successor Organization with respect to its plan for disbursement of the $500,000 allocation, and, having studied the second progress report by that organization is of the opinion that it has followed both the spirit and the letter of the law.

Edward D. Re
Chairman

Enclosure: Report

Cable Address: JOINTDISCO ELdorado 5-5600

Jewish Restitution Successor Organization

3 EAST 54th STREET
New York 22, N. Y.

NEW ADDRESS: 215 Park Avenue South
New York, N.Y. 10003

April 15, 1966

Honorable Edward D. Re
Chairman
Foreign Claims Settlement Commission
Washington 25, D.C.

Dear Mr. Chairman:

We are pleased to advise you that the distribution of the $500,000, awarded to the Jewish Restitution Successor Organization, pursuant to Public Law 87-846 was substantially completed. The report which follows shows that $442,000 were actually disbursed by March 31, 1966, for relief, rehabilitation and resettlement programs benefiting victims of Nazi persecution who settled in this country.

Agudath Israel World Organization, New York — $50,000

The above sum was allocated toward the cost of establishing a housing project for elderly Nazi victims. The organization acquired a suitable building in Manhattan which is currently being refurbished. The care and maintenance of the property has been assured by the sponsoring organization.

Catholic Relief Service - National Catholic Welfare Conference, New York — $50,000

This allocation was reserved for one-time rehabilitation grants for needy and handicapped Nazi victims, with grants not to exceed $1,500 per family. $10,000 was spent to assist individuals in meeting special medical expenses.

...cont'd...

Nehemiah Robinson Memorial Scholarship Fund, New York $100,000

This Fund was established in memory of Dr. Nehemiah Robinson, who devoted a great part of his life to the cause of compensation for victims of Nazi persecution. The Fund is being administered by United Help, Inc., in New York, a social agency serving exclusively the needs of Nazi victims in the United States. Scholarships for vocational and professional training are awarded to Nazi victims who have completed their secondary education.

From the inception of the program the Fund has expended $34,854, of which $30,679 was spent for grants and $4,175 for loans.

From the inception of the program the Scholarship Fund assisted 70 undergraduate and 9 graduate students. Scholarship applications originated in over 20 different states of the Union. Recipients of grants are studying at more than 30 different institutions of higher learning.

United Hias Service, New York $100,000

The above sum was allocated for the resettlement of difficult-to-resettle families outside of New York City through one-time grants not to exceed $1,500 per family. This program is being carried out in cooperation with the local Jewish resettlement agencies.

From the inception of the program a total sum of $51,570 was spent; $11,550 was disbursed in 1964, and $40,020 in 1965.

Assistance was given to 73 individuals and/or families in more than 25 communities throughout the United States.

United Help, Inc., New York $200,000

This allocation was made toward the cost of establishing a housing project for elderly Nazi victims in the New York area, in which there resides the largest number of Nazi victims in any one city.

United Help has acquired land in Queens, New York, for the construction of a 19 story building with 216 efficiency and 72 one-bedroom apartments. The preliminary plans of the architects have been approved in principle by the

...cont'd...

New York State Division of Housing and Community Renewal. After final approval of the architects' plans and construction cost, approval of the project will be sought from the City Planning Commission and the Board of Estimate. Construction will commence as soon as all requisite approvals are secured.

It should be noted that more than 1800 elderly victims of Nazi persecution are on the waiting list for the new apartments.

Sincerely yours,

Saul Kagan
Executive Secretary

Name	Date
Mr. Hopkins	9-28-67

EXECUTIVE (H)+
PR13-1/m*
ST51-3
LE/JL9
JL9

OCT 27 1965

Dear Mr. Matsuoka:

I take pleasure in sending you this pen, with which I have just signed into law a Joint Resolution of the Congress, authorizing up to $22 million for the payment of approximately 180,000 Ryukyuan pretreaty claims. I know that you share my satisfaction at this important action.

May I take this occasion to assure you that my Government looks forward to continued close cooperation with the Government of the Ryukyu Islands in promoting the well-being of the Ryukyuan people -- our mutual objective and common concern.

With my warm regards,

Sincerely,

LBJ

LBJ:JCT:lw

*
x

Honorable Seiho Matsuoka
Chief Executive, Government of the Ryukyu Islands
Okinawa, Ryukyu Islands

Original with Pen & Pen
Brought to Japan & transmitted

NOV 10 1965
CENTRAL FILES

gah

6/14/65

EXECUTIVE
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TO THE HOUSE OF REPRESENTATIVES

I return herewith, without my approval, H.R. 1867, "For the relief of Daniel Walter Miles."

This legislation would authorize the payment of $1,000 to Daniel Walter Miles of Brockton, Massachusetts. The payment would be in full settlement of Mr. Miles' claim against the United States under the Philippine Rehabilitation Act of 1946 for compensation for certain property losses in the Philippine Islands during World War II as a result of Japanese bombing raids.

Mr. Miles' claim was evaluated by the Philippine War Damage Commission under the orderly procedures authorized by the Congress for the handling of such claims. There is no indication that the Commission failed to give this claim an adequate hearing or to follow the established procedures as it considered the case. In fact, the record shows that as the result of an appeal from the original decision, the Commission reconsidered the claim and rejected it a second time.

Mr. Miles was afforded still another opportunity to have his claim reviewed under Public Law 87-846 enacted in 1962 which, in effect, provided for further consideration of certain Philippine claims. However, he failed to file a claim under that statute prior to the deadline of January 15, 1965.

Under the Philippine Rehabilitation Act of 1946, awards aggregating almost $500 million were paid in settlement of those claims found to be meritorious from among the more than one million claims filed. Many thousands of awards were made in amounts substantially below those sought by the claimants, and some 91,000 claims were denied in their entirety.

I can see no basis for going behind the settlement made by the Commission in this case. The record here contains no evidence which was not known to and considered by the Commission.

Under these circumstances and at this late date, to set aside the judgment of the Commission would entitle other disappointed claimants under that program to seek similar relief through private legislation. The result could be the reopening of this vast claims program, a result which I strongly believe to be neither desirable nor justified. If the bill did not lead to this result, it would have the equally undesirable and unjustified effect of granting preferential and discriminatory treatment to Mr. Miles.

For the foregoing reasons, I cannot approve H.R. 1867.

LYNDON B. JOHNSON

THE WHITE HOUSE

June 14, 1965

TO THE SENATE OF THE UNITED STATES:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Agreement between the Government of the United States of America and the Government of Canada concerning the Establishment of an International Arbitral Tribunal to dispose of United States Claims relating to Gut Dam, signed at Ottawa March 25, 1965.

I transmit also, for the information of the Senate, the report by the Secretary of State with respect to the Agreement.

This Agreement is an outstanding example of the close and friendly cooperation between us and our good neighbor to the north.

Claims have been made by many nationals of the United States that their properties on the shores of Lake Ontario have suffered damage or detriment as a result of

Sent to the Senate 5/17/65

(4)
EXECUTIVE
JL9
FG11-1
FG235
Kagan, Saul

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

APR 16 1965

MEMORANDUM FOR MR. HOPKINS

In accordance with Jim Hyde's discussion with you, I am forwarding herewith a brief report required by statute regarding the activities of the Jewish Restitution Successor Organization.

In his transmittal memorandum to the President, the Chairman of the Foreign Claims Settlement Commission makes the following statement: "The Commission from time to time has been consulted by the Jewish Restitution Successor Organization with respect to its plan for disbursement of the $500,000 allocation, and, having studied the first progress report by that organization is of the opinion that it has followed both the spirit and the letter of the law." We have no reason to question this statement.

It is our understanding that the White House is not required to take any further action on the report. As required by the statute, the FCSC has already transmitted it to the Congress.

Phillip S. Hughes
Assistant Director for
Legislative Reference

Attachments

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES
WASHINGTON, D.C. 20579

OFFICE
OF THE CHAIRMAN

March 12, 1965

MEMORANDUM FOR THE PRESIDENT

Subject: First Progress Report of the Jewish Restitution Successor Organization

I am pleased to transmit herewith the first progress report of the Jewish Restitution Successor Organization filed with the Foreign Claims Settlement Commission of the United States as designee of the President pursuant to the terms of Public Law 87-846 and Executive Order No. 10587, as amended on February 26, 1963.

Under Public Law 87-846 provision was made for the settlement of claims of successor organizations for the return of vested heirless property. The statute authorized the allocation of a sum in the amount of $500,000 in full and complete settlement of the claims.

The Commission from time to time has been consulted by the Jewish Restitution Successor Organization with respect to its plan for disbursement of the $500,000 allocation, and, having studied the first progress report by that organization is of the opinion that it has followed both the spirit and the letter of the law.

Enclosure:Report

Edward D. Re
Chairman

Cable Address: JOINTDISCO ELdorado 5-5600

Jewish Restitution Successor Organization

3 EAST 54th STREET
New York 22, N. Y.

February 8, 1965

Honorable Edward D. Re
Chairman
Foreign Claims Settlement Commission
Washington 25, D.C.

Dear Mr. Chairman:

This is with further reference to our letter of June 26, 1964, in which we presented to you an initial report on the allocation of the $500,000 awarded to the Jewish Restitution Successor Organization under Public Law 87-846.

Set forth below is the first progress report on the utilization of the allocations for the period ending December 31, 1964:

Agudath Israel World Organization, New York $50,000

The above sum was allocated toward the cost of establishing a housing project for elderly Nazi victims. Various plans are still being evaluated by the organization. It is expected that a specific proposal will be presented within the next six months.

Catholic Relief Service - National Catholic Welfare Conference, New York $50,000

This allocation was reserved for one-time rehabilitation grants for needy and handicapped Nazi victims, with grants not to exceed $1,500 per family.

As of December 31, 1964, the sum of $3,000 was spent to assist five individuals in meeting special medical

...cont'd...

requirements. Four of these were Nazi victims ranging in age from 44 to 70 years. The fifth is the son of Nazi victims who required open-heart surgery.

Nehemiah Robinson Memorial Scholarship Fund, New York $100,000

This Fund was established in memory of Dr. Nehemiah Robinson, who devoted a great part of his life to the cause of compensation for victims of Nazi persecution. The Fund is being administered by United Help, Inc., in New York, a social agency serving exclusively the needs of Nazi victims in the United States. Scholarships for vocational and professional training are awarded to Nazi victims who have completed their secondary education.

As of December 31, 1964, the Fund expended $11,565, of which $9,690 was spent for grants and $1,875 for loans.

Since its inception the Scholarship Fund assisted 20 undergraduate and 3 graduate students. The undergraduates ranged in age from 17 to 24 and the oldest of the graduate students is 36 years of age. Scholarship applications originated in 10 different states of the Union and beneficiaries of grants are studying at 15 different universities.

United Hias Service, New York $100,000

The above sum was allocated for the resettlement of difficult-to-resettle families outside of New York City through one-time grants not to exceed $1,500 per family. This program is being carried out in cooperation with the local Jewish resettlement agencies.

As of December 31, 1964, a total sum of $11,550 was spent in connection with assistance to 16 individuals and/or families in 12 communities throughout the United States. A substantial number of additional grants are currently under consideration.

United Help, Inc., New York $200,000

This allocation was made toward the cost of establishing a housing project for elderly Nazi victims in the New York area, in which there resides the largest number of Nazi victims in any one city.

...cont'd...

United Help is negotiating the acquisition of a piece of property located in Queens on which this project is to be built. Present plans call for 150-170 apartments of which 80 to 90% will be efficiency and the remainder one-bedroom apartments.

As of December 31, 1964, the sum of $20,000 was released to United Help on account of this project.

At the present time United Help is also negotiating with the City Planning Commission for the necessary zoning variances.

We shall be pleased to furnish such additional information as you may desire.

It is understood that the Foreign Claims Settlement Commission will find it satisfactory, pursuant to the relevant legislation, if the next report for the calendar year 1965 is submitted by February 15, 1966 and thereafter on a regular calendar year basis.

Sincerely yours,

Saul Kagan
Executive Secretary

Name	Date
Mr. Hopkins	9-28-67

EXECUTIVE
FG110-6
LE/IS1
TA6/Watches
FG240
FO2/C094
LE/Cm/Wheat
Jh 9
CO 311

April 1, 1965

MR. PRESIDENT:

Senator Dirksen has passed to me this sheaf of papers. They include:

1. Suggestion that Mario Noto of New York, presently Associate Commissioner of Immigration, be appointed Commissioner of Customs.

2. Distress over the blow to insurance companies like Mutual of Omaha if Medicare is enacted. Hopes you will have a meeting with an insurance committee.

3. Worry about the impact on watch companies like Elgin, Hamilton, Bulova if another reduction on tariff duty on watches takes place. He suggests you look into this.

4. If Lawson B. Knott is made GSA Administrator he recommends John Chapman of Chicago as Deputy Administrator -- or even Administrator.

5. Anthony G. Angelos of Chicago would like to be Ambassador to Greece. Dirksen recommends him.

filed NA9-8-1/FG125 5/5/65

6. Rear Admiral Jack McCain is about to be taken out of operational command. Dirksen says that if this happens McCain's chances for further advancement are blah. He is hopeful that you can intervene. (John Connally, according to Dirksen, felt that McCain should have been made Chief of Naval Operations.)

filed PE 2 4/5/65

7. Sends you a letter from Hugh Scott in which he bewails the fact that he, Scott, has not had a single Republican accepted by the Kennedy or Johnson Administrations.

8. Urges you to provide any new wheat legislation for minimum resale price by Commodity Credit Corporation at 115 percent of the loan plus carrying charges.

9. Sends you memo on expropriation of properties in Venezuela.

Jack Valenti

Orig + Nothing else sent to Central Files as of 5/10/65

March 30, 1965

OF COMMERCE
D.C. 20230

EXECUTIVE
LE/FO 3-2
FO 3-2
FO 4-3
FG 411/F
FG 155
FG 105
J&9

To Juanita Roberts

For the President

March 30, 1965

Jack Valenti

Honorable Jack Valenti
Special Assistant to the President
The White House
Washington, D. C.

Dear Jack:

After discussions last night with you and later with the President, I made arrangements to cancel my appearance before the House Committee on Foreign Affairs at 10:00 a. m. today.

Since sooner or later I think that the President will have to define the official Administration position on the proposed Sabbatino amendment, I urge you to read the attached copy of the statement I was prepared to make. Beginning with the first full paragraph at the top of page 2, I have tried to express the practical results of this situation in as simple and clear language as possible, and that part of the statement will be of particular interest to you.

I need only add that nearly all the American companies doing business overseas, particularly in underdeveloped countries where the threat of expropriation is most serious, are vigorously opposed to the State Department's position, particularly in light of what actually happened in Cuba under Castro.

Sincerely yours,

Jack

John T. Connor

P.S. Please show this to Mac Bundy after you've read it.

Enclosure

BROUGHT FORWARD

EXECUTIVE

JL9 3/3/65

Previously Filed Date

NAME Berg. Read

ORGANIZATION Dept of State

Full Power authorized to sign agreement w/Canada for establishment of an INT'L ARBITRAL TRIBUNAL

EXECUTIVE

IT77 5/17/65

New File Symbol Date

FINAL ACTION Ratification of the agreement signed by the President

THE WHITE HOUSE
WASHINGTON

January 29, 1965

MR. VALENTI

You need to call Al Clancey about this today.

PB

Talked to Hal Clancy 1/29/65

RECEIVED FEB 5

Jack:

Ask Don Cook in New York about Ed Clark and the Board.

LBJ/JV/vm
1-16-65
1:00 pm

al clancy

EXECUTIVE (D) (4)
JL 9

MEMBERS OF THE BOARD
X General Aniline

(present officers and members)
Dr. Jesse Warner

Francis A. Gibbons

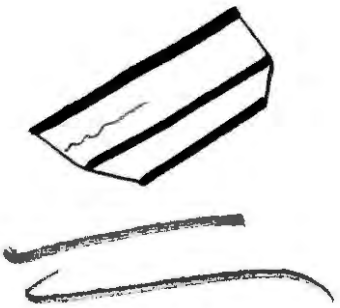
Sumner H. Williams

(present members)

Bailey K. Howard

Matthew Manes

Wm. P. Marin



New members

T. R. Berner Coop

John Bridgwood Coop

Clark Clifford

John Coleman Coop

Jos. Cullman Went

Oveta Culp Hobby

Maurice Lazarus

Lew Wasserman

Alvin Zises

(one place left open for underwriters representative)

Mr. Fortas

EXECUTIVE

AMERICAN ELECTRIC POWER *Company, Inc.*

AEP | 2 Broadway · New York 8, N. Y. HA 2-4800

DONALD C. COOK
President

DODD, Sen. Thomas J.
MANES, Matt
CLARK, Ed
FORTAS, Abe

January 9, 1965

The Hon. Nicholas deB. Katzenbach
Acting Attorney General
Washington, D. C.

Dear Nick:

The final slate of Directors for General Aniline & Film Corporation has now been determined, subject to final FBI clearance of each of the new members. I have been requested to pass the list on to you so as to permit arrangements to be made for holding the appropriate GAF Board or stockholders meeting for their election and to coordinate the public announcement of the Board changes with you.

It has been decided that the size of the Board is to be fixed at sixteen members. Fifteen places are to be filled initially, with the remaining place left vacant temporarily but subsequently to be filled by a designee of the underwriting syndicate submitting the winning bid for the Attorney General's holdings of the GAF stock.

The following have been selected as the initial slate of Directors:

Officers of the company who are presently Directors

Dr. Jesse Werner

Mr. Francis A. Gibbons

Mr. Sumner H. Williams

Present non-employee Directors who will continue

Mr. Bailey K. Howard

Mr. Mathew Manes

Mr. William P. Marin

New Directors

Mr. T. R. Berner, Chairman
Curtiss-Wright Corporation

Mr. John B. Bridgwood, Executive Vice President
The Chase Manhattan Bank

Mr. Clark M. Clifford, Partner
Clifford and Miller

Mr. John Coleman, Partner
Adler Coleman & Co.

Mr. Joseph Cullman 3rd, President
Philip Morris, Incorporated

Mrs. Oveta Culp Hobby, Publisher
The Houston Post

Mr. Maurice Lazarus, Vice Chairman
Federated Department Stores, Inc.

Mr. Lew R. Wasserman, President
MCA, Inc.

Mr. Alvin Zises, President
Bankers Leasing Corporation

You will recall that upon the resignation of Ross Siragusa as Chairman of the Board of GAF, Jesse Werner, President of GAF, was also elected Chairman. This created the anomalous situation of having Jesse Werner as Chairman and President, with William Marin as Vice Chairman. It has been concluded that this peculiar situation, which the underwriters will certainly regard as having origins unrelated to business requirements, should be straightened out at the time the new Board members are elected and that it can appropriately be done either by eliminating the post of Vice Chairman, leaving Werner as Chairman and President, or by eliminating the posts of both Chairman and Vice Chairman, leaving Jesse Werner as President. I would think the choice between the two courses of action should take into consideration, to the extent possible, the feelings of Mr. Marin as to which approach would appear more seemly and be more agreeable to him.

In view of the foregoing, I would suggest that an appropriate news release be prepared for release upon the receipt of the final FBI clearance on the entire group. I understand that these investigations have been going forward for a considerable period of time and should be concluded shortly. This should be checked, and expedited if possible, so that an amended registration statement may be filed with the SEC.

Since I have been asked to coordinate with you the preparation and release of the announcement, I would appreciate it if you would send me a copy when a draft has been prepared. I will make every effort to give you my comments promptly.

I hope it is not too late in 1965 for me to send you my best wishes for a happy and most successful 1965.

Sincerely yours,

Donald C. Cook
Chairman, Committee
of Financial Advisors

DCC:lm

cc: Wm. H. Orrick, Esq.
Murray Bring, Esq.
Abe Fortas, Esq.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

December 28, 1964

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Valenti

SUBJECT: General Aniline & Film Corporation Board vacancies

1. With declines from Mr. Buckner and Mr. Burgess, plus one other vacancy, there are now THREE places on the board that need to be filled.

They should be filled by the first of the year.

Abe would go for Cullman

Weisl recommends: Joseph Cullman, President of Philip Morris. Good man, LBJ oriented.

Cook recommends: John Coleman, senior partner of Adler Coleman, New York stockbrokers. Strong Democrat, close to Cardinal Spellman.

Cook says both these men will respond to anything you say.

DECISION: Begin FBI's on them_____

Do nothing on either_____

2. Matt Manes, good friend of Senator Dodd who has, thus far, been removed from the Board. Dodd claims he got the Kennedys to put Manes on the Board. Cook understands Manes to be a Kennedy lawyer, but this is denied by Dodd. Cook's estimate of Manes - average in caliber, no harm done if he stays on - and good way to pick up I.O.U. from Dodd.

DECISION: Leave Manes off_____

Call Dodd and let him know we are keeping Manes on because of Dodd ✓

However, you may want to consider men like Troy Post, David Searls, Gus Wortham, Gardiner Symonds, etc. for one of these spots.

I await your decision.

ask them to consider St Clair for one of these 2.

memo sent to Mrs Tennets

CONGRESSIONAL

EXECUTIVE
JL9

December 22, 1964

SENT TO ABE FORTAS

Ltr. to JV dated December 15, 1964 from Senator Thomas J. Dodd, United States Senate, re Matt Manes and the Board of Directors of the General Aniline Corporation.

Jack Valenti

THE WHITE HOUSE
WASHINGTON

12/18/64

MR. PRESIDENT:

Don Cook

I thought you'd like to see this.

Jack Valenti

I check with the Fortas at once — L J

Sent to Mrs Kennedy

THOMAS J. DODD
CONNECTICUT

COMMITTEES:
AERONAUTICAL AND SPACE SCIENCES
FOREIGN RELATIONS
JUDICIARY

United States Senate
WASHINGTON, D.C.

December 15, 1964

Mr. Jack Valenti
Special Assistant to the President
The White House
Washington, D. C.

Dear Jack:

Matt Manes is an old and dear friend of mine and one who has been tremendously helpful to me in two campaigns for the Senate. He was named a director and made counsel to the Board of Directors of the General Aniline Corporation during the Kennedy Administration. It was one of the few things which I was able to get done in those days.

A few months back, when I heard that there was to be a reorganization of the board, I got in touch with Nicholas Katzenbach and with Walter Jenkins and I was told by both that Matt would remain on the board.

A few days ago it was again reported to me that now there is to be a reorganization of the board and that Matt Manes will be out.

I am deeply distressed about this, Jack, because he is, indeed, a close personal friend who has been extremely helpful, but more importantly he is a very able lawyer who has rendered excellent service to the board and from a personal standpoint it would be very embarrassing to me if he is dropped.

I would greatly appreciate it if you would check into this for me and explain the situation to the President. I hesitate to add to your many, many burdens but you have always been so kind and so helpful that I am encouraged to write to you about this.

Grace joins me in sending you and Mary Margaret our Christmas greetings and best wishes for the New Year.

Sincerely,

Tom Dodd

THOMAS J. DODD

(10)

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 12, 1964

L
Before phone call - Dec. 12, 1964 4:55 pm

MR. PRESIDENT:

The deadline for the appointment of the General Aniline and Film Corporation is near.

The Board meeting is Tuesday, December 15.

We must act. You need to talk to Don Cook about this.

He has talked

Jack Valenti

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

December 11, 1964

MR. VALENTI

1. If the President were 30 minutes late to the 12:00 noon appointment, we'd be sure of having Senator Humphrey present. He's coming in by plane at 11:45 in the morning and Bill Connell can't guarantee that he could make it any earlier than 12:30. We could of course reschedule.

2. Mike Feldman says that we desperately need a board for General Analine. The public issue is next Tuesday.

Perry Barber

December 11, 1964

MEMORANDUM FOR THE PRESIDENT

This letter from Don Cook reaffirms his comments the other day concerning the Board of General Aniline & Film Corporation.

He believes that Mr. Bridgwood, Mr. Berner, and Mr. Zises are the three men he would most recommend.

There are theee other men on the slate: Carter Burgess, Paul Cabot, and Joseph Block.

Or you can put people of your own on the Board: Ed Clark, George Brown, Bobby Lehman, etc.

A decision ought to be made on this fairly soon.

Jack Valenti

December 8, 1964

MR. PRESIDENT:

The deadline is drawing near from the appointment of the Board of the General Aniline & Film Corporation.

Attached is a memo from Ralph Dungan to you dated September 17. It lists the Board -- the Management -- the Retained Members of the Present Board and 6 new members.

not sent to file as of 1/15/65

You wanted Don Cook's thoughts about this: Cook agrees that the new Board members proposed are excellent men and are very good choices.

Thus, Don Cook in his letter of September 26th to Walter confirms the Dungan recommendations.

I am attaching both memos.

If you agree, we can go forward with these new appointments.

Yes_____ No_____

Jack Valenti

JV:mw

orig not sent to file as of 1/15/65

7

October 1, 1964

TO: Ralph Dungan

FROM: Paul Popple

(Ltr 9/26/64 fm Donald C. Cook, Pres, Amer Elec Power Co, Inc., 2 Broadway, NYC 10008, (noted by President) to WJenkins concerning his chairmanship of cte to advise re sale of Gen Aniline & Film Corp -- and formation of committee, its recommendation, etc.

orig not sent to file as of 1/15/65

PMP:aer

orig not sent to file as of 1/15/65

BROUGHT FORWARD

EXECUTIVE

JL9 — 1/9/65

Previously Filed — Date

NAME Cook, Donald C.

ORGANIZATION American Electric Power Co.

Mr Cook's ltr & Acting Attorney General

Same — 1/29/65

New File Symbol — Date

FINAL ACTION memos + notes re memos for Board General Counsel

BROUGHT FORWARD

EXECUTIVE
JL 9 — 12/22/64
Previously Filed — Date

NAME Memo to Abe Fortas
From Mrs Valenti
re Sen Thomas J. Dodd
re Matt Manes

Same — 1/9/65
New File Symbol — Date

FINAL ACTION cy ltr to Deputy Attorney General
from Donald Cook
re General Airline + Film
Corp.

6249

EXECUTIVE
FL 9

DEPARTMENT OF STATE
WASHINGTON

DEC 18 1964

IN REPLY REFER TO:

Dear Senator Lausche:

I refer to your letter of December 7, 1964, to the President regarding the claims agreement with Yugoslavia, which has been referred to the Department of State for attention, and to your letter of December 7, 1964, to the Secretary on the same subject.

In your letter to the President you urge the President not to approve the agreement and state that you object to the agreement because it does not provide compensation for American citizens who did not have that status when their properties were taken by Yugoslavia.

As indicated in your letter to the President, the agreement with Yugoslavia has already been signed. Also, the two Governments have agreed to bring the agreement into force as soon as practicable. In the circumstances it is too late to renegotiate the agreement with a view to obtaining a larger amount or including additional claimants. Moreover, we believe that the United States Government obtained the maximum amount obtainable and that the Yugoslav Government could not be persuaded to include additional claimants.

The Department has always been very much concerned about obtaining compensation from foreign governments for the taking of property for all American citizens regardless of the date on which they acquired citizenship. There were, however,

two

The Honorable
Frank J. Lausche,
United States Senate.

two principal reasons why this did not prove to be possible in the recent negotiations with Yugoslavia. First, the United States Government made an agreement with Yugoslavia on July 19, 1948, settling all claims of American citizens which arose prior to that date. This Government was not in a position to ask the Yugoslav Government to make a new agreement with respect to claims arising before July 19, 1948, on behalf of persons who acquired United States citizenship after July 19, 1948, but were citizens of Yugoslavia when their properties were taken. Second, it has been the long established policy of the United States Government not to espouse formally claims of persons who were not citizens of the United States when their claims arose. This policy rests on a universally accepted principle of international law and so far as we know has been followed by all of the so-called "Western" countries in their postwar settlements with Communist countries. The Communist countries are, of course, familiar with this rule of law and are not disposed to depart from it.

The Congress of the United States has consistently concurred in the Department's policy by its refusal on numerous occasions to approve legislation authorizing persons who were not citizens of the United States at the time of loss or damage to share in lump sums paid by foreign governments or derived from vested assets. The most recent pertinent laws are the War Claims Act of October 22, 1962 (Public Law 87-846) and the Cuban Claims Act of October 16, 1964 (Public Law 88-666), both of which excluded claims of persons which were not owned at the time of loss or damage by citizens of the United States.

Despite the basic rule of international law, we have since World War II tried to persuade the governments with which we have made claims agreements to

settle

settle claims of United States nationals who did not have that status when their claims arose. Not a single government has been willing to do so and in each instance we reached the conclusion that we would have to exclude them from the lump sum to be paid by the foreign government concerned if a satisfactory settlement was to be obtained for persons who were citizens of the United States when their claims arose.

In the recent negotiations with Yugoslavia we again endeavored to persuade the Yugoslav Government to settle claims of all American citizens which arose between July 19, 1948 (the date of the previous agreement) and November 5, 1964 (the date of the last agreement). Among our arguments for the inclusion of United States nationals who did not have that status when their claims arose, we cited as precedents the Yugoslav agreements with Greece and Denmark, to which you refer in your letter. The Yugoslav Government refused to consider those agreements as precedents on the ground that the identity of all of the claimants involved was known to both governments at the time the agreements were negotiated and none of them had acquired Greek or Danish citizenship after their properties were taken. Under these circumstances, we were faced with the alternative of excluding from the agreement those persons whose U.S. citizenship was achieved subsequent to the time when their claims arose or not obtaining a satisfactory settlement for persons who were United States citizens when their claims arose. We believe that we made the correct decision.

The Department has replied to the letter of November 12, 1964, of the American Yugoslav Claims Committee to which you refer in your letter to the

President.

President. I am enclosing a copy of the reply as it contains information which may be of interest to you.

I would be pleased to arrange a meeting for you with the persons in the Department who are familiar with the Yugoslav agreement and the Department's policies with respect to claims against foreign governments, or to furnish any further information you may desire.

Sincerely yours,

Robert E. Lee,
Acting Assistant Secretary
for Congressional Relations

Enclosure:
Copy, Department's letter
of December 12, 1964, to
American Yugoslav Claims Committee.

6 249

DEPARTMENT OF STATE
WASHINGTON

CONGRESSIONAL

December 18, 1964

S/S-17259

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Letter to the President from Senator Lausche re Yugoslav Claims Agreement

As requested by Mr. O'Brien's memorandum of December 9, I enclose a letter from the Department to Senator Frank J. Lausche regarding the Claims Agreement which we have signed with Yugoslavia. I also enclose Senator Lausche's letter to President Johnson.

for Benjamin H. Read
Executive Secretary

Enclosures:

1. Copy of Department's reply to Senator Lausche with attachment

2. Letter from Senator Lausche to the President

DBF

EXECUTIVE (3)
JL 9
FO 9
CO 321
AMER. YUGOSLAV
Claims Comte.

CONGRESSIONAL

December 9, 1964

Dear Senator:

May I acknowledge your letter of December 7 to the President commenting on the proposed settlement of claims for property expropriated by the Yugoslav government between July 19, 1948 and November 5, 1964.

Your letter is being referred to the State Department for attention.

Sincerely yours,

Lawrence F. O'Brien
Special Assistant
to the President

Honorable Frank J. Lausche
United States Senate
Washington, D. C.

jl/jf

rec'd Dept State via Rout Slip 12/9/64

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Mr. Benjamin H. Read
Executive Secretary
Department of State

PROMPT HANDLING IS ESSENTIAL. WHEN DRAFT REPLY IS REQUESTED THE BASIC CORRESPONDENCE MUST BE RETURNED. IF ANY DELAY IN SUBMISSION OF DRAFT REPLY IS ENCOUNTERED, PLEASE TELEPHONE OFFICE OF THE SPECIAL ASSISTANT.

Date December 9, 1964

FROM THE SPECIAL ASSISTANT Ltr fr: Sen. Frank J. Lausche

ACTION:

Comment _____

Draft reply _____

For ~~direct~~ further reply with copy to the undersigned

For your information _____

For necessary action _____

For appropriate handling _____

See below XX

Remarks: Letter to the President from the American Yugoslav Claims Committee was referred to State for appropriate handling by White House Route Slip dated November 21, 1964, signed by Ralph A. Dungan.

GPO 16—71264-2

By direction of the President:

Lawrence F. O'Brien
Special Assistant
to the President

3

6249

FRANK J. LAUSCHE
OHIO

United States Senate

WASHINGTON, D.C.

December 7, 1964

The President
The White House
Washington 25, D.C.

Dear Mr. President:

I urge you not to approve the Claims Agreement executed and signed on November 5th by United States Ambassador C. Burke Elbrick and Yugoslav Secretary for Finance Kiro Gligorov under which the government of Yugoslavia will pay in settlement of claims of United States nations a sum not to exceed $3,500,000 for properties expropriated by the Yugoslav government between July 19, 1948 and the date of the above-mentioned agreement, November 5, 1964.

The reason that I object to the approval of the proposed agreement is that it completely disallows any compensation for property taken from those persons who were not American citizens at the time the property was taken but have become so thereafter.

The government of Yugoslavia has entered into similar agreements with Denmark and Greece. Under these particular agreements with Denmark and Greece all persons who were citizens of either of those nations respectively at the time of the signing of those agreements were considered as eligible for compensation.

There can be no reasonable explanation given for differentiating the rights of Yugoslavs from the rights of persons who were citizens of Denmark and Greece.

filed-SEN 5t 9, 12/12/64

On November 12, 1964, the American Yugoslav Claims Committee wrote you a letter setting forth the reasons why the November 5th agreement should not be approved. I will not recite those reasons except to call your attention to them.

We have in Ohio many Yugoslavs who fled as refugees from the present Yugoslav regime; their properties were confiscated from them. Many of them were employees of the former government of Yugoslavia with earned pension rights which likewise have been completely dishonored by the present Yugoslav government.

I would like at least to have the opportunity of discussing this agreement with appropriate officials of the State Department to ascertain its answers to the complaints made against the fairness of the proposed agreement.

From the standpoint of doing justice to wronged persons, the substance of the agreement is of extreme importance. It would, therefore, seem to me that before the agreement is approved, the Foreign Relations Committee members at least ought to have the opportunity of hearing a report and explanation of the contents of the document and the reasons why it ought to be approved.

Respectfully yours,

Frank J. Lausche

FJL:cmj
p

BROUGHT FORWARD

EXECUTIVE
JL 9 12/9/64
Previously Filed Date

NAME LAUSCHE, Frank J.

ORGANIZATION US Senate

EXECUTIVE
JL 9 12/18/64
New File Symbol Date

FINAL ACTION reply to Sen Lausche
for Dept State

EXECUTIVE
JL 9
PR 15-4

October 7, 1964

Dear Mr. Green:

You have my permission to quote from my letter to you of September 23, 1964.

Sincerely,

Myer Feldman
Counsel to the President

Mr. David H. Green
Chairman, American Shareholders' Committee
General Aniline & Film Corporation
535 Fifth Avenue
New York, New York

The White House
Washington

1964 OCT 6 PM 1 08

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NEW YORK NY 6 1120A EDT

HON MYER FELDMAN

THE WHITE HOUSE

MAY I HAVE YOUR KIND PERMISSION TO QUOTE YOUR LETTER OF SEPTEMBER 23RD 1964, TO THE PRESS, TO THE EFFECT THAT "CONSISTENT WITH THE PRESIDENTS DESIRE TO MAINTAIN GENERAL ANILINE AND FILM CORPORATION AS A DYNAMIC AND GROWING COMPANY IN OUR ECONOMY, AND TO INSURE THE SECURITY OF THE MANY THOUSANDS OF EMPLOYEES WHO HAVE DEVOTED YEARS OF LOYAL SERVICE TO THE COMPANY, I CAN

ASSURE YOU THAT THE SALE WILL BE CONDUCTED ON TERMS WHICH ARE BEST DESIGNED TO ACCOMPLISH THESE OBJECTIVES."

THIS NEWS WILL BE WELCOMED BY THOUSANDS OF EMPLOYEES IN NEW YORK, NEW JERSEY, AND EIGHT OTHER STATES IN WHICH OUR PLANTS ARE LOCATED KINDEST REGARDS

DAVID GREEN CHAIRMAN AMERICAN SHARE HOLDERS COMMITTEE OF GAF.

EXECUTIVE
JL 9

GENERAL ANILINE & FILM CORPORATION
AMERICAN SHAREHOLDERS' COMMITTEE

September 25, 1964

The President
The White House
Washington, D.C.

My dear Mr. President:

Today I received a magnificent letter from your distinguished and illustrious counsel, the Honorable Myer Feldman, wherein he informs me of your great desire to maintain General Aniline & Film Corporation as a dynamic and growing company in our economy, and to insure the security of the many thousands of employees who have devoted years of loyal service to the company.

These wonderful tidings will gladden the hearts of the many thousands of employees and shareholders of the company.

This news will remove from the hearts and minds of employees and shareholders, the trepidation of job insecurity and vanishing investments.

It will restore a great Company, vital to our national defense, to private enterprise.

It will, at long last, enable our Government to give to the American victims of Nazi and Japanese aggression, some recompense out of the proceeds of the sale of this former enemy-owned property.

September 25, 1964

The President

As Vice-President, you helped enormously to bring about this splendid result and as Chief Executive, burdened with so many enormous problems, you have not forgotten us.

With every good wish.

Sincerely yours,

David Green

DAVID GREEN, Chairman
American Shareholders' Committee

cc: The Hon. Myer Feldman,
Counsel to the President

The Hon. Walter Jenkins,
Administrative Asst. to
the President

(5)

EXECUTIVE

FL9

September 23, 1964

Dear Mr. Green:

It is with a great deal of pleasure that, in response to your letter of September 10, I can report to you that the sale of the GAF stock presently owned by the United States is imminent. Moreover, consistent with the President's desire to maintain General Aniline & Film Corporation as a dynamic and growing company in our economy, and to insure the security of the many thousands of employees who have devoted years of loyal service to the company, I can assure you that the sale will be conducted on terms which are best designed to accomplish these objectives.

Sincerely,

Myer Feldman
Counsel to the President

Mr. David H. Green
Chairman, American Shareholders' Committee
General Aniline & Film Corporation
535 Fifth Avenue
New York, N. Y.

ASSISTANT ATTORNEY GENERAL
ANTITRUST DIVISION

Department of Justice
Washington 20530

September 22, 1964

MEMORANDUM FOR

Honorable Myer Feldman
Counsel to the President
The White House
Washington, D. C.

Enclosed is a draft reply for your signature to the letter of September 10, 1964, from David Green, Chairman, American Shareholders Committee, General Aniline & Film Corporation, together with the original letter from Mr. Green.

William H. Orrick, Jr.

WILLIAM H. ORRICK, JR.
Assistant Attorney General
Antitrust Division

D R A F T

Mr. David H. Green
Chairman, American Shareholders' Committee
General Aniline & Film Corporation
535 Fifth Avenue
New York, New York

Dear Mr. Green:

It is with a great deal of pleasure that, in response to your letter of September 10, I can report to you that the sale of the GAF stock presently owned by the United States is imminent. Moreover, consistent with the President's desire to maintain General Aniline & Film Corporation as a dynamic and growing company in our economy and to insure the security of the many thousands of employees who have devoted years of loyal service to the company, I can assure you that the sale will be conducted on terms which are best designed to accomplish these objectives.

Sincerely yours,

Myer Feldman
Counsel to the President

THE WHITE HOUSE OFFICE

ROUTE SLIP

(To Remain With Correspondence)

TO Justice Department

PROMPT HANDLING IS ESSENTIAL. WHEN DRAFT REPLY IS REQUESTED THE BASIC CORRESPONDENCE MUST BE RETURNED. IF ANY DELAY IN SUBMISSION OF DRAFT REPLY IS ENCOUNTERED, PLEASE TELEPHONE OFFICE OF THE SPECIAL COUNSEL.

Date September 17, 1964

FROM THE SPECIAL COUNSEL

ACTION:

Comment _____

Draft reply XXX For signature of undersigned

For direct reply _____

For your information _____

For necessary action _____

For appropriate handling _____

See below _____

Remarks: Enclosure is letter of Sep 10, 1964, from David Green, Chairman American Shareholders Committee, General Aniline & Film Corporation, regarding recommendations of the Advisory Committee, approved by the Attorney General.

GPO 16—76992-1

By direction of the President:

Myer Feldman
Counsel to the President

SHR/

D

EXECUTIVE (L)

JL 9

Interlandel

FO4-3

BE4-2

FG135

September 12, 1964

Dear Dave:

Thanks so much for your kind remarks. I am certainly pleased that this matter appears to be finally settled.

With best wishes and warm regards,

Sincerely,

WALTER

Walter Jenkins
Special Assistant
to the President

Mr. David H. Green
Chairman
General Aniline & Film Corporation
American Shareholders' Committee
535 Fifth Avenue
New York, New York 10017

WJ:SHR:aer

/

THE WHITE HOUSE
WASHINGTON

Dear Dave:

Thanks so much for your kind remarks. I am certainly pleased that this matter appears to be finally settled.

With best wishes and warm regards,

Sincerely,

Wj

GENERAL ANILINE & FILM CORPORATION
AMERICAN SHAREHOLDERS' COMMITTEE

CHAIRMAN
DAVID H. GREEN
535 FIFTH AVENUE
NEW YORK, N. Y. 10017
SECRETARY
DANIEL BURMAN
M.D., F.A.C.S.
COUNSEL
WHITE & CASE
14 WALL STREET
NEW YORK, N. Y. 10005
SPECIAL COUNSEL
AMBROSE V. MCCALL, JR.
EMPIRE STATE BUILDING
NEW YORK, N. Y. 10001

September 10, 1964

The Hon. Myer Feldman
Deputy Special Counsel
to the President,
The White House
Washington, D.C.

Dear Mr. Feldman:

I am indeed grateful to you, more than words can express for your very kind letter of April 30th, 1964, regarding General Aniline & Film Corporation.

Your observation that, "too often actions by people in public office are accepted as routine when they are approved but vigorously condemned when not approved", is a sad communtary on public ingratitude.

I can state without fear of contradiction that our thousands of employees and shareholders do not share that view. They are truly beholden to the President for his efforts to preserve their jobs and investments, through the continued operation of a Company vital to our national defense.

I understand that the recommendations of the Advisory Committee appointed by the Attorney General were approved by the Hon. Robert Kennedy, prior to his resignation.

However, one phase of the Committee's report concerning the rights of non U.S. Citizens to purchase stock was beyond the authority of the Attorney General to approve or disapprove and was, therefore, transferred by him to the President who alone can make the final decision.

September 10, 1964

The Hon. Myer Feldman

I have had many calls from labor leaders and shareholders who are deeply concerned with the future and continued operation of the Company.

I have advised our employees affiliated with 20 A.F.L. and C.I.O. unions, that the President was the key figure in our efforts to return our Company to private ownership.

Would you be kind enough to inform me whether the President has acted on the recommendations of the Advisory Committee approved by the Attorney General.

I am sending a copy of my letter to the Honorable Walter Jenkins, who has always displayed a keen interest in our efforts to end 23 years of government vesture and restore our Company to private ownership.

With warmest personal regards.

Very sincerely,

David Green

DAVID GREEN, Chairman
American Shareholders Committee

DG/lm

Thanks per acknowledgment.

GENERAL ANILINE & FILM CORPORATION

AMERICAN SHAREHOLDERS' COMMITTEE

CHAIRMAN
DAVID H. GREEN
535 FIFTH AVENUE
NEW YORK, N. Y. 10017
SECRETARY
DANIEL BURMAN
M.D., F.A.C.S.
COUNSEL
WHITE & CASE
14 WALL STREET
NEW YORK, N. Y. 10005
SPECIAL COUNSEL
AMBROSE V. McCALL, JR.
EMPIRE STATE BUILDING
NEW YORK, N. Y. 10001

September 10, 1964

The Hon. Walter Jenkins
Special Assistant to the President
The White House
Washington, D.C.

Dear Walter:

Our thousands of employees and shareholders have always deeply appreciated your keen interest in our efforts to return our Company to private ownership. I am taking the liberty of sending you a copy of my letter addressed to the Honorable Myer Feldman, Deputy Special Counsel to the President.

I hope that this is now the final step in ringing down the curtain on 23 years of Government vesture.

With warmest regards and best wishes.

Sincerely,

Encl.

DG/lm

GENERAL ANILINE & FILM CORPORATION
AMERICAN SHAREHOLDERS' COMMITTEE

CHAIRMAN
DAVID H. GREEN
535 FIFTH AVENUE
NEW YORK, N. Y. 10017
SECRETARY
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WHITE & CASE
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NEW YORK, N. Y. 10005
SPECIAL COUNSEL
AMBROSE V. McCALL, JR.
EMPIRE STATE BUILDING
NEW YORK, N. Y. 10001

September 10, 1964

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Deputy Special Counsel
to the President,
The White House
Washington, D.C.

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I understand that the recommendations of the Advisory Committee appointed by the Attorney General were approved by the Hon. Robert Kennedy, prior to his resignation.

However, one phase of the Committee's report concerning the rights of non U.S. Citizens to purchase stock was beyond the authority of the Attorney General to approve or disapprove and was, therefore, transferred by him to the President who alone can make the final decision.

orig rec'd 9/15/64

September 10, 1964

The Hon. Myer Feldman

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I have advised our employees affiliated with 20 A.F.L. and C.I.O. unions, that the President was the key figure in our efforts to return our Company to private ownership.

Would you be kind enough to inform me whether the President has acted on the recommendations of the Advisory Committee approved by the Attorney General.

I am sending a copy of my letter to the Honorable Walter Jenkins, who has always displayed a keen interest in our efforts to end 23 years of government vesture and restore our Company to private ownership.

With warmest personal regards.

Very sincerely,

DAVID GREEN

DG/lm

Office of the Attorney General
Washington, D. C.

September 9, 1964

MEMORANDUM FOR THE PRESIDENT

Re: Sale of General Aniline & Film Corporation Stock

As you undoubtedly know, the Department of Justice recently entered into a settlement with Interhandel, a Swiss holding company, terminating a lengthy dispute over the ownership of 93% of the stock of General Aniline & Film Corporation which was seized as enemy property in the early days of World War II. As a consequence of the settlement, we hope to sell the stock at public sale shortly after the end of the year. Most observers feel that the proceeds of sale should exceed 200 million dollars.

Pursuant to the settlement agreement, which contemplates a division of the proceeds of the sale between the United States and Interhandel, an Advisory Committee was established to advise the Attorney General on all questions relating to the sale of the stock. It is headed by Mr. Donald Cook, President of American Electric Power Company, and composed of Dr. Jesse Werner, President of GAF; Messrs. Ross D. Siragusa and William P. Marin, Directors of GAF; Mr. Robert C. Baker, President of American Security & Trust Company; David E. Feller, Esquire; and Professor Louis Loss. The Committee has recently made a series of recommendations regarding the sale of the stock, and I am prepared to follow those recommendations, all of which were unanimous. However, I wish to bring two of the recommendations to your attention before acting.

First, the Committee has recommended that the stock be sold at competitive bidding to underwriters for widespread public distribution with a limitation

placed upon the number of shares which any individual investor may purchase and with a different limitation placed upon the number of shares which any institutional investor may purchase. The effect of this recommendation would be to preclude the Government from selling control of GAF to any other industrial concern.

This action may be criticized in some quarters, particularly by interested industrial bidders, but I regard it as appropriate. As a large chemical company, GAF's activities have ramifications throughout industry. Sale of control to any other company large enough to bid would undoubtedly raise complex and embarrassing antitrust problems. Even if we could resolve those problems, the time involved in doing so would probably substantially delay the sale and risk loss of a very favorable market. Moreover, it is unlikely that any one industrial bidder would outbid underwriters selling to the public. For these reasons, Interhandel, which is obviously anxious to realize as much as possible from the sale and originally opposed this recommendation, has withdrawn its objections. Finally, as a matter of public policy, there is much to be said for the view that the stock of GAF, which has been owned for over 20 years by the United States Government, should be sold to the public at large and not to an already existing concentration of economic power.

Second, the Trading with the Enemy Act requires that, unless an exception is made, seized property shall only be sold to United States nationals. And some years ago, a regulation was adopted and made applicable to GAF and four other companies prohibiting resale to aliens of seized stock sought from the Government. The regulation also requires that after sale by the Government of the seized stock a legend be printed on each certificate limiting ownership to United States nationals. This regulation goes further than the statute which, in the absence of an exception, merely precludes the United States from selling to aliens; it imposes no restrictions on resale by the purchaser.

The Committee has recommended that aliens be permitted to buy small, but only small, quantities of stock at the sale and that therefore, an exception

be made to the prohibition against sale by the United States to aliens. It has also recommended that the regulation relating to resale of the stock be withdrawn. I believe it appropriate to follow this recommendation. As the Committee points out, the imposition of these restrictions upon marketability will very likely have a depressive impact upon the sales price. Moreover, it believes it unlikely that foreign control would be reestablished after the great bulk of the stock is widely distributed to American investors. At the same time, the United States balance of payment position would be strengthened by permitting foreign investors to purchase the stock at the original offering and thereafter.

I have discussed this recommendation concerning the sale with Secretary of the Treasury Dillon who concurs with it.

Accordingly, unless I hear otherwise from you, I plan to implement the recommendations of the Advisory Committee and to proceed with the sale on the basis contained in the Committee's recommendations.

In the event that the regulation relating to resale of stock to aliens is withdrawn with respect to GAF, I believe it would be fair to take the same action with respect to the other four companies affected by it. I would be prepared to take such action if they should request it. The stock in these companies has long since been sold and they seem to be firmly under United States control.

Respectfully submitted,

Nicholas deB. Katzenbach

Acting Attorney General

WH

May 4, 1964

Dear David:

I appreciated your letter of April 28 and the enclosed copy of your letter to the President. I am delighted that everything worked out well.

With best wishes,

Sincerely,

WALTER

Walter Jenkins
Special Assistant
to the President

Mr. David Green
Chairman
General Aniline & Film Corporation
535 Fifth Avenue
New York, New York

WJ:RHN:rgm

LYNDON B. JOHNSON
Carbons stamped in
Mr. Thomas' office

WK

April 30, 1964

Dear Mr. Green:

The President asked that I acknowledge and thank you for your letter of April 28.

Too often actions by people in public office are accepted as routine when they are approved but vigorously condemned when they are not approved. Your letter is, therefore, particularly appreciated.

Sincerely,

Myer Feldman
Deputy Special Counsel
to the President

Mr. David Green, Chairman
General Aniline & Film Corporation
American Shareholders' Committee
535 Fifth Avenue
New York 17, N. Y.

GENERAL ANILINE & FILM CORPORATION
AMERICAN SHAREHOLDERS' COMMITTEE

CHAIRMAN
DAVID H. GREEN
535 FIFTH AVENUE
NEW YORK 17, N. Y.
SECRETARY
HAROLD T. RAPPE
FULTON, N. Y.
COUNSEL
WHITE & CASE
14 WALL STREET
NEW YORK 5, N. Y.
SPECIAL COUNSEL
AMBROSE V. McCALL, JR.
EMPIRE STATE BUILDING
NEW YORK 1, N. Y.

April 28, 1964

The Honorable Walter Jenkins
Administrative Assistant to the President
The White House
Washington 25, D.C.

Dear Walter:

I am taking the liberty of sending you a copy of my letter to the President.

It is a great tribute to a great Executive, that his help in restoring our Company to private ownership, will safeguard the livelihood of thousands of American citizens employed by the Company, and preserve the investment of the shareholders.

May I extend to you and your family my very best wishes for your good health and happiness.

Very sincerely,

DAVID GREEN, Chairman

Encl.

DG/lm

Feldman

GENERAL ANILINE & FILM CORPORATION
AMERICAN SHAREHOLDERS' COMMITTEE

CHAIRMAN
DAVID H. GREEN
535 FIFTH AVENUE
NEW YORK 17, N. Y.
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COUNSEL
WHITE & CASE
14 WALL STREET
NEW YORK 5, N. Y.
SPECIAL COUNSEL
AMBROSE V. McCALL, JR.
EMPIRE STATE BUILDING
NEW YORK 1, N. Y.

April 28, 1964

The President
The White House
Washington 25, D.C.

My dear Mr. President:

This is a letter of thanksgiving on behalf of the thousands of employees of General Aniline & Film Corporation, their families and the American Shareholders.

Your selfless aid in preserving our great Company for the benefit of our Country and the American economy, has earned for you the warm affection and esteem of thousands of your fellow citizens whose jobs and investments have been preserved.

When the members of our Committee called at your office to express our thanks to you, personally, we were greeted by your able and esteemed assistant, Walter Jenkins.

This meeting was memorable because Walter told us Mrs. Jenkins had given birth to a fine baby girl that day. We expressed our felicitations to Walter and deemed this to be a good omen for the future well-being of our Company.

The Attorney General has indicated that he favors a widespread distribution of the vested shares of our Company to the American public.

April 28, 1964

Mr. President

The thousands of employees of the Company, and the American shareholders are heartily in favor of such a public sale thru the medium of a group of American Banking Underwriters.

Public ownership will assure the continuation of our Company, as a wholly, integrated unit; it will safeguard the jobs of thousands of our employees, result in the retention of a dedicated and devoted management team under the leadership of Dr. Jesse Werner, and protect the investments of our shareholders.

Such a public sale of the vested shares will follow the wise pattern set by the Truman and Eisenhower administrations in disposing of other former enemy-owned assets. It will give the American victims of Nazi and Japanese aggression a larger measure of compensation.

I can say without reservation, that every employee in the 12 states, where our Company maintains its plants, is grateful to you for your interest in their welfare.

The American shareholders join with them wholeheartedly in their feelings of affection, esteem and friendship for you.

Sincerely yours,

David Green

DAVID GREEN, Chairman

DG/lm

202

BROUGHT FORWARD

EXECUTIVE

JL 9 — 9/23/64
Previously Filed — Date

NAME DAVID H. GREEN

ORGANIZATION GENERAL Airline + Film Corp

re Alien Property

EXECUTIVE

JL 9 — 10/7/64
New File Symbol — Date

FINAL ACTION Mr. Green

re same

BROUGHT FORWARD

EXECUTIVE

JLG — 9/12/64
Previously Filed — Date

NAME David H. Green

ORGANIZATION General Counsel + Film Corp

EXECUTIVE

Same — 9/23/64
New File Symbol — Date

FINAL ACTION Mr. Feldman to Mr. Green

S. 1451 - Rec'd 8/26/64

President signed Memorandum of
Disapproval 8/24

M. Durkin
Mr. Feldman's office

President signed bill
on August 26th //
per ~~Hopta~~
Juanita Roberts

EXECUTIVE FU
JL 9
FG 510
LE/JL 9
(3)

August 25, 1964

FOR THE PRESIDENT:

Your disapproval of S. 1451, a bill conferring jurisdiction upon the Court of Claims to render judgment on the claims of ten of the eleven former stockholders of General Dyestuff Corporation, is submitted for your reconsideration. (Memorandum of Disapproval, August 24 - TAB C).

Additional memoranda on this case, prepared by the Bureau of the Budget, are attached at TABS A and B.

There is also attached (at TAB D) a "statement of explanation" which you may wish to issue should you decide to reverse your previous decision to exercise a pocket veto of the bill. (Myer Feldman does not believe such a statement is necessary or advisable, but would have no objection to using it on an "if asked" basis.)

You have two choices: (1) reverse your previous decision by signing the bill before midnight tomorrow, August 26th; or (2) take no further action and let the pocket veto stand.

Paul Poppie

Attachments

PMP:aer

Nothing else sent to Central Files as of 9/15/64

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON 25, D.C.

August 25, 1964

MEMORANDUM FOR THE PRESIDENT

Subject: Status of Enrolled Bill S. 1451 - Adjudication of certain claims for vested property

Mr. Feldman, by phone, requested that I state the alternative courses of action open with regard to the subject bill. These are:

1. Let the Memorandum of Disapproval stand; it has been released to the public and no further action is necessary.

2. Sign the bill prior to midnight Wednesday, August 26. This action would indicate a change of position subsequent to issuance of the Memorandum of Disapproval and would, in effect, rescind the memorandum. No further action would be necessary, although you might wish to issue some statement or explanation in view of the prior issuance of the Memorandum of Disapproval. (President Eisenhower similarly rescinded a Memorandum of Disapproval in 1954.)

A separate memorandum accompanying this one, prepared also at Mr. Feldman's request, deals with the merits of certain questions which we understand have been raised by proponents of S. 1451.

(Signed) PHILLIP S. HUGHES

Assistant Director for
Legislative Reference

Enclosure

Union Calendar No. 686

88TH CONGRESS
2D SESSION

S. 1451

[Report No. 1551]

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 31, 1963

Referred to the Committee on Interstate and Foreign Commerce

JULY 9, 1964

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

AN ACT

To amend section 41 (a) of the Trading With the Enemy Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 41 (a) of the Trading With the Enemy Act (50 U.S.C. App. 42 (a)), as added thereto by section 206 of the Act of October 22, 1962 (76 Stat. 1115), is amended by—

(1) striking out in the first sentence thereof the words "report to the Congress concerning", and inserting in lieu thereof the words "render judgment upon";

(2) striking out in the second sentence thereof the words "one year after the date of the enactment of this

Act", and inserting in lieu thereof the words "two years after the date of enactment of this section".

Passed the Senate October 30 (legislative day, October 22), 1963.

Attest: FELTON M. JOHNSTON,

Secretary.

Union Calendar No. 686

88TH CONGRESS
2D SESSION

S. 1451

[Report No. 1551]

AN ACT

To amend section 41(a) of the Trading With the Enemy Act.

OCTOBER 31, 1963

Referred to the Committee on Interstate and Foreign Commerce

JULY 9, 1964

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 22, 1964

TO MIKE FELDMAN:

Could you let me know the status of this?

Paul Popple

Attachment
(S-1451)

S-1451

(1) S-1451 (The Dirksen-Harris Bill) has passed both the Senate and House and will shortly be presented to the President. This is substantially the same bill which last session passed both Senate and House and was signed by President Kennedy. The Bill should not be vetoed.

(2) The Department of Justice, speaking for itself and perhaps through the Budget Bureau, may recommend a veto for the reason very personal to Justice that the Justice Department's own record of unconscionable maneuvering 20 years is exactly what the Congress is saying in this bill should be reviewed in a court.

(3) As the accompanying report from Oren Harris Interstate and Foreign Commerce Committee points out (Reasons for Legislation at p. 2), S-1451 is only a technical refurbishing of legislation already enacted by the 87th Congress (last year) and signed by President Kennedy (PL 87-846). Its only purpose is to correct a mistake of draftsmanship in the last year's legislation conferring jurisdiction on the Court of Claims to hear and determine the mentioned below cases on their merits. A veto, therefore, would override the expressed intentions of two Congresses and the approval of an earlier President.

(4) Substantively, the Bill has real merit; it does equity as considered proper and necessary by two Congresses. It confers upon the former U.S. stockholders of General Dyestuff Corporation (New York) a right to a determination on the merits in a court as to the validity of the seizure of their stock by the Justice Department's Alien Property Custodian in World War II. The propriety of the seizure has never been tested in a court. The stockholders were maneuvered into a "settlement" at the height of the War, the Battle of the Bulge, under circumstances which caused a subcommittee of the Senate Judiciary Committee to state:

> "The subcommittee feels that its examination of this case has revealed a reasonable doubt as to whether the various American stockholders of General Dyestuff Corporation were treated in an equitable manner."
> (See also opinion of Leo Crowley, the Alien Property Custodian who seized the stock (Report 1551, pp. 3,4,5); testimony of Mr. Maine Shaffer (Report 1551, pp. 4,5); and correspondence of Senator Taft (Report 1551, pp. 6,7).)

(5) The Budget Bureau in its report to the Harris Committee deferred to the statement of the Department of Justice (Report No. 1551, pp. 7,8), but that statement of the Department of Justice dealt primarily with the merits of the case (the province of the Court of Claims) and had no direct relation to the dollars and cents over which the Budget Bureau stands watchdog. As to the dollars and cents, the Budget Bureau is properly concerned with the expenditure of funds which belong to the United States but not with the seizure of property which belongs to individual citizens. The Court of Claims in this case would simply be determining whether the property seized is property of the United States or property of individual citizens. If the seizure was invalid when effected, the United States has no right to retain (and the Budget Bureau has no right to recommend that it retain via a veto of this legislation) the proceeds of that illegal act; and if the seizure was valid, the United States has nothing to lose.

88TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1551

CLAIMS OF SHAREHOLDERS OF GENERAL DYESTUFF CORP.

JULY 9, 1964.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

[To accompany S. 1451]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 1451) to amend section 41(a) of the Trading With the Enemy Act, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF BILL

The reported bill would amend section 41(a) of the Trading With the Enemy Act to confer jurisdiction upon the Court of Claims to render judgment upon the claims of former stockholders of General Dyestuff Corp. against the United States for the proceeds received by the United States from the sale of that stock. All stock in that corporation was vested by the United States during World War II pursuant to the authority of the Trading With the Enemy Act on the theory that the American owners of this stock were actually holding the stock for German nationals.

BACKGROUND

Early in World War II, all of the stock of General Dyestuff Corp. was vested by the Alien Property Custodian, on the theory that the American owners were acting as "cloaks" to conceal German ownership of the stock. On June 30, 1942, each of the 11 stockholders filed a claim for the return of the seized stock and most of them instituted lawsuits under section 9(a) of the Trading With the Enemy Act. These suits were subsequently settled by the claimants for much less than the book value of the stock. The settlements were made on the basis of the price at which the corporation had an option to acquire

this stock; namely, $100 a share, plus $6 per share for each year since the last dividend was paid.

After the end of World War II, the claimants brought suit against the United States to set aside this settlement claiming duress by the United States. Their suit was dismissed on the ground that duress was not proved.

There has never been a judicial determination of the basic issue in this case, namely, "Was the stock in this company bona fide American owned?" The committee takes no position on this issue, but leaves the decision on the merits to be resolved by the Court of Claims. The facts involved in this extremely complex case must be examined into before the basic issue can be decided. The case, therefore, is more appropriate for judicial determination than for congressional.

REASONS FOR LEGISLATION

Public Law 87–846 amended the War Claims Act of 1948 and the Trading With the Enemy Act to provide for the establishment of a program for the payment of war claims of American citizens and for the return of certain property vested by the United States during World War II. A floor amendment to the bill which became Public Law 87–846 was agreed to in the Senate, which added section 41 to the Trading With the Enemy Act, granting jurisdiction to the Court of Claims to render judgment upon the claims of the former stockholders of General Dyestuff Corp. against the United States.

During the Senate-House conference to resolve the differences between the two Houses, this amendment was modified so that instead of the Court of Claims being granted jurisdiction to "render judgment upon" these claims, the court was required to "report to the Congress concerning" them.

A short time before the conferees met, the Supreme Court in *Glidden Company* v. *Zdanok* (370 U.S. 530) had held that the Court of Claims is a "constitutional court," and language contained in a concurring opinion indicated that the court did not have jurisdiction to render advisory opinions to the Congress. Since the date of that decision, the Court has not rendered advisory opinions on matters referred to it by either House of Congress, except with respect to requests for opinions submitted prior to the date of the Court's decision. For example, on June 24, 1964, Executive Communication 2212 was submitted to the House consisting of a letter from the clerk, U.S. Court of Claims, returning to the Congress papers submitted pursuant to House Resolution 774, 87th Congress. The communication states:

> The return of these papers without action by the court has been found necessary as a result of the Supreme Court's decision in *Glidden Company* v. *Zdanok* (370 U.S. 530), decided June 25, 1962.

As a result of these developments, the exact intent of the majority of the conferees on the portion of the bill that became Public Law 87–846 dealing with this claim cannot be carried out; however, enactment of the reported bill will come as close to carrying out that intent as is possible in view of the procedural difficulties caused by the Supreme Court's decision.

Hearings were held before the Commerce and Finance Subcommittee of this committee on February 25 and 26, 1964. Strongly

opposing views were presented by the Justice Department and by a spokesman for the claimants. In addition, an executive hearing was also held at which the Department of Justice presented testimony which it was unwilling to present in public hearings because it affected matters currently in litigation.

HISTORY OF "GENERAL DYESTUFF" CASE

General Dyestuff Corp. was established in 1925 and beginning September 27, 1926, all stock in that corporation was subject to stock options running to I. G. Farbenindustries, a German company. Under these options, I. G. Farben had the right to acquire any or all stock in General Dyestuff Corp. for $100 a share with interest at the rate of 6 percent per annum from date of issue less dividends received. These stock options were subsequently transferred to other corporations considered by the Department of Justice to be controlled by I. G. Farben or other German interests. In 1939 these options were canceled and all of the stock in General Dyestuff Corp. was acquired by U.S. citizens, who held the stock subject to an option held by General Dyestuff Corp. itself.

The stockholders as of the date of vesting (June 30, 1942) were as follows:

Registered in the name of—	*Total number of shares*
W. H. Duisberg	1,975
Percy Kuttroff	225
Henry Herrmann	30
R. Lenz	400
A. T. Wingender	40
H. W. Martin	350
J. Robt. Bonnar	60
Lennart Swenson	73
A. V. St. George	750
Geo. A. LaVallee	50
Eliz. S. Halbach & F. H. Stafford, trustees	4,725
Total	8,678
General Dyestuff Corp. (treasury stock)	278
Total	8,956

Testimony as to whether this property should have been vested was presented in 1953 in hearings before a Senate subcommittee by Leo T. Crowley, who was Alien Property Custodian from March 2, 1942, until March 1944. Mr. Crowley, who was Alien Property Custodian at the time this property was vested (June 30, 1942), testified as follows (1953 hearings, p. 336):

> During my course as Alien Property Custodian, I got to know Mr. Halbach[1] very well. * * * We had an investigation made of Mr. Halbach. I think the FBI made one for me. I know the military did. And I had Mr. Shaffer make an investigation for me. As Judge Burns told you, he made an investigation. And we found no evidence anywhere, where anyone could cause any criticism to be made against Mr. Halbach's integrity or against his patriotism.

[1] President of Geneal Dyestuff Corp. from May 8, 1930, to date of vesting; general manager from June 23, 1926, to date of vesting.

> Yet the man was emotionally upset and at different times did offer to resign, but all the time he was working for us, as he stated to you men, he was working down at the War Production Board. If he was a good enough citizen to remain there, I felt it would be very, very unfair to dismiss him from his executive position with General Dye.
>
> The result was that I retained him in an advisory committee which, from the practical standpoint meant that he ran the General Dye Corp. and was also available as a consultant to General Aniline. In addition to that, I felt that we could not very well get along without the fellow; that it was at a time when you could not go out and employ an industrialist, and as long as there was no blemish on the man's character, I retained him in there all the time that I was Alien Property Custodian.

Mr. Crowley testified also that he believed the law to require that as Alien Property Custodian, although he had power to vest property, he did not have power to divest property. He stated with respect to this claim that "my position always was that if we made a mistake we should have the courage to rectify it" (hearings, 1953, p. 336).

Mr. Crowley designated Mr. Edward M. Shaffer to investigate the Halbach and other General Dyestuff claims and report to him concerning them. Mr. Shaffer testified (1953 hearings, p. 340) as follows:

> I believe that the U.S. Government made a mistake in vesting the stock of Mr. Halbach. I felt so then, and I realize that it must be defended, and I believe I can defend it—my statement, that is.
>
> The business was essentially German. Over a period of years the German chemical houses lost their control into just a "do business" arrangement by way of patents and by way of former friendships. The year 1939 saw the mark of the complete break, in my opinion, from the former association by personnel, and I mean Dietrich Smith and General Aniline Film & Dyestuff into a completely new and wholesome set of owners; namely, Halbach, Swensen, Dr. St. George, people of that nature.
>
> I believe it was in error to have designated these gentlemen as nationals of an alien country and then proceed to seize their stock. I still feel that way.
>
> Senator DIRKSEN. I was going to ask, Did you convey that opinion to the Alien Property Custodian?
>
> Mr. SHAFFER. I was not asked for it and it was not conveyed to them. I believe between Mr. King and myself there was an informal understanding that something was wrong in the seizure by the Government.

In response to a question as to whether he could find any evidence that the stock in General Dyestuff Corp. was owned or controlled by anyone other than American citizens, Mr. Shaffer replied as follows (1953 hearings, pp. 343–344):

> If we agree that 8 months is a long time to diligently chase down a fact that is pointed against, and find no evidence that that is at all a fact, then I can say this: Probably five-

eighths of that time was spent in eliminating the rumor that was placed in our way saying these stockholders are not bona fide stockholders. Each one was investigated, sir; each one is described in the report. The stock either had to be controlled by a foreign enemy national, or it was held outright by the then stockowners at the time of vesting.

Neither during the purchase of the stock, which I think we can show was done from personal cash, from mortgaged moneys, from savings, banks, as in the case of some of the minor stockholders, from notes and borrowings in the case of some of the larger stockholders, which were repaid from their owners, can we challenge the purchase moneys, nor can we anywhere along the line find where there was a devious holding by anyone of the stockholders at the time of vesting. I am going to include Dr. Walter Duesberg in that, even though his purposes were more challenging and he was personally associated with the brother who was affiliated as a director of the I.G. Nowhere, sir, was there an evidence of underhandedness, of deviousness, in all of the investigation that I made. All doors were opened to us, every single one; whether we were considered welcome or not there was not ever an attempt to say: "No; you don't learn this."

During hearings in the 85th Congress before a subcommittee of the Senate Committee on the Judiciary on return of confiscated property, Mr. Crowley wrote a letter to the subcommittee concerning this case in which he referred to the vesting of this stock as "one of the most grievous mistakes ever made—and never corrected—by the Office of Alien Property." His letter appears at pages 591–593 of those hearings, and closes with these paragraphs:

Before closing, I would like to refer to the so-called *Halbach* case, about which I have testified many times previously—the last time before a subcommittee of the Judiciary Committee considering amendments dealing with the Trading With the Enemy Act in the sessions held July 20, 21, and 22, 1953. This was a case in which the stock of the General Dyestuff Corp.—100 percent owned by Americans, and the majority of which was owned by an American trustee holding for the benefit of the native-born daughters—was seized and administered.

On the assumption that at the end of the war all properties would be returned in accordance with our traditional policy, the stock of General Dyestuff was taken into a kind of agreed protective custody because otherwise it would have been very difficult to have managed the assets of General Aniline & Film, of which General Dyestuff had an exclusive sales contract. Halbach, himself, an American citizen, was in the agreement permitted, in effect, to remain in command of the vested assets and to hold high place in the War Production Board throughout the war. In other words, the stock was seized for reasons of economic necessity in the full expectation that it would be returned at the end of the war.

I respectfully refer you to my testimony cited above and to the supporting testimony of Joseph B. Keenan, the

> Honorable John J. Burns, Edward M. Shaffer, and Ernest K. Halbach himself. I believe that testimony has within it the story of one of the most grievous mistakes ever made—and never corrected—by the Office of Alien Property; i.e., the retention of the stock after the war. All efforts to obtain its return have been resisted by the Government by every technical device available to it, with the result that there has never been a hearing on the merits by a court of competent jurisdiction to test the Government's theory of seizure and confiscation. Whatever disposition is made of enemy assets as a whole, I respectfully submit to this committee that the *General Dyestuff* case is one of first priority, that before taking care of Japanese, Germans, and others the committee owes a duty to right the wrongs it has inflicted upon Americans.

Although this stock was vested in 1942, there has never been a trial on the merits of this claim. In 1953, Senator Robert A. Taft wrote the Attorney General concerning this case, and summarized the arguments in favor of permitting this case to be tried, without technical defenses being raised by the Government, in the following two letters (1953 hearings, pp. 273–274):

U. S. SENATE,
Washington, D.C., January 3, 1953.

Hon. JAMES P. MCGRANERY,
The Attorney General, U.S. Department of Justice,
Washington, D.C.

MY DEAR MR. ATTORNEY GENERAL: I wrote you recently with regard to the Halbach case. I have just had the privilege of reading a letter addressed to you by Senator Langer, under date of January 2, 1953, regarding the same case.

I have read over the letter, and I wish to say that I agree with the arguments made therein. I hope very much that some steps can be taken to give Mr. Halbach an opportunity to have his case decided on its merits.

With kindest regards.

Sincerely yours,

ROBERT A. TAFT.

Hon. JAMES P. MCGRANERY,
The Attorney General, Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: This acknowledges your letter to me concerning the Halbach case. Your letter must have crossed my second letter to you of January 3, agreeing with the arguments of Senator Langer's letter to you of January 2, concerning the same case. I cannot help but feel that your letter must have been prepared before you yourself had opportunity to read Senator Langer's letter and my second letter, since your reply reflects a misunderstanding of my views.

I am fully cognizant of the successful technical position of the Government behind its "purchase release" of the Halbach stock. Let me point out, however, that a trial on the merits of that technical defense is not a trial on the merits of the *Halbach* case. Whether Halbach can technically prove duress—always an almost impossible

burden to sustain—the very opposition of a wartime government and the relative helplessness of a citizen in a negotiated wartime sale does create presumption of overreaching by government, even though there might not be technical duress which is provable in a court.

A trial on the merits, in my judgment, is a trial of the fundamental issue, namely, whether the Halbachs were enemy nationals or cloaks for enemy nationals so that government was entitled to seize their property prior to its "purchase" after seizure. Such a seizure does carry an implication of disloyalty in time of war. It is important that a government dedicated to doing justice that it look beyond the merits of technical devices and examine the fundamental issues of justification for the confiscation of property in the first instance and the implication of disloyalty that so easily goes with it. If the Government acted properly and legally in this matter, it has nothing to fear or to lose since the court would confirm such seizure. If this was not a proper action by government, it should not hide behind a technical curtain and prevent a citizen from asserting his rights on the basic merits involved.

I am convinced in the interest of justice that the Department of Justice, under which this confiscation was effected, should lend every effort to clarify the matter before it goes out of office. I respectfully suggest, therefore, that you reexamine the whole matter in the light of my second letter and also the letter of Senator Langer.

Respectfully,

ROBERT A. TAFT.

SUMMARY

This case presents a very complex set of facts. The basic issue involved—was this stock bona fide American owned—has never been tried in court on the merits. This bill would permit such a trial.

If the court resolves this issue favorably to the claimants it will then be necessary for the court to determine the amount of the proceeds of the sale of the stock in General Dyestuff Corp. Information submitted to the committee by the Department of Justice indicates that the General Dyestuff stock was exchanged for 65,085 shares in General Analine & Film, and these shares are in the process of being sold by the United States.

The committee feels that the most appropriate method of resolving these complex questions is to permit the courts to pass on them. This bill will permit the Court of Claims to accomplish this result, and thereby resolve this issue.

AGENCY REPORTS

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., February 24, 1964.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, Longworth House Office Building, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your letter of November 5, 1963, requesting the comments of this Office with respect to S. 1451, a bill to amend section 41(a) of the Trading With the Enemy Act.

For the reasons set out in the statement on this bill to be presented to your committee by representatives of the Department of Justice, the Bureau of the Budget is unable to recommend the enactment of S. 1451.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

DEPARTMENT OF STATE,
Washington, February 24, 1964.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives.

DEAR MR. CHAIRMAN: I refer again to your letter of November 5, 1963, requesting a report on S. 1451, an act to amend section 41(a) of the Trading With the Enemy Act.

Section 41(a) of the Trading With the Enemy Act conferred jurisdiction on the U.S. Court of Claims to hear, determine, and report to the Congress certain claims against the United States for the proceeds received by the United States from the sale of property vested under the provisions of the Trading With the Enemy Act by vesting order No. 33. Proceedings with respect to such claims had to be instituted within 1 year after the date of enactment of Pnblic Law 87–846, approved October 22, 1962.

S. 1451 would amend section 41(a) of the Trading With the Enemy Act by conferring jurisdiction on the U.S. Court of Claims to render judgment on the claims involved. S. 1451 would also extend the time limitation for instituting proceedings with respect to such claims to 2 years after the date of its enactment.

The Department of State does not have independent knowledge of the subject matter of S. 1451, but understands that the Department of Justice has been handling the claims in question since 1942. The Department of State, therefore, defers to the views of the Department of Justice on S. 1451.

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

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

FOREIGN CLAIMS SETTLEMENT COMMISSION
OF THE UNITED STATES,
Washington, D.C., February 19, 1964.

Hon. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reference to your request of November 5, 1963, concerning the views of the Foreign Claims Settlement Commission on S. 1451, 88th Congress, entitled, "An act to amend section 41(a) of the Trading With the Enemy Act."

It would appear that the primary purpose of this bill is to amend section 41(a) of the Trading With the Enemy Act, as added thereto by section 206 of the act of October 22, 1962 (76 Stat. 1115), to permit the U.S. Court of Claims to render judgment upon claims against the United States from the sale of General Dyestuff Corp. as authorized under section 41(a), and to extend the period of time from 1 to 2 years in which proceedings with respect to such claims may be instituted.

In effect, the bill would provide two technical changes to the existing statute to conform with the original intent of the Congress regarding these claims and to conform with the opinion of the U.S. Supreme Court (*Glidden Co.* v. *Zdanok*, 370 U.S. 530) relating to the general jurisdiction of the Court of Claims.

Since the Foreign Claims Settlement Commission is not directly affected by the amendments as proposed under the act, it would prefer to make no recommendation on this measure.

Advice has been received from the Bureau of the Budget that there would be no objection to the presentation of this report to your committee.

Sincerely yours,

EDWARD D. RE, *Chairman.*

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance witb clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 41 OF THE TRADING WITH THE ENEMY ACT

SEC. 41. (a) Notwithstanding any statute of limitation, lapse of time, any prior decision by any court of the United States, or any compromise, release or assignment to the Alien Property Custodian, jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and [report to the Congress concerning] *render judgment upon* the claims against the United States for the proceeds received by the United States from the sale of the property vested under the provisions of the Trading With the Enemy Act by vesting order numbered 33 relating to certificate numbers 104 to 121, inclusive, 125, 126, 128 to 134, inclusive, and 137 to 139, inclusive. Proceedings with respect to such claims may be instituted hereunder not later than [one year after the date of the enactment of this Act] *two years after the date of enactment of this section.*

(b) As used in this section the word "copyrights" includes copyrights, claims of copyrights, rights to copyrights, and rights to copyright renewals.

(c) All copyrights vested in the Alien Property Custodian or the Attorney General under the provisions of this Act subsequent to December 17, 1941, which have not been returned or otherwise disposed of under this Act, except copyrights vested by vesting orders 128 (7 F.R. 7578), 13111 (14 F.R. 1730), 14349 (15 F.R. 1575), 17366 (16 F.R. 2483), and 17952 (16 F.R. 6162) and copyrights vested with respect to the motion picture listed last in exhibit A of vesting order

11803, as amended (13 F.R. 5167, 15 F.R. 1626), are hereby divested as a matter of grace, effective the ninety-first day after the date of enactment of this section, and the persons entitled thereto shall on that day succeed to the rights, privileges, and obligations arising out of such copyrights, subject, however, to—

(1) the rights of licensees under licenses issued by the Alien Property Custodian or the Attorney General in respect of such copyrights;

(2) the rights of assignees under assignments by the Alien Property Custodian or the Attorney General of interest in such licenses; and

(3) the right retained by the United States to reproduce, for its own use, or exhibit any divested copyrighted motion picture films.

The rights and interests remaining in the Attorney General under licenses issued by him or by the Alien Property Custodian in respect to copyrights divested hereunder are hereby transferred, effective the day of divestment, to the persons entitled to such copyrights: *Provided*, That all unpaid royalties or other income accrued in favor of the Attorney General under such licenses prior to the day of divestment shall be paid by the licensees to the Attorney General.

(d) All rights or interests vested in the Alien Property Custodian or the Attorney General under the provisions of this Act subsequent to December 17, 1941, arising out of prevesting contracts entered into with respect to copyrights, except—

(1) royalties or other income received by or accrued in favor of the Alien Property Custodian or the Attorney General under such contracts;

(2) rights or interests which have been returned or otherwise disposed of under this Act; and

(3) rights or interests vested by vesting orders 128 (7 F.R. 7578), 13111 (14 F.R. 1730), 14349 (15 F.R. 1575), and 17366 (16 F.R. 2483),

are hereby divested as a matter of grace, effective the ninety-first day after the date of enactment of this section, and the persons entitled to such rights or interests shall succeed thereto, subject to the right of the Attorney General to collect and receive all unpaid royalties or other income accrued in his favor under such prevesting contracts prior to the day of divestment.

(e) Nothing in this section shall be construed to transfer to a person entitled to a copyright divested hereunder the right of the Attorney General to sue for the infringement of such copyright during the period between (1) the vesting thereof or the vesting of rights and interests in a contract entered into with respect thereto, and (2) the day of divestment. The right to sue for infringement shall remain in the Attorney General.

MINORITY VIEWS OF MR. DINGELL

The Congress should never have passed this amendment to the Trading With The Enemy Act calling for the Court of Claims to report to the Congress in the first place, and the Congress should not pass this bill now. The bill is opposed by the Department of Justice and the Bureau of the Budget, will involve the Government in needless and costly litigation, and unfairly discriminates in favor of one group of stockholders who settled their claims against the United States long ago by letting them reopen their claims, while others who settled claims against the United States have no opportunity to reopen their claims.

The bill is even more unfair, since it puts these claimants in a position where they cannot lose—if they lose in court, they have lost nothing, since they can keep the amounts they have already received from the United States. It would be an interesting test of the good faith of these claimants if this bill were amended to require that, before they may go to court, they must return to the United States the settlement they received, and then have their claim decided on an "all or nothing" basis, rather than the proposed "heads the claimants win, tails the United States loses" basis provided in this bill.

Each of the claimants in this case had full opportunity to have a trial on the merits on this issue of whether they were acting as "cloaks" for Germans, and failed to do so. It seems more than coincidental that every single one of these stockholders, with one exception, settled their suits with the Justice Department, rather than being willing to try their suit on the merits. That one stockholder later settled his claim on the same basis as the Halbach claim was settled.

It is claimed that Ernest Halbach, the majority stockholder, settled his suit during World War II because of duress, because his wife was being harassed by Federal agents, because he was afraid of losing his job, and because he was being pilloried in the press. Yet he was unable to convince a Federal court that this alleged duress occurred, and for a good reason—it did not occur. It appears also to be conveniently overlooked that this alleged duress, etc., did not apply to the other claimants in this case. One wonders why they settled, regardless of Mr. Halbach's reasons. The reason is clear—General Dyestuff Corp.'s alleged American ownership actually concealed German ownership.

To understand the actual relationship between German interests and the General Dyestuff stockholders requires some review of the history of the ownership of this corporation and the options held on the stock.

The arrangements by which this stock was held were the same sort of arrangements used by the German cartels throughout the world to conceal their ownership or control of corporations operating in foreign countries.

General Dyestuff Corp. was organized under the laws of the State of New York on March 25, 1926, to serve as a sales agent for German-owned or controlled dyestuff manufacturers. In September 1926, each stockholder entered into an option agreement with I. G. Farben, a German cartel, permitting I. G. Farben at any time to purchase any or all of the stock held by each stockholder for $100 per share, plus 6-percent interest from the date of issue of the stock, less any dividends received. In 1933, after the rise of Adolph Hitler to power, the Marion Co., a personal holding company of D. A. Schmitz, acquired these options. D. A. Schmitz, a naturalized American citizen, was the brother of Herman Schmitz, the financial head of I. G. Farben. D. A. Schmitz was president of I. G. Chemie until June 1940, director of General Aniline & Film from 1929 to 1939, and president of General Aniline & Film from 1929 to 1936.

The Marion Co. was dissolved in June 1939 and all the outstanding stock was assigned to Chemnyco, Inc., a technical service agency in the United States for I. G. Farben. D. A. Schmitz was the major stockholder of Chemnyco, Inc.

In 1939, before the outbreak of World War II, at about the same time that I. G. Farben was attempting to "Americanize" its holdings in the United States, these stock options, worth millions of dollars, were given up by Chemnyco, without any payment whatsoever being made. D. A. Schmitz sold his 4,100 shares of stock in General Dyestuff Corp. to the corporation in 1939 for the option price of $100, though the value of the stock at that time was $460 a share, and resigned as chairman of the board. It was at this same time that "American I. G. Chemical Co." changed its name to General Aniline & Film Corp.

As part of the process of "Americanizing" General Aniline & Film, and "Americanizing" General Dyestuff Corp., the interlocking directorates between General Dyestuff Corp. and General Aniline & Film, and its subsidiaries, were dissolved. It is incredible that anyone can believe that these actions, all taken virtually simultaneously, had any purpose other than concealing German ownership and control of General Dyestuff Corp. A series of resignations from various boards of directors and from offices in these two corporations occurred late in July and early in August 1939, just before the outbreak of World War II in Europe. For example:

1. W. E. Duisberg, a director of General Dyestuff (1938–39) resigned as director, vice president, and treasurer of General Aniline & Film, July 26, 1939.
2. E. K. Halbach, director, president, and general manager of General Dyestuff Corp., resigned August 2, 1939, as a director of GAW, Inc., a GAF subsidiary, and as a director of AGFA, another GAF subsidiary, in July 1939.
3. Rudolph Hutz resigned as a director and vice president of General Dyestuff Corp. July 31, 1939, while remaining as director and vice president of General Aniline & Film, and as general manager of GAW Inc.
4. W. P. Picard resigned August 21, 1939, as director of General Dyestuff Corp., remaining a director of General Aniline & Film.
5. D. A. Schmitz resigned as director and chairman of the board of General Dyestuff Corp. July 27, 1939, but remained a director and president of General Aniline & Film.

It is absurd to contend that these frantic last-minute resignations had any purpose other than presenting a "paper" picture of American ownership and control of General Dyestuff Corp. It should be obvious that these transactions were entered into for the purpose of attempting to prevent General Dyestuff Corp. from being seized by the United States in the event of war between the United States and Germany.

The cozy arrangement between General Dyestuff Corp. and its German associates is also shown by the voluntary action of Chemnyco Corp. "voluntarily" giving up stock options worth millions of dollars without receiving anything in return and by the very strange sale, at millions of dollars below its true value, of all stock owned by D.A. Schmitz to General Dyestuff Corp.

It also is worthy of note that after Germany became involved in World War II, I. G. Farben had difficulty paying its pensioners located in the United States. I. G. Farben wrote General Dyestuff Corp. and asked that General Dyestuff take over payment of pensioners for them, whereupon General Dyestuff Corp.'s board of directors voted to pay the I. G. Farben's pensioners in the United States and continued to do so until July 1941 at which time the U.S. Treasury blocked further use of General Dyestuff Corp. funds for this purpose.

Mr. Halbach, the major stockholder, in 1939 purchased 2,100 shares at $100 a share at a time when the stock had a book value of $460 a share. Thus, Mr. Halbach allegedly purchased assets worth almost a million dollars for $210,000. The other stockholders fared similarly.

In 1941, Mr. Halbach attempted to set up a trust by setting aside his shares of stock for the benefit of his wife and children. It is interesting to note that when he evaluated the stock for tax purposes he declared its value to be $100 a share.

SUMMARY

In 1926, General Dyestuff Corp. was organized by Germans, or German representatives in the United States. This corporation remained subject to the control of I. G. Farben, a German cartel from the date of its organization until just before the outbreak of World War II in 1939. At that time, frantic paper transactions went on to conceal German ownership and interest in this firm. It is obvious that these transactions were a sham and fraud designed to conceal the continuing German ownership and control of General Dyestuff Corp. Of course, since the United States won World War II, the argument can be made with considerable force that had General Dyestuff Corp. not been vested, American ownership of that corporation would continue, especially since General Aniline & Film will, after its sale by the Attorney General, remain American owned. Suppose, however, that the United States had not entered World War II, and that the Germans had won the war, with their continuing ownership of General Aniline & Film, and the stranglehold that they would have thereby have had upon General Dyestuff Corp., it is ridiculous to assume that the General Dyestuff Corp. would have continued American owned, with no control being asserted by General Aniline & Film acting for the I. G. Farben cartel.

REASONS FOR OPPOSING THE BILL

It should be clear from the above that the General Dyestuff Corp. was actually held by Americans under a secret arrangement for the benefit of a group of Germans. Granting these former stockholders, who settled their suit with the United States at a time when they were represented by one of the top law firms in the country, a second chance to litigate their claims would be unconscionable. If we are going to set aside this settlement, there is no justification for not setting aside all other settlements that have been reached under the Trading With the Enemy Act and giving every claimant a second shot at having his claim relitigated.

I opposed this amendment to section 41 (a) in the conference 2 years ago, and if the conference agreement cannot be carried out, then I see no reason to disturb the situation. The bill should be defeated.

JOHN D. DINGELL.

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STATEMENT BY THE PRESIDENT
(for use on "if asked" basis only)

In a Memorandum of Disapproval, dated August 24, 1964, I indicated that I was withholding my approval of S. 1451. I have been considering the case further and have been struggling with the difficult questions of law and equity that it presents. This further review and thought have convinced me that, in view of the fact that the bill does not provide for the relief requested by the beneficiaries but only that an issue, which has never been determined, be decided by the Court, I have come to the conclusion that fairness and equity justify permitting the Court to have an opportunity to decide that issue.

Accordingly, I have reconsidered the bill in this light and agree that the bill should be approved. Fortunately, the constitutional time period within which I must act has not yet elapsed.

DRAFT

Statement by the President

SUPPLEMENTAL MEMORANDUM REGARDING S. 1451

(for use on "if asked" basis only)

In a Memorandum of Disapproval, dated August 24, 1964, I indicated that I was withholding my approval of S. 1451. However, the constitutional period for Presidential action on the case does not expire until midnight August 26. I have been considering the case further and have been struggling with the difficult questions of law and equity that it presents. This further review and thought have convinced me that — in view of the circumstances of the case are so unusual and the importance of fair dealing to individuals so overriding that referral of the case to the Court of Claims for review and decision on the merits is warranted.

I have reached this decision only after the most careful deliberation with the utmost reluctance because I know that only where considerations of equity and fair dealing are absolutely compelling should settlements voluntarily consummated be disturbed and the risk of discriminatory action taken. Recognizing that this action may well encourage others to seek similar relief, I wish to take this occasion to make clear my opposition to the extension of similar relief to other claimants under any circumstances of which I am now aware.

Fortunately, I will not have the time period within which I must act for not until after Monday will I have reconsidered the bill in its light and agree that the bill should be approved.

In view of the fact that the bill does not provide for the relief requested by the beneficiaries, but only that an issue, which has never been determined, be decided by the Court, I have come to the conclusion that fairness and equity justifies permitting the Court to have an opportunity to ~~that decision~~ recall decide that issue.

FE/JL 9
FE 4-1
JL 9
CO 92
FG 145

What to do

SEN. EVERETT Dirksen has the following suggestion.

There is a precedent attached by which the President can indicate that he would not object to a bill's being passed over his veto.

The technique used in this precedent was to have the President so indicate in a letter to the Department of Interior. In view of the difficulties with the interested party, the Department of Justice, it would be better in this case if the indication could be made to the leaders of the House and the Senate all of whom are in favor of this legislation.

In the precedent it is indicated that the President required certain "conditions" to satisfy himself and justify a change in his position. Those conditions in this case could be made two: (1) an agreement that there should be ~~offsets~~ offset against any judgment any sums already received in settlement and (2) that there would be an undertaking that the claimants in the future would not sue to halt the sale of General Aniline.

Suggested letter to House and Senate leadership

This is in relation to S.1451 which I vetoed on August 24, 1964.

Since then adequate assurances have been received that

(a) the claimants will not utilize the pendency of any proceedings in the Court of Claims to interfere with the proposed sale by the APC of the government's holdings of stock in General Aniline and Film, and

(b) the claimants agree that in the event of a judgment in their favor by the Court of Claims there shall be offset any amounts previously received by them.

These conditions having been provided, the President feels

9/57/EF

EXECUTIVE
JL9
FG135
FG105
FG110
Co 19
FE 6

June 22, 1964

Dear Mr. Attorney General:

The President on June twenty-second signed an Executive Order (#11158) entitled, "Designating the Attorney General as the officer authorized to administer the provisions of the Austrian Assets Agreement of January 30, 1959," a copy of which is enclosed.

Sincerely,

WILLIAM J. HOPKINS
Executive Clerk

Honorable Robert F. Kennedy
The Attorney General
Washington, D. C.

Enclosure

arf

7

June 22, 1964

Dear Mr. Secretary:

The President on June twenty-second signed an Executive Order entitled, "Designating the Attorney General as the officer authorized to administer the provisions of the Austrian Assets Agreement of January 30, 1959," a copy of which is enclosed.

Sincerely,

WILLIAM J. HOPKINS
Executive Clerk

Honorable Dean Rusk
Secretary of State
Washington, D. C.

Enclosure

arf

June 22, 1964

Dear Mr. Secretary:

The President on June twenty-second signed an Executive Order entitled, "Designating the Attorney General as the officer authorized to administer the provisions of the Austrian Assets Agreement of January 30, 1959," a copy of which is enclosed.

Sincerely,

WILLIAM J. HOPKINS
Executive Clerk

Honorable Douglas Dillon
Secretary of the Treasury
Washington, D. C.

Enclosure

arf

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

JUN 16 1964

MEMORANDUM FOR MR. FELDMAN

Subject: Proposed Executive order relating to Austrian assets

Herewith is a proposed Executive order headed "Designating the Attorney General as the officer authorized to administer the provisions of the Austrian Assets Agreement of January 30, 1959," together with copies of the transmittal letter of the Attorney General and a letter of comment from Assistant Secretary of State Dutton.

The Attorney General's letter contains an explanation of this matter. The order as transmitted herewith includes certain relatively minor revisions which have been suggested by the Department of State. We are informally advised by a representative of the Department of Justice that both the above mentioned revisions of the order and the observations contained in the penultimate paragraph of the State Department letter are acceptable to the Department of Justice.

Article I of the Austrian Assets Agreement provides for the return of the property involved within six months after the Agreement becomes effective. Mr. Dutton advises that the instruments of ratification of the Agreement were exchanged in Vienna, May 19, 1964, and that the Agreement came into effect on that day in accordance with the provisions of Article VII. Both the Attorney General and Mr. Dutton have alluded to the six-month time limitation and urged prompt issuance of the order; see the last paragraphs of their respective letters.

The proposed order has the approval of the Director of the Bureau of the Budget.

I am forwarding to the Attorney General copies of this memorandum, the order as transmitted herewith, and Mr. Dutton's letter.

Gretchen B Focke

General Counsel

Attachments

J. Archives 6/22/64

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

DEPARTMENT OF STATE
WASHINGTON

June 8 1964

Dear Mr. Gordon:

The Department has received the letter from Mr. Arthur B. Focke, General Counsel of the Bureau of the Budget, dated April 10, 1964, with which he enclosed a draft executive order headed "Designating the Attorney General as the officer authorized to administer the provisions of the Austrian Assets Agreement of January 30, 1959", and a copy of a letter addressed to the President from the Attorney General dated April 8, 1964.

The instruments of ratification of the Austrian Assets Agreement were exchanged in Vienna May 19, 1964, and the agreement came into effect on that day in accordance with the provisions of Article VII.

For the purpose of technical accuracy, the Department would like to suggest the following changes to the wording of the draft executive order: Line 5, change "concluded" to "signed at Washington"; line 6, after "ratified by" add "the United States on March 4, 1964, pursuant to the advice and consent of". Otherwise the wording of the executive order is agreeable to us.

Representatives of the Department of State and the Department of Justice have discussed the relation of the executive order to that part of Article III of the Agreement which relates to any additional claims of the Austrian Government that certain property, rights and interests, or the proceeds thereof, are Austrian. The two Departments will consult on such matters, but it is understood by them that the executive order does not affect the foreign relations power of the Department of State to enter into an agreement with the Austrian Government on such claims.

The

The Honorable
Kermit Gordon,
Director,
Bureau of the Budget.

The Department joins with the Attorney General in his request for the prompt issuance of the executive order in view of the provision in Article I of the Agreement that the property listed in the schedule attached to the Agreement is to be returned within six months of the effective date of the Agreement.

Sincerely yours,

Frederick G. Dutton
Assistant Secretary

THE GENERAL COUNSEL OF THE TREASURY

WASHINGTON

APR 24 1964

Sir:

Your office has asked for the views of this Department on an executive order proposed by the Department of Justice and entitled, "Designating the Attorney General as the officer authorized to administer the provisions of the Austrian Assets Agreement of January 30, 1959."

The draft executive order would designate the Attorney General as the officer to administer and to give effect to the Austrian Assets Agreement and would authorize him to delegate his functions under the order to any officer or employee of the Department of Justice.

The Treasury Department would have no objection to the draft executive order.

Sincerely yours,

G. d'Andelot Belin

G. d'Andelot Belin
General Counsel

The Director

Bureau of the Budget

Office of the Attorney General
Washington, D. C.

APR 8 1964

Through the Director of the Bureau of the Budget

The President,

The White House.

My dear Mr. President:

I am herewith transmitting, through the Director of the Bureau of the Budget, a proposed Executive order entitled "Designating the Attorney General as the Officer Authorized to Administer the Provisions of the Austrian Assets Agreement of January 30, 1959."

The Austrian Assets Agreement was ratified by the United States Senate on February 25, 1964, and will become effective upon an exchange of ratifications by the two governments.

Article I of the Agreement provides that the property involved shall be returned through such officer or agency as the President may designate. Since the Agreement provides for compliance with certain provisions of Sections 20, 32, and 34 of the Trading with the Enemy Act, it appears that the Office of Alien Property of this

Department is the best qualified agency to administer the return of that property.

Consequently, I recommend that you designate the Attorney General as the officer authorized to administer and give effect to the Agreement. The enclosed proposed order makes such a designation, and, in addition, authorizes the Attorney General to delegate his functions under the order to any other officer or employee of the Department of Justice. This will permit the assignment of these functions to the Office of Alien Property.

The proposed order is approved as to form and legality. I urge its prompt issuance since the Agreement provides for the return of the property within six months after the Agreement becomes effective.

Respectfully,

Attorney General

In the form as transmitted to the Director of the Bureau of the Budget by the Attorney General April 8, 1964

EXECUTIVE ORDER

DESIGNATING THE ATTORNEY GENERAL AS THE OFFICER AUTHORIZED TO ADMINISTER THE PROVISIONS OF THE AUSTRIAN ASSETS AGREEMENT OF JANUARY 30, 1959

Under and by virtue of the authority vested in me by Article I of the Agreement entitled "Agreement Between the United States of America and the Republic of Austria Regarding the Return of Austrian Property, Rights and Interests," which was concluded on January 30, 1959, and was ratified by the Senate of the United States on February 25, 1964, I hereby designate the Attorney General of the United States as the officer authorized to administer and give effect to the provisions of that Agreement.

The Attorney General is authorized to delegate any of the functions conferred upon him by this order to any officer or employee of the Department of Justice.

As used in this order, the term "functions" includes duties, powers, responsibilities, authority, and discretion.

THE WHITE HOUSE

, 1964

FROM THE CONGRESSIONAL RECORD

February 25, 1964

* * * *

AGREEMENT BETWEEN UNITED STATES OF AMERICA AND THE REPUBLIC OF AUSTRIA REGARDING THE RETURN OF AUSTRIAN PROPERTY, RIGHTS, AND INTERESTS (EX. A, 86TH CONG., 2D SESS.)

The Senate, as in the Committee of the Whole, proceeded to consider the agreemnt (Ex. A, 86th Cong., 2d sess.), an agreemnt between the United States of America and the Republic of Austria, regarding the return of Austrian property, rights, and interests, ~~signed at Vienna on May 15, 1955~~, which was read the second time, as follows:

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF AUSTRIA REGARDING THE RETURN OF AUSTRIAN PROPERTY, RIGHTS AND INTERESTS

The United States of America and the Republic of Austria, in accordance with the provisions of paragraph 1 of Article 27 (Austrian Property in the Territory of the Allied and Associated Powers) of the State Treaty for the Re-establishment of an Independent and Democratic Austria, which was signed at Vienna on May 15, 1955, have agreed as follows:

ARTICLE I

1. The property listed in the schedule to this agreement constitutes a complete list of property, rights and interests as they now exist in the United States, and of the proceeds arising out of the liquidation, disposal or realization of such property, rights and interests, determined to be Austrian within the meaning of paragraph 1 of Article 27 of the Austrian State Treaty and which have not yet been returned.

2. The United States agrees to return, through such officer or agency as may be designated by the President of the United States, such property, rights, interests and proceeds to the claimants listed in the schedule, or to their successors in interest by inheritance, devise, bequest or operation of law, within six months of the effective date of this agreement, subject to the provisions of Article V hereof and to the requirements regarding fees of agents, attorneys, or representatives contained in Section 20 of the Appendix to Title 50 of the United States Code, as set forth in the Annex hereto.

ARTICLE II

The Government of Austria declares that no claimant to property listed on the attached schedule was convicted of war crimes personally and by name by a court of competent jurisdiction.

ARTICLE III

The Government of Austria agrees that upon the return of the property listed on the attached schedule the United States shall be deemed to have complied in full with the provisions of paragraph 1 of Article 27 of the aforementioned State Treaty, provided, however, that should additional property, rights and interests, or the proceeds thereof, be determined by the Governments of the United States and Austria within 1 year from the effective date of the agreement to be Austrian and not claimed by persons who were convicted of war crimes personally and by name by a court of competent jurisdiction, the Government of the United States will return such property within 6 months of such final determination, subject to the provisions of Article V hereof and to the requirements regarding fees of agents, attorneys, or representatives contained in Section 20 of the Appendix to Title 50 of the United States Code, as set forth in the Annex hereto.

ARTICLE IV

Nothing in this agreement shall be deemed to affect any rights which any person not listed in the attached schedule may have under United States law.

ARTICLE V

The return of property, rights and interests by the United States under this agreement shall be subject to deductions for accrued taxes, expenses of administration, creditor claims and other like charges and shall be made as far as possible subject to the rights, obligations and procedures with respect to returns contained in Section 32(a) (4), (b), (c), (d), (e), and (f), Section 34, and Section 36 of the Appendix to Title 50 of the United States Code, as set forth in the Annex to this agreement.

ARTICLE VI

The Government of Austria agrees to save harmless the Government of the United States from any responsibility and liability for acts performed by or on behalf of the United States in fulfillment of the provisions of this agreement.

ARTICLE VII

This agreement shall be ratified and the instruments of ratification shall be exchanged at Vienna as soon as possible. The agreement shall come into force upon exchange of ratifications.

In witness whereof, the undersigned representatives duly authorized thereto by their respective governments have signed this Agreement.

Done at Washington, in duplicate, in the English and German languages, both texts being equally authentic, this thirtieth day of January, 1959.

For the United States of America:
JOHN FOSTER DULLES.
For the Republic of Austria:
WILFRIED PLATTNER.

IMMEDIATE RELEASE JUNE 22, 1964

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

- -

THE WHITE HOUSE

EXECUTIVE ORDER

- - - - - -

DESIGNATING THE ATTORNEY GENERAL AS THE OFFICER AUTHORIZED TO ADMINISTER THE PROVISIONS OF THE AUSTRIAN ASSETS AGREEMENT OF JANUARY 30, 1959

Under and by virtue of the authority vested in me by Article I of the Agreement entitled "Agreement Between the United States of America and the Republic of Austria Regarding the Return of Austrian Property, Rights and Interests," which was signed at Washington on January 30, 1959, and was ratified by the United States on March 4, 1964, pursuant to the advice and consent of the Senate of the United States on February 25, 1964, I hereby designate the Attorney General of the United States as the officer authorized to administer and give effect to the provisions of that Agreement.

The Attorney General is authorized to delegate any of the functions conferred upon him by this order to any officer or employee of the Department of Justice.

As used in this order, the term "functions" includes duties, powers, responsibilities, authority, and discretion.

LYNDON B. JOHNSON

THE WHITE HOUSE,

June 22, 1964

EXECUTIVE 2750

JL9 ③+
CO19
FO9
FG105

DEPARTMENT OF STATE
WASHINGTON

S/S-7672

May 22, 1964

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Proclamation of Austrian Assets Treaty

The agreement between the United States and Austria regarding the return of Austrian property, rights and interests, signed at Washington on January 30, 1959, entered into force on May 19, 1964, upon exchange of ratifications between the two Governments.

Attached for the President's signature is a proclamation of the agreement, dated for signature on May 26.

Benjamin H. Read
Executive Secretary

Attachment:

Proclamation.

Proclamation Signed + Dated: 5/26/64
To State Dept: 5/26/64
Rm 7512

NOTE 5/26/64 IMJ

EXECUTIVE (3)
LE/JL 9
CONGRESSIONAL JL 9
FG 411/I

THE WHITE HOUSE
WASHINGTON

April 29, 1964

MEMORANDUM TO WALTER JENKINS

FROM: Mike Manatos M.M.

The Administration opposes Dirksen's S. 1451 as per the attached testimony before the House Interstate Commerce Committee.

Everett

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

S/S 3352

EXECUTIVE

JL 9
Co 19

DEPARTMENT OF STATE
WASHINGTON

March 2, 1964

F09
FG 135-5
FG 105

MEMORANDUM FOR MR. McGEORGE BUNDY
THE WHITE HOUSE

Subject: Ratification of Austrian Assets Treaty

Attached for the President's signature is the instrument of ratification, in duplicate, of the Agreement between the United States of America and the Republic of Austria Regarding the Return of Austrian Property, Rights and Interests, signed at Washington on January 30, 1959. On February 25, 1964 the Senate gave its advice and consent to ratification of this agreement.

By Article 27 of the Austrian State Treaty, signed on May 15, 1955, the United States declared its intention to return Austrian property, rights and interests in its territory. The present agreement will enable the United States to fulfill this treaty obligation by returning certain Austrian property in the United States which was taken under control by the Office of Alien Property during World War II under the provisions of the Trading With the Enemy Act.

Benjamin H. Read
Executive Secretary

Attachment:

Ratification, in duplicate.

Dated 3/4/64
Signed 3/10/64
To State 3/11/64

RECEIVED
MAR 5 1964
WHITE HOUSE

DATED
3/11/64
TM J