PARIS — Present negotiations between the Western Allies and the Bonn government to give Western Germany increased sovereignty make it essential that restitution programs initiated under Allied control in Germany shall be completed as rapidly as possible, it is urged here by the European Headquarters of the American Jewish Committee, which has just completed a survey of progress made since the end of the war in Europe to recover the vast amount of properties and other assets taken from Jews during the Hitler years.

In both Germany and Austria, the two countries where the bulk of restitution must yet be made, according to the American Jewish Committee survey, efforts to recover expropriated Jewish assets are meeting a mounting and increasingly effective internal opposition not only from neo-nazi groups which is to be expected, but also from elements in leading government parties.

Only about one-sixth of all restitutable property taken from Jews in Germany's western zones, a total conservatively valued at more than $600 millions, has been recovered, the Committee survey estimated, although it is an announced Allied occupation aim that all those whose goods, homes or properties were expropriated by the nazis should get them back; and although restitution laws have been in effect in the Allied zones from two to four years, Restitution has made considerable progress in the U.S. and French Zones of Germany, but it has only
The Committee survey showed that restitutable assets fall into three categories, each posing special recovery problems. First, are the individual claims of those Jews who are still alive or of their recognized heirs. In Berlin's western sectors alone, for instance, some 96,000 individual claims have been filed, only about 10,000 of which have been settled in or out of court thus far. Second, are such Jewish community properties as synagogues, children's homes, etc. Finally, there are the assets which belonged to Jews who perished and whose families were so thoroughly wiped out as a result of nazi persecution that no heirs remain.

Though the accomplishment of restitution is far from realized in Germany, and has hardly begun in some areas, a vigorous campaign is being carried on in Germany to have present restitution laws either done away with or emasculated, according to the Committee survey. Spearheading this campaign is a group known as the "Association for Loyal Restitution" which declares, in circulars to its members, the press and German parliamentary groups, that, "the implementation of restitution has now entered the stage where it can no longer be endured" and that "the time has come to start the general attack upon these laws." Furthermore, according to the Association, restitution judgments already validated by the courts must be "revised."

The anti-restitution Association has been lobbying effectively among members of the Bonn parliament, and pointed out recently that the view expressed by Minister of Justice Dehler "that the existing general restitution law must remain" found no echo in the Bundestag. An official attack on restitution, "to demonstrate to the Americans that this state of affairs cannot continue," has been launched in the Bavarian State Parliament by Dr. Franz Zdralek, head of the Bavarian State Restitution Office; and a Bavarian parliamentary committee has approved a resolution calling on the Bonn government to have the general restitution Law #59 amended, and to have final jurisdiction in restitution matters transferred from American to German courts.
Jewish organizations working on restitution matters point to the changing political climate in Germany as an additional reason why completion of the restitution program requires continuation of direct Allied supervision. They are asking that in any new contractual agreement between Bonn and the West there be included provisions that existing restitution laws and regulations will be respected and enforced, and assurances that no changes will be introduced without the approval of the Western Allies. In addition, they are requesting that the Allied courts of restitution appeals be retained in their major features.

In Austria, according to the American Jewish Committee survey, attempts to nullify existing, fair laws for restitution to individuals and their heirs were blocked recently only by the prompt intervention of American authorities. Both leading Austrian government parties, the Catholic and the Socialist Parties, joined in proposing new restitution measures which would have made it virtually impossible for a Jew to recover lost property in the future, would have made it possible to re-open all restitution cases which have been settled, and would have imposed a discriminatory tax on Jews who did manage to get their properties back. Stern protests by the United States High Commissioner's office in Austria caused this proposed legislation to be dropped, but there are reports that similar legislation is again being prepared.

About one-third of the 23,000 claims filed by Jews against Austrian individuals and corporations still remain to be settled by the courts. In Austria, however, a great part of the property to be recovered comes under the heading of heirless assets, for which there is no way to file any claim at present.

**Heirless Assets in Germany And Austria**

Both in Germany and in Austria, one class of assets which is causing considerable difficulty comprises the so-called "heirless assets" whose Jewish owners died without leaving any recognized successor. In 1945 the Western Allies, at the Paris reparations conference, adopted the principle that such heirless property should be applied for in resettling and rehabilitating refugees belonging —more—
to groups to which the dead owners had belonged. It was recognized that thus heirless Catholic assets would be used for the rehabilitation of Catholic refugees, the assets of Protestants for Protestants, and those of Jews for Jews.

On the basis of this principle that the heirless assets of each group should be used for the benefit of its surviving members, a Jewish Restitution Successor Organization was set up in the U.S. Zone of Germany about a year and a half ago. This organization, the JRSO, has been trying to achieve settlement of more than 100,000 heirless claims that it has tracked down. The JRSO's task is becoming increasingly difficult, according to the American Jewish Committee survey, because many Germans who should be making restitution and who would have settled willingly out of court a year or two ago now carry their fights up to the final court of appeals. They feel that time is with them, and that if they can only hold out long enough they will have to make no restitution whatsoever. A restitution successor organization similar to the JRSO has only recently begun to function in the British Zone; and the French, it is reliably reported, are getting ready to establish a similar body in their area.

To eliminate restitution as a recurring source of anti-Jewish friction in Germany, the JRSO has proposed that the separate German state governments take over all JRSO's heirless assets claims in return for a lump-sum cash settlement worth much less than the heirless properties themselves. This procedure was successfully adopted by the state of Hesse, which settled all claims the JRSO had in its area for only $6 millions. Negotiations are going on for similar settlements with the states of Bavaria and Wurttemberg-Baden, but here, too, the strengthening German anti-restitution attitude is proving a stumbling block. Funds recovered by the JRSO have been used to help finance the relief and rehabilitation work carried on by the Joint Distribution Committee among Jews in Germany, and to help pay for their emigration to Israel under the sponsorship of the Jewish Agency for Palestine.
The Austrian government has, to date, refused to set up separate heirless successor organizations similar to those established in Germany. Rather, the Austrian government has proposed the establishment of a common heirless successor fund, the proceeds of which would be used to finance Austrian relief and rehabilitation work generally.

At least 90% of all heirless assets in Austria are of Jewish origin. Yet, if the common fund proposal were put into effect, very little of these assets would be used for the Jewish community of Vienna (where almost all Austrian Jews live) which is in dire straits and which has had to receive hundreds of thousands of dollars of aid from the United States through the assistance program of the Joint Distribution Committee. Jewish groups are convinced, moreover, that many persons who were ardent nazis and anti-semites during Hitler years would receive assistance from the essentially Jewish common fund, under existing Austrian aid categories.

The Transfer of Restituted Assets and The German "Equalization Tax"

Both organizations like the JRSO and the private individuals who have managed to recover assets in Germany face two fundamental problems which must be resolved if these restituted values are to be useful to them, according to the American Jewish Committee survey.

First, they must have the possibility of transferring restituted funds out of Germany. The great majority of Jews, including those with restitution claims, have long quit that country. Their restituted assets will be worth anything to them only insofar as these funds can be utilized in the countries where they are now living, like Israel or the United States. Similarly, the restituted JRSO funds are badly needed for Jewish rehabilitation and emigration work throughout the world, but must lie idle in Germany until some means of transfer of Deutschmarks into other currencies can be arranged. To date, occupation authorities have not unblocked restituted Deutschmarks for transfer, on the grounds that the German economy is too weak to stand financial transfers.
Second, restitution funds already recovered are threatened with a cut, through the imposition of German taxes. A proposal known as the "Equalization-of-Burdens-Law" has been introduced which would, in effect, impose a capital levy of 2% on undamaged properties and assets in Germany each year for the next 25 years. Returns from this tax would be used to aid all Germans who suffered from war damages, and those who were expelled from lands formerly controlled by the German State, like the Sudetenland. Recovered Jewish assets would be taxable, therefore, for the benefit of Germans. Moreover, while Germans will have the right to deduct their war damages from tax payments, Jews, whose losses resulted essentially from internal Nazi persecution, will not be able to deduct the damages they sustained, according to the proposed law.

Jewish organizations and individuals are united in asking exemption from payment of this proposed tax. It has been proposed to the Allied powers that any new pact with Germany should specify that restituted property and proceeds shall not be subject to such special taxation.

RESTITUTION PROGRESS ELSEWHERE IN WESTERN EUROPE AND IN IRON CURTAIN COUNTRIES

The greatest bulk of heirless Jewish assets outside of Germany and Austria is undoubtedly located in Switzerland, a "flight center" for the capital of many Jews during the Nazi and war years. The exact amount of heirless Jewish sums in that country is unknown because of traditionally secretive Swiss banking laws.

The Swiss government has thus far refused to make these funds available for international relief and refugee work, although in May, 1946, it expressed its sympathy with the Allied Paris reparations treaty of 1945, which asked neutral countries to turn over their heirless assets for the use of international refugee-aid organizations like the IRO. On the contrary, in December, 1949, the Swiss used part of their heirless funds as a quid pro quo for concluding a trade pact with the Polish government. It agreed to turn over to the Warsaw regime assets which had been placed in Swiss banks by Polish Jews who died heirless. The Swiss action created
considerable protest at the time. Since, the government has not made known what plans it has for remaining Jewish heirless assets in Swiss hands.

In Sweden, the government has always maintained that the amount of Jewish heirless assets in that country is inconsequential, and has refused requests to compile a total of such assets, according to the American Jewish Committee survey.

Restitution progress in these countries, the Committee pointed out, seems to have come to a standstill.

On the whole, individual restitution worked satisfactorily elsewhere in western Europe, according to the Committee survey, and was concluded fairly rapidly in most countries. The only country in which there is still a serious dispute going on about restitution is Holland. During the occupation years, Jews were forced by the Germans to deposit their assets in the Dutch Lippman-Rosenthal Bank, now known as the LVVS. The Germans then proceeded to use the bank's assets as they pleased; and so juggled accounts that verification of claims has been quite difficult. Last year the LVVS offered to pay claimants 70% of the values deposited, and declared that it would pay less to those who did not accept within a certain time limit. This LVVS proposal was recently fought in the courts and defeated; the offer has since been cancelled. Now the Dutch administration office has made a series of proposals to Jewish claimants which are under consideration and which, if accepted may resolve the issue. There are more than 425,000 claims involved, amounting to about 218 million guilders, or approximately $57 millions.

Because of extensive succession laws in most Western countries, there has remained relatively little heirless property to become a problem, except in France. Here the government has recently passed a law which will make it possible to evaluate these assets accurately and, eventually, to turn them over to an appropriate successor group.

In Italy, there is a Jewish community council which is recognized as the successor group for heirless assets according to Italian law. In Greece, a successor organization was established more than two years ago, and it is now - more -
engaged in turning Jewish property assets into cash, to finance the welfare and education work of Greek Jewry; but not without considerable difficulty.

Eastern European Countries

In Eastern European countries virtually all heirless Jewish properties have, in effect, gone into the state economies, primarily as a result of the general nationalization programs in those lands.

Even where individual and heirless restitution laws existed in theory after the war, they never meant very much. Thus, for example, there was a Hungarian law that gold and jewelry stolen by the Nazis from Hungarian Jews should be returned to former owners if identifiable, or made available to the Hungarian Jewish community if not.

When, however, the French government returned to Hungary almost one ton and a half of looted gold and a quantity of jewelry (part of the famous Hungarian gold train of 20 cars captured near Salzburg by the Allies), most of which was Jewish by admission of Hungarian Communist officials, the government sent it to the National Bank. The bank issued paper currency representing about one-fifth the value of the gold, which it then placed in a special account. From this account it is believed that the Jewish community received only about $240,000 on one occasion for welfare work.

In Poland, where there remain only about 50,000 Jews of a population once numbering 4,000,000, almost all property has gone to the state as being heirless assets. In Czechoslovakia, about 70% of Jewish individual property has been restituted, primarily in the Czech lands, before the Communists took over control of that country, but nationalization laws have obviously negated the effects of this restitution.
What is the Soviet attitude toward restitution in the zones under its control can best be illustrated, perhaps, by the refusal of Soviet authorities to return the property of a Jewish claimant in Austria whom the courts had decided was entitled to restitution. The Soviets refused to give the property back on the grounds that they had taken it as part of their reparations claim against Austria. They make no distinction whatsoever between those who worked for nazism in Austria, and those who were persecuted by it.

####