

XI. HEIRLESS B. DOMESTIC

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Authority NND760050
By EE NARA Date 12/26/96

Box 4224

XII-2/1

DEPARTMENT OF STATE

~~DIVISION OF WORK AND TRADE INTELLIGENCE~~

UNDER SECRETARY
MAR 5 1947
DEPARTMENT OF STATE

March 5, 1947

U Mr. Acheson
A-H General Hilldring
Le Mr. Fahy (, 7.

There is attached hereto a letter to Governor Dewey of New York requesting that he give sympathetic consideration to reviewing with appropriate officials of the Federal Government the extent to which legislation in New York may be necessary, as well as the type of legislation, to take over heirless assets which formerly belonged to Germans and persons in the ex-occupied countries.

This request arises out of the Paris Reparation Agreement, which called upon the United States, the United Kingdom, and France to obtain the heirless assets in the neutral countries, and the Five-Power Conference for Non-Repatriables, which informally agreed to recommend to their respective governments that heirless assets in their countries be made available to the relief and rehabilitation of non-repatriable victims of German action.

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For a considerable time informal discussions have been held with members of Governor Dewey's staff by representatives of various Jewish organizations on the basis of informal discussions of those organizations with members of the Department. Governor Dewey's staff initially opposed enactment of any legislation on the ground that the Federal Government, through its power to vest enemy property, would be in a better position to act in this field. However, it was pointed out that the Office of Alien Property was not favorably disposed to vesting heirless assets which formerly belonged to non-resident aliens of countries formerly occupied by Germany.

The New York State Legislature adjourns on March 15 and the Department has now been informally advised that, if a letter is received by Governor Dewey from the Acting Secretary requesting some action in this field, legislation will be introduced and

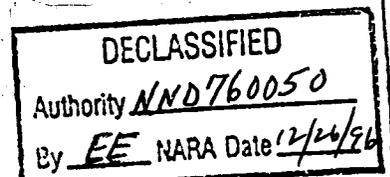
presumably

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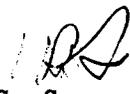
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presumably passed to take over heirless assets in New York under abandonment legislation.

The Office of Alien Property has insisted that the letter make some reference to the alien property activities of the Federal Government on the ground that the Office of Alien Property cannot discontinue its vesting of German property in New York pending a resolution of which German property would fall into the category of heirless assets under appropriate state legislation. While it has been indicated informally by members of Governor Dewey's staff that such inability on the part of the Office of Alien Property may well kill the passage of such legislation, it is nevertheless deemed advisable to attempt at the eleventh hour to work out some compromise. The possibility of this is somewhat increased in view of the fact that Mr. Walsh, Assistant Legal Advisor to Governor Dewey, has indicated the need for a conference at the end of this week with appropriate government officials. Consequently, if the letter is signed today by the Acting Secretary, I will call Mr. Walsh and arrange a meeting with him and his staff either in New York or Washington, which meeting will be attended by members of the Office of Alien Property, members of the Treasury Department, and members of the Department.

The Attorney General and appropriate Treasury officials have agreed to the transmission of this letter.


W. S. Surrey

ES: WS SURREY