

FINAL REPORT  
OF  
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TO US COMMANDS, GERMANY AND AUSTRIA

RG-03.04.01

HEIDELBERG, GERMANY

NOVEMBER 1, 1949

November 1, 1949

TO: American Jewish Committee  
American Joint Distribution Committee  
Jewish Agency for Palestine  
World Jewish Congress

This is my final report as Adviser on Jewish Affairs. During the past eight months I have shared with you every development as it related to our problems in Germany and Austria. However, I think there is value in giving you a resume of what has been accomplished and an analysis of our residual problems in Germany and Austria. The topics will be reviewed in the following order:

1. Introduction
2. Progress in the Solution of the DP Problem:
  - a. Resettlement
  - b. Future Infiltration
  - c. Camp Consolidation
3. Handling of Specific Issues:
  - a. Removal of Personal Belongings and Inspection of Baggage
  - b. General Claims Law
4. Efforts on Behalf of the Kultusgemeinden in Germany and Austria
5. Current Problems:
  - a. Medical Hard Core
  - b. Restitution
  - c. Equalization of Burdens Law
  - d. Anti-Semitism
6. Recommendations
7. Appreciations
8. Personal Note

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## 1. INTRODUCTION

When I entered upon my duties on February 15, 1949, I not only had the benefit of the general orientation given to me by the Cooperating Organizations and of a discussion of specific issues with my immediate predecessor, Dr. William Haber, but I felt some familiarity with the DP problem and its complexities by reason of a survey which I had made in Germany and Austria during the summer of 1948. The findings of this survey convinced me that all efforts to improve the lot of the Jewish DPs, though indispensable as temporary expedients, were merely palliatives. It took no profound study to recognize that DP life was both artificial and sordid. Although the vocational training and employment programs were extremely helpful in creating and restoring skills and in maintaining morale, the basic needs of the DPs, as human beings, could not be met within the frame work of DP life. That need, the normalization of their lives, could be achieved only by their integration into an organic, healthy community, in which the DPs who had been "on the road" for nearly a decade, could take their place, work for a livelihood and in every other respect become members of a normal society. I approached my assignment with the conviction that the end of camp life must be accelerated and that the resettlement of the Jewish DPs must be achieved as early as possible.

The Jewish DPs in the camps were not the only ones who presented a problem during the past eight months. A study of the resettlement trends in the communities of Germany and Austria made it increasingly clear that after resettlement had run its course,

a substantial number of Jews would remain in these countries. There were discrepant estimates of the composition and ultimate size of these communities and various appraisals of the motives of those who elected to remain in Germany. Despite strong protestations that Germany would be Judenrein, I felt it was neither realistic nor prudent to ignore the real possibility that Jewish communities would continue to exist after the end of mass resettlement programs. Moreover, in my first conference with General Clay, he specifically urged me to explore the needs of those Jews who would elect to remain in Germany.

As a result of a number of conferences held within the past eight months, we have obtained a clearer picture of the character, resources and needs of the permanent communities in Germany and have made some progress in laying the groundwork for future community planning and organizational cooperation. While the DP problem which was of major concern to the world Jewish community, is not completely solved, its size has been considerably reduced. There is every reason to believe that most of the Jews who remain in Germany and Austria after the middle of next year, will be here as a matter of personal choice.

Obviously, the most important single factor in the acceleration of the solution of the Jewish DP problem has been the significant role Israel has played in accepting thousands of DPs from Germany and Austria even while it was engaged in war and battling for its own survival. Moreover, it is to the ever lasting credit of the world Jewish community, represented in the field by the American Joint Distribution Committee, the Jewish Agency

for Palestine, the Hebrew Immigration Aid Society, the ORT, the Jewish Relief Unit, and to the resourcefulness and will to live on the part of the Jewish DPs themselves, that the Jewish DP problem is being resolved more rapidly than the corresponding problem of any other DP national group. The Jewish DPs are emerging from their experience in a relatively good state of health and, by and large, with an outlook towards life that indicates that they will be able to make a good adjustment in the countries where they have resettled.

2. PROGRESS IN THE SOLUTION OF THE DP PROBLEM:

a. Resettlement of Jewish DPs from Germany and Austria

The clearest index to the progress which has been made in solving the Jewish DP problem in Germany and Austria, is the extent to which the Jewish DPs from these countries have been permanently resettled. From January 1, 1949 to October 15, 1949 54,700 Jewish displaced persons emigrated from Germany and 12,500 from Austria. These people came from camps and from communities. The countries of their destination are reflected in the chart below:

Resettlement from Germany and Austria January 1 - October 15, 1949		
Country of Resettlement	From Germany	From Austria
Israel	30500	9800
USA	22000	1500
Other Countries	2200	1200
Total	54700	12500



The reduction in the in-camp population is indicated in the chart below:

	<u>Germany</u>	<u>Austria</u>
In-camp population Jan. 1, 1949	64269	9953
In-camp population Oct. 15, 1949	15000	7000

In addition to the Jewish DPs accommodated in assembly centers, it is estimated that as of October 15, 1949, there were in the local communities 18,000 DPs in Germany and 3,000 in Austria. Their distribution is showed in the following tabulation:

Community	Germany	Austria
US Zone	15,000	400
British Zone	1,000	25
French Zone	500	75
Berlin	1,500	-
Vienna	-	2,500
T o t a l	18,000	3,000

The number of DPs who have migrated to Israel has exceeded the conservative estimates that were made of the migration intentions of the Jewish DPs. In recent months the rate of flow to Israel has slackened considerably.

In April of this year, I visited Israel for the purpose of getting a first-hand picture of the absorption of the Jewish DPs in that country. I returned to Germany, strengthened in the conviction that despite temporary hardships, there was a real future for the Jewish DPs in Israel. They had made a substantial contribution to the war effort and were gradually making their way on the land, in industry and business. At the same time I observed conditions,

particularly the scarcity of housing which, in a large measure, account for the present reluctance of the DPs to go to Israel. In my opinion, the recent slowing down of migration to Israel does not indicate that interest in Israel has waned or that the migration of DPs to that country will cease. There is, I believe, a substantial reservoir for further migration to Israel. Many DPs who are now in doubt as to where to go will resettle in Israel as soon as they have some assurance of elementary housing and employment.

In view of the opprobrium under which the present US DP law came into being, it is interesting to note the number of Jewish DPs who have departed for the US under the law. In addition to the 25,000 who have already left, it is estimated that before the law expires, an additional 20,000 Jewish DPs will reach the shores of the US under this law. There are several reasons why the pessimistic predictions about the number of Jewish DPs who would be admitted under this law, have not materialized. The first is the liberal implementation of the law by the DP Commission. The second is the efficiency of the Jewish organizations in procuring community assurances for the DPs and in putting at their disposal the broad experience these organizations have acquired in handling emigration. The third is the construction placed upon the DP law that the territory turned over to Poland for administration under the Potsdam agreement, notably Silesia, would, for the purpose of determining residence eligibility, be considered a part of Germany. A great number of Jewish DPs have been able to prove that they

were in Silesia prior to December 22, 1945, notwithstanding their subsequent arrival in the requisite zones of Germany and Austria and in Italy.

b. Infiltration from East European Countries

Within the past four years, the Jewish DP problem expanded at different stages, as a result of successive waves of refugees from the east European countries, principally from Poland, Rumania, Hungary and Czechoslovakia. In my opinion, there is little likelihood of substantial future infiltration from any of these countries which might in any way complicate the ultimate solution of the DP problem. For some time there has been a mere trickle from Czechoslovakia into Austria. This is the result of Czechoslovakian policy in permitting substantial legal migration to Israel. By way of contrast, there has been a steady infiltration from Hungary during the past eight months. Within the past two months, as a result of a tighter control of the border between Hungary and Austria, this illegal movement has tapered off considerably. However, even the relatively small number who are coming in represent a substantial problem, particularly since IRO will not accept these persons for anything other than legal and political protection.

c. Camp Consolidation

When I arrived in Germany tentative plans for the consolidation of Jewish DP camps had been formulated and some camp closings had been affected. Shortly after I assumed my duties and until very recently, we had a succession of conferences on camp consolidation in which repres-



entatives of the Army, the Jewish Agency for Palestine, the Central Committee of Liberated Jews, the International Refugee Organization, the American Joint Distribution Committee and of my office, coordinated their thinking on this problem and emerged with definite schedules for camp closings. These schedules were, with few exceptions, strictly adhered to.

The position of the Army and of the IRO was essentially that camp consolidation was imperative, because there were vacant spaces in certain installations and because savings could be affected by bringing about the mergers that consolidation involved. These were weighty administrative considerations which the local Jewish organizations, the DP leadership and my office could not ignore. However, with us the most compelling reason for camp consolidation was the premise that the closing of the camps would stimulate emigration. We felt that sheer inertia and the understandable reluctance to exchange the known for the unknown, would keep people in camps and postpone positive steps to migrate. With many people the spectre of having to accommodate themselves to a new camp, and a greater awareness that no camp offered permanency, was sufficient to tip the scale in favor of immediate emigration.

One of the greatest sources of satisfaction has been the precision with which the camp consolidation schedule has been implemented. On January 1, 1949, there were 48 DP camps in Germany and 13 in Austria. As of October 15 these have been reduced to 10 and 7 respectively. This program was not carried through without difficulties.

The rate of emigration has to be assessed in advance and several times the schedule had to be revised to bring it in line with new developments. The people affected by the moves generally protested that while other camps were being by-passed, their own installations were being prematurely closed. They invariably sent delegations to the Central Committee, the IRO, the Army and to my office and in a few instances threatened resistance. However, principally because of the coordination on the part of those of us who participated in the planning and implementation of the consolidation program, it was carried through without a single incident and well within the consolidation time table.

Except for the physical effort involved in preparing for and in making the move, the people endured little hardship as a result of camp consolidation. We were always assured that in the receiving camps there would be ample space to house those who did not elect to emigrate or to go directly into the German Economy. Moreover, the schedule progressively agreed upon, was adopted with a view of retaining the best accommodations for the longest period and was designed to subject the individual DP to the minimum number of moves.

The net result of the camp consolidation program in the US Zone of Germany is that we have succeeded in segregating the in-camp DPs in the following ten installations in homogeneous groups, each presenting a single problem:

Jewish DP Camps in the US Zone, Germany  
as of October 15, 1949

Camp	Population	Nature of Problem
Gabersee	1353	Medical Hard Core
Feldafing	2805	" " "
Neu Freiman	532	Israeli Resettlement Center
Wasseralfingen	1278	US Emigration
Geretsried	592	" "
Landsberg	2170	Undecided Group
Fochrenwald	4023	" "
Lechfeld	2537	" "
Aschau	270	Rehabilitation Center
Mittel	276	" "

Under this segregation plan, the problems unique to each category lend themselves to the most efficient treatment. During the second week in September I visited all but several of the installations in the US Zone, Germany, and I am satisfied from this personal inspection that the people are adequately housed in terms of accepted standards of DP life. As the population of these installations is reduced by emigration, further consolidation will be possible and can be carried out without hardship to the people.

Jewish DP Camps in the US Zone, Austria  
as of October 15, 1949

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With the exception of camp Ebelsberg, which is used principally to house the medical hard core, no segregation has taken place in the US Zone, Austria. There the following camps remained open as of October 15:

Camp	Population
Wels	758
Steyer	1191
Beth Bialik	170
Hallein	1210
Ebelsberg	1591
Rothschild Arzberger	1655

3. HANDLING OF SPECIFIC ISSUES:

a. Removal of Personal Belongings and Inspection of Baggage

The problem which has been of considerable irritation to the Jewish displaced persons and to the Jewish Agency, has been the restrictions imposed by the military authorities on the removal of the personal property of Israel-bound DPs. In view of the primary occupation mission in Germany, that of reconstructing the German economy, it followed that the withdrawal of property which was deemed necessary for the German economy would be closely guarded. Until recently, directives permitted only the removal of minimal personal belongings which, by definition, were limited to household furniture and hand tools which a craftsman could use in self employment. The definition of what might be lawfully removed



by the DP was so narrow as to exclude an X-ray machine or dental chair which a DP doctor or dentist may have acquired and used in the pursuit of his profession in Germany.

On several occasions I raised this issue with General Clay with the view of getting the rules liberalized. The General directed a re-examination of the total problem, and finally on July 27, a new circular was issued by the Army which, if properly implemented, should be the complete answer to this vexing problem.

This directive is very broad in its scope. With the cooperation of the Civil Affairs Division, we succeeded in having the American Customs Unit accept the interpretation that none of Joint Export Import Agency restrictions on the procurement of special licenses for the export of critical items shall apply to the shipment of unaccompanied baggage belonging to DPs.

In this connection, I should mention that the Jewish Restitution Successor Organization and the Jewish Agency have been negotiating for the use of restitution funds in the purchase of prefabricated houses. In paving the way for this, I asked for an official, written opinion, approving the removal of 500 prefabricated houses as unaccompanied baggage by DPs going to Israel.

I also discussed this problem with Mr. McCloy who seemed to be favorably inclined towards this proposition.

#### b. General Claims Law

The circumstances leading to the approval of the General Claims Law were quite extraordinary. When I was in Washington, immediately prior to my departure for Germany, I was first intro-



uced to this problem by people in the State and War Departments, who, without exceptions, were pessimistic about the possibilities of getting this law approved. The principal argument advanced against it was that the financial burden that the law would impose was prohibitive and that in the last analysis the American taxpayer would have to discharge this obligation. Upon my arrival in Germany I learned that the draft of this law, dated September 28, 1948 and submitted to Military Government, had been presented to General Clay with recommendations from his staff that he should not approve it on the grounds of (1) that it excluded from the class of beneficiaries in-camp displaced persons, (2) that it provided for no successor organization to claim damages to heirless and unclaimed property, and (3) that it provided for a computation of damages to property in Reichsmarks and a conversion into Deutschemarks at a rate which was inequitable. I should mention at this juncture that the Adviser's Office coordinated the attack directed against the proposed draft, represented the Jewish organizations and the IHO at the two day conference in Berlin and succeeded in convincing the Legislation Review Board of Military Government that the proposed draft was not entitled to carry the stamp of Military Government approval.

In my first formal conference with General Clay, following my introductory meeting with him, he indicated that no general claims law would have his approval unless it made provision for the displaced persons. He then informed me that he was returning the law to the German authorities, with his non-concurrence on that ground.

On April 26 the Laenderrat agreed upon a draft which included in-camp displaced persons as within its class of beneficiaries; recognized the right of the successor organization, established under the restitution law, to claim for damages to property which it acquired under the restitution law; and, fixed the conversion rate of two Deutschmarks for every ten Reichsmarks in lieu of one Deutschmark for every ten Reichsmarks.

Although this draft was inadequate, there was general agreement, both in Germany and in the States, that it was the maximum that could be expected, and that any further liberalization would be regarded as prohibitive by Military Government.

On April 29 I again reviewed this question with General Clay, told him that I had examined the new draft, found it satisfactory and strongly urged his early approval of this law. He, in turn, informed me that he had been acquainted with the revisions, which were acceptable to him, and that the new draft was, as a matter of formal procedure, under study by his staff. From that date until two days before General Clay left his post, my office was in constant touch with the members of his staff, whose responsibility it was to make the formal recommendation with respect to this law. Although we were aware that in some circles the conviction was strong that this law should not have Military Government sanction, I felt secure, in view of General Clay's assurance, that ultimately the law would be approved. My confidence was strengthened when my office was informed that the Legislation Review Board had prepared and was circulating a staff study among the interested divisions in Military

Government, recommending approval of the law without reservation. On May 14 in my last conference with General Clay, two days before his departure for the States, I urged him to approve the law, as the most tangible proof of his sympathy for the victims of the Nazi regime. The General replied that he had surrendered his official responsibility to his acting successor, General Hays, and assured me that I need not have apprehension about the ultimate approval of the law.

Subsequent to the General's departure, we were in further contact with Berlin and were one day shaken by the surprising report that at the instance of the British authorities, General Hays directed the withdrawal of the Staff Study, and ordered that the law be returned to the German authorities, with the recommendation that it be referred to the West German State. Realizing the necessity for prompt action to secure a reversal of this definite step, I succeeded in arranging an appointment with Mr. John J. McCloy for July 16, who just two weeks before had assumed his duties as US High Commissioner. From then until August 4, when the law was finally approved I was in almost daily touch with Mr. McCloy meeting objections as they were raised and reviewing developments as they took place.

At my first meeting with Mr. McCloy I submitted to him a detailed memorandum on the subject. He was favorably disposed towards the law, but stated that he would have to discuss it with his staff. Mr. McCloy invited me to attend a staff conference in Berlin, on July 18, called for the purpose of discussing the law. His staff was unanimous in recommending that the position taken by General Hays was sound and that his decision should stand. I elaborated



the arguments presented in my memorandum and concluded that it could be disastrous if Military Government frustrated the first voluntary offer on the part of the Germans to indemnify those who had suffered under the Nazi regime. The climax of this conference occurred when, in response to Mr. McCloy's question put directly to General Hays, as to the prospects for the ultimate adoption of the law if it were referred to the West German State, the General bluntly and frankly replied that he had grave doubts that the law would pass.

As a matter of protocol, Mr. McCloy referred the law to the Military Governors of the French and British zones who, in return, referred the matter to their respective foreign offices for policy decision. Mr. McCloy was soon convinced that this law had far reaching implications and felt impelled to withhold a decision until he had instructions from Washington. Accordingly, he referred the law to the State Department for its views. Subsequently he went to Washington where he fought out the issue with the State Department. As a result, on August 4, Military Government was authorized to approve this law. As approved, it provides that the Laender in the S Zone, Germany, must pay monetary retribution to those who were incarcerated in concentration camps and ghettos (150 DM for each completed month of detention) to the widows and dependents of those who were murdered, and to those who suffered property losses and other economic damages as a result of persecution at the hands of the Third Reich or of its subordinate agencies. It also provides that the successor organization (JRSO) which acquires heirless and unclaimed property may claim damages done to that property in place of the deceased owner.

It need hardly be said that no German indemnification law could succeed in compensating its beneficiaries for the losses they sustained. Yet, it was of the utmost importance to have this legislation adopted if only as the first unmistakable admission of responsibility on the part of the German Laender in the US Zone for the official acts of the Nazi regime. Moreover, the passage of this law is of incalculable significance because it was championed by Mr. McCloy who by his action has set a new and encouraging tone in the handling of problems in which Jews have a vital interest.

4. EFFORTS IN BEHALF OF THE PERMANENT JEWISH COMMUNITIES (KULTUSGEMEINDEN) IN GERMANY AND AUSTRIA

Before indicating the contact my office had with the German and Austrian Jewish communities, it would be well to give a profile of each, as developed in a partial survey made of these communities in connection with a conference I called in Heidelberg on July 31.

At the present time there are approximately 14,000 Jews who are members of the Kultusgemeinden in Germany. They are concentrated chiefly in the following cities:

Berlin .....	6,800
Frankfurt.....	1,700
Munich .....	3,000
Cologne .....	684
Hamburg .....	1,246
Duesseldorf .....	260
Stuttgart .....	850

The Gemeinden include native Jews as well as former DPs. In communities that are composed principally of native Jews the percentage of intermarriages and of old people are very high. The opposite is true i



those communities where DPs predominate. The survey indicates that most of the people whose source of income is known, are self-employed.

The cultural and religious life of the communities is on the whole limited. Except for Frankfurt, Berlin and Munich, none of the communities have rabbis, teachers or other personnel considered indispensable to a vibrant Jewish community.

The Jewish community in Austria virtually does not exist outside of Vienna. The Viennese permanent community consists of approximately 12,500 people of whom 10,000 are native Austrians and the balance former Displaced Persons. Approximately 50% of these people are over 45 years of age, 25% are represented in the ages between 18 and 45, and the remainder are 18 and under. Most of the native Jewish population returned to Austria after the war and, in varying degrees, succeeded in regaining a foothold in the Austrian economy.

Within the German community there is a sharp ideological conflict as to whether Jews should take permanent root in this country. The pro-Zionist elements argue that the situation in these countries is hopeless and that it is unwise, if not suicidal, to attempt to reconstitute Jewish life in the lands where the people have to this date not rejected Hitlerism. They point out that the communities are culturally impoverished, are represented principally by the old, the feeble and the intermarried, whose children are lost to the Jewish people, and that the communities are doomed to die. This group maintains that it is the imperative duty of those who can emigrate to go to Israel. In Austria, the predominant feeling among the

Zionists is that in view of age and other factors leading to difficulties of adjustment in a new country, they do not advocate the wholesale removal of the surviving Jews to Israel.

On the other hand, there is an equally determined group which maintains that both for practical and ideological reasons, Jews should re-establish themselves in Germany. Many of them have tried to accommodate themselves elsewhere but found that they had to return to those places with which their memories are associated and where their property and professional interests lie. Moreover, they insist that it would be unwise to pursue a policy which would amount to a capitulation to Hitler's blueprint that called for a Germany and Austria free of Jews.

As I indicated above, I approached my work with the definite conviction that irrespective of this sharp cleavage of opinion, a Jewish community exists and in all probability will continue, at least for the period of the occupation.

As the DP camps closed some residents of these camps entered the communities whose nuclei were German Jews. I felt, therefore, that it was time to think of the Jews in the communities as a totality, not as separate, unrelated elements. With this in mind, I endeavored to bring the leadership of the German Jews and the DPs together, for the purpose of discussing problems of mutual interest.

There were two stages in the effort to effect this cohesion. The first was represented in a general conference on DPs that I called on March 13 and 14, at which the problem of the Jews who

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will remain in the DP countries was placed on the agenda. For the first time the representatives of the Kultusgemeinden met in a formal discussion with the Jewish DP leaders and the representatives of major Jewish international welfare organizations. This meeting afforded the opportunity for some crystallization of attitudes towards the Jews who would remain in Germany.

The second phase was represented in the one day conference which I called in Heidelberg on July 31 and which concerned itself exclusively with the character and needs of the Jews who would remain in Germany. Mr. McCloy, US High Commissioner, participated in this conference and used the occasion to state in the clearest terms his personal philosophy on the treatment of the Jew under the Nazi regime and what the Germans must do to regain a position of respect in the world. His summation that the world would be watching Germany and will regard its treatment of its Jews as a barometer of its own regeneration was heartening to the participants of the conference. The statement received wide publicity in the local press and radio, and stimulated a great deal of discussion, both in military and German circles. Coming as it did, on the eve of the creation of the West German State, it was exceedingly well timed. Aside from furnishing the stage for Mr. McCloy's significant address which, I feel, has left its imprint on the local scene, the conference afforded the opportunity for a comprehensive discussion of the problem confronting the Jews who have elected, for whatever period it may be, to stay in Germany. It also gave the



Gemeinden and the DP leadership an opportunity to voice their ideological differences on the basic issue as to whether Jews should remain in Germany and whether a permanent Jewish community can and should re-establish itself here. The most constructive practical result emerging from this conference was the resolution to organize an over-all coordinating committee (Dachkomitee) that would concern itself with the welfare of all the Jews in Germany, regardless of origin, and which would furnish a leadership to represent and serve all Jews.

On September 4 the representatives met in Frankfurt to concretize the plan adopted at the Heidelberg conference and made substantial progress in working out the details of the structure and function of this coordinating committee. I am convinced that, if it succeeds in overcoming the obvious blocks to its organization and actually comes into being, this coordinating group can render a real service in eliminating some of the confusion that now exists as a result of the DP and Gemeinde leadership pulling in opposite directions. In its initial stages the group will meet obstacles that will challenge its energies and its resourcefulness. There is a definite line of demarcation between the philosophy of the DP leadership and that of the German Jews. The former has been most militant in pursuing its mission to make every Jew feel that it is folly to remain in Germany. The latter has concluded that German Jewry is a "going concern" and will and must remain. It will take time to resolve these differences.



In Austria the Kultusgemeinde presents no organizational problem. The leadership and the composition of the communities is principally native Austrian and there is no cleavage whatsoever between the DP and the native element. There are, however, internal tensions and differences within this group, related to the political identification with the competing ideologies in Austria. These express themselves in bids for the control of the community. This internal conflict has not affected the relationship of the people with the American Joint Distribution Committee, the World Jewish Congress, the American Jewish Committee, and the Jewish Agency for Palestine, with all of whom the community works in close harmony.

A problem which has engaged the energies of the Kultusgemeinden and that of the Jewish organizations is the procurement of a 25 million shilling loan from the Austrian government, against what the community may eventually realize from heirless and unclaimed Jewish property. It was felt that the loan would serve the double purpose of giving the community the resources to meet its communal needs and would commit the Austrian government to a decision which would have to be followed up by the adoption of an heirless property law.

After much discussion of this issue with the Jewish organizations, the Austrian government recently agreed to grant a loan of 5 million shillings. However, it developed that when the Austrian government made the offer, it took it for granted that the funds could be secured from the special relief fund, appropriated by the US during the post-UNRRA and pre-IRO period. The US authorities

## 5. CURRENT PROBLEMS:

### a. Medical Hard Core.

The Jewish DP problem cannot be considered solved until provision is made for the resettlement of those who fall within the category of the "medical hard core",

Mass examinations, conducted in March 1949 by the AJDC and the IRO, in Germany and Austria, revealed that there are 1,100 persons in the former and 575 in the latter country, who fall within that category. They are the tubercular, the chronically ill, the invalids and the aged. Because of these disabilities, they are unable to emigrate to any other country than Israel. Israel has postponed their reception until financial conditions it has imposed are met. Together with their families, who either cannot or will not abandon their sick, they number 2,300 in Germany and 1,300 in Austria. These people present a problem for which an early solution must be found. Their representatives indicate that they all want to go to Israel. At the conference held at Heidelberg on March 13 and 14, their spokesmen made an impassioned plea that they be transferred to Israel at once, regardless of cost. In my discussion with the local military authorities, I find that they assume that the world Jewish community will ultimately bring these people to Israel and are surprised that it has not been accomplished already. Obviously, this is predicated on the mistaken notion that the financial resources available to Jews are unlimited.

I am in complete accord with the position taken by Israel that the IRO has an obligation to the Jewish DPs who constitute the

medical hard core. Israel's policy has borne some fruit, as reflected in the written assurance which it received from the IRO on July 18 that in any allocation which is eventually made for this purpose, the government of Israel will be reimbursed for the medical hard core cases which it admits within its borders from July 1, 1949 until the close of the IRO program.

In the meantime, the AJDC and the ORT are doing everything possible to rehabilitate them so that they will be able to support themselves wholly or partly when they are ultimately resettled.

On the possibility that not all the Jewish DPs in this category would be resettled when the IRO terminates its care and maintenance program, I projected the problem with Mr. McCloy in my last conference with him. I submitted to him a memorandum in which I suggested that the German economy should be responsible for the care and maintenance of this group with administrative direction to be furnished by the AJDC. Mr. McCloy stated that when the problem became actual, he would be pleased to deal with it on the basis of specific proposals by the interested Jewish organizations.

#### b. Restitution

The Jewish Restitution Successor Organization has done a conspicuously creditable job in asserting its claims to heirless and unclaimed property. The prestige of this organization was demonstrated when I presented to General Clay the proposition, sponsored jointly by the American Joint Distribution Committee, the Jewish Agency for

Palestine and the Council for the Protection of Jews from Germany, to secure official recognition for a General Claims Agency, to represent living claimants in need of legal assistance. The General recognized the need for this type of service but stated that he would countenance no organization in the zone that might either exploit the restitution problem for its own aggrandizement or act in competition with the JRSO. Accordingly, he authorized the JRSO to set up a distinct department to discharge the functions of the projected general claims agency. It is my understanding that the license for this department is about to be issued. Its activities will be confined to representing claimants living outside of Germany, who either cannot afford to advance the cost of prosecuting their own claims or feel insecure in being represented by local German counsel without the supervision and guidance of an agency that the claimants can trust.

Recently the functions of the Board of Review, a three man American board, specifically established under the Restitution Law, as the supreme reviewing agency in restitution cases, were transferred to the Court of Appeals. This court is a seven man American panel which serves as the court of last resort in all civil and criminal matters originating in the US Military Government courts. The change caused the JRSO some concern because it was felt that the Court of Appeals will neither be qualified to handle restitution matters on a part-time basis nor would it be able to handle adequately the volume of appellate work that would ultimately be referred to it. I discussed this problem with Mr. McCloy in my final conference with him and received his assurance that he would permit nothing to interfere with the effective implementation of the restitution law.



He stated that if necessary, he would increase the court membership or provide a special panel within the court in order to insure the speedy and efficient disposition of the court's appellate work.

The principle problem confronting the Jewish Restitution Successor Organization and one which will have to be resolved if the heirless property is to serve any useful purpose, is the transfer of the restitution funds to areas where they are needed. This will, obviously, involve the conversion of the proceeds into some form of assets that can be used outside of Germany. Mr. Ferencz and I discussed this problem with Mr. McCloy who indicated that he would entertain concrete proposals from the Jewish Restitution Successor Organization for the handling of this problem.

In Austria the problem of restitution has been handled on a piece-meal basis. As late as today there are still important areas in the field of restitution which have not been covered by legislation. Thus, despite all efforts to secure the adoption of legislation the Austrian parliament has remained mute with respect to the restoration of confiscated leasehold interests and with respect to the recognition of a successor organization that might lay claim to heirless and unclaimed property. This vacuum has not been the result of any lack of effort on the part of the Jewish organizations and the Adviser's office. The American Jewish Committee, the American Joint Distribution Committee, the World Jewish Congress, the Vienna Kultusgemeinde and my office have repeatedly made representations both to the military and to the Austrian autho-

ities, without any success. It was my conviction that the work of the different groups engaged in this field should be coordinated both to avoid duplication of effort and to strengthen the position of those who could, in their future overtures to the competent authorities represent that they speak for all of Jewry. As a result of a conference I called in Vienna on May 31, a joint committee, representative of these groups, came into being for the specific purpose of coordinating restitution and related matters. This committee is presently engaged in drafting an heirless property law which will be acceptable to all interested Jewish groups.

The difficulty in working with any problem which relates to Austria is that Austria is a liberated country. As a sovereign power it has the right to legislate in matters pertaining to its internal affairs. The military authorities readily concede that the reason the Austrian authorities have been reluctant to adopt the restitution laws affecting leasehold interests and heirless property is that a substantial part of this property is owned by part of the estimated 500,000 lesser implicated Nazis whose right to vote was restored to them by a general amnesty granted June 6, 1948. In the struggle for power, the contending political parties, the Peoples Party and the Social Democrats, have been circumspect in taking any steps that might antagonize these elements for whose support the parties were competing in the elections held on October 9. With the elections now over and the neo-Nazis having become an important factor in Austrian politics,

more vigorous efforts will be needed to secure favorable action from the Austrian Parliament on this issue.

c. Equalization of Burdens Law

One issue which received the attention of my office and in which we were unsuccessful, was the matter of the exemption of persecutees from the operation of the Equalization of Burdens Law. This law, adopted by the Bizonal Economic Council and applicable to the US and British Zones, Germany, is the first in a series of laws designed to apportion the losses in property sustained by individual Germans as a result of war. The law in question, entitled, the "First Ordinance on the Equalization of War Burdens", imposed a 5% tax on all property owners, as of the end of hostilities, with the proviso that the United Nations nationals, who had that status on May 8, 1945 are exempt from the tax. It was my position that the exemption should extend to all people who were persecuted by the Germans, and at least, to those who were United Nations nationals on the date the ordinance was adopted. I reduced my views to writing in a memorandum which I shared with you, and on several occasions discussed the matter with General Hays before Mr. McCloy arrived.

In the meeting at Berlin, held on June 18, called by Mr. McCloy, and attended by his key advisers, this law was considered and it was concluded that because of the difficulty in determining who might qualify as a persecutee, the problem of administration would be hopelessly complicated if persecutees were exempted. More-

over, it was pointed out that this law was only an emergency measure, to provide funds for the most needy indigents and that when, at a later date, the major problem of the equalization of burdens is treated the matter could again be reviewed.

I do not believe that the reason given for the rejection of my recommendation is the one assigned by the local authorities. In the first place, the answer is wholly inapplicable to the suggestion that the effective date of the ordinance be used to determine the nationality status of the exemptees. Moreover, the word "persecutee" which has become a word of art, was used in numerous Military Government directives, for the purpose of extending more favorable treatment to this group, and may be found in the Restitution Law. Actually, it would seem that the Military Government people, including General Clay, were opposed to any exemptions and finally had to yield when so directed by the State Department, which in turn had been subjected to pressure by the American business interests who had substantial holdings in Germany.

In my opinion, this is a matter that should be followed closely. The moral argument in favor of those who were either expelled or were forced to leave Germany is not subject to dispute. On the one hand, they are restored the property of which they were deprived by duress and on the other hand, they are asked to contribute to a common pool which will be used specifically to satisfy claims resulting from a war which was as much directed against them as against any other group. I would urge that no time be lost in



building up sentiment with the proper authorities in the US, with the view of having the class of exemptees broadened in the equalization laws that will follow. Elementary justice demands that those who were forced to leave Germany because of persecution should not be required to bear any part of the burden that is imposed to equalize war losses.

#### d. Anti-Semitism

During the period of my service, there has been a relative absence of overt forms of anti-Semitism in Germany. In an occupied country, where basic attitudes are necessarily repressed, this fact is no gauge of the intensity of the anti-Semitism that still exists. No one can work in Germany for even a brief period without being conscious of the deep, underlying hatred and hostility against the Jews. It will take years, perhaps generations, before the virulent form of anti-Semitism will have spent itself.

All competent observers agree that militant nationalism in one form or another has been on the rise in Germany since early 1948. There is reason to believe that with the creation of the Federal Republic of Germany, it will, in all likelihood, increase. This nationalism which expressed itself without restraint in the speeches of the political candidates of all parties in the recent German elections, is a danger signal which none of us can ignore. It is true that the Bonn constitution is democratic in concept and provides for many safeguards for the protection of the basic rights of man. However, constitutions are not self-executing. From the standpoint

of the future what counts is the spirit in which Germany will be governed. It is highly significant that in the recent elections no party, competing for the votes of the German electorate, found it politically expedient to denounce Hitlerism and its vicious anti-Jewish complex. The generation which grew up during Hitler's regime has been schooled in the leader principle and unless there is decisive rejection of Hitlerism by those elected to high public office, the German masses will continue to nurture the hatreds planted in them by their former leaders.

In a recent conference I urged Mr. McCloy to approach Dr. Theodor Heuss, newly elected President of the Federal Republic of Germany and Dr. Konrad Adenauer, Chancellor, and ask them to repudiate publicly anti-Semitism and to pledge Germany to a course that would give practical application to the human rights and liberties enunciated in the basic law of the new state. I am happy to report that Mr. McCloy accepted my suggestion. The suggestion has already borne some fruit, as reflected in the New Year's greetings extended to the Jews of western Germany by Chancellor Adenauer and President Heuss, inviting the Jews to take part in the intellectual, social and political reconstruction of Germany, said, "The Jews will not forget - the loyal Germans must not - but together we must overcome our evil inheritance". With full appreciation of the sentiments expressed I recognize that they will be hollow words unless the new German republic takes positive steps to combat anti-Semitism and to disassociate itself of its "evil inheritance" by a concrete program of action.

Surrender of licensing power, formerly exercised by Military Government over newspapers also involves certain real dangers of which the High Commissioners are aware. As a precautionary measure, they

have reserved the authority to ban any newspaper which abuses its privileges. Convinced that there is a need for the re-indoctrination of the German people through their own press and other media of expression, I recommended to Mr. McCloy that he assemble the heads of the German press and radio and explain to them their role in assuring a democratic Germany and also to warn them that the publication or dissemination of any anti-Semitic material will be a breach of their public responsibility, Mr. McCloy has assured me that a meeting of this nature will be held shortly.

On the basis of my observations and work in Germany, I have formed the following conclusions:

1. It is imperative that the occupying powers recognize in anti-Semitism the rejection of the democratic principle as the unmistakable sign of the resurgence of German nationalism in its most vicious form.

2. It is imperative that those entrusted with authority in Germany be ever vigilant against any manifestation of anti-Semitism and that they deal with it in vigorous and militant fashion.

3. It is imperative that the powers reserved by the authorities in the Occupation Statute be so exercised as to guide the press and other media of communication in bringing about a genuine regeneration of the German people.

4. From a long range point of view it is of the utmost importance to develop a positive, democratic program which will

reach into the governmental circles, into the church, the family, schools and into the daily lives of the German people.

There is no single cure for anti-Semitism. This is true of any country where this disease thrives. It is doubly true of Germany, where, sanctioned by law and drilled into the ears of the old and the young, it had become a national fetish whose validity few people questioned and fewer had the courage to challenge. It will take at least as much time and effort to destroy the virus of hate as it took the Nazis to implant it in the hearts of the German people. It will be a long and uphill fight to which all the liberal and enlightened elements, in and out of Germany, will have to apply themselves if any perceptible dent is to be made in meeting this problem.



6. RECOMMENDATIONS:

The recommendations implicit in the foregoing portion of the report, are: (1) the early transfer of the medical hard core group to Israel; (2) the necessity for not relaxing the effort to broaden the definition of the class who may be exempt from the Equalization of Burdens Law; (3) and the need for close vigilance of the further development of anti-Semitism in Germany. In addition, I should like to refer to an issue to which I have given a great deal of thought. I have reference to the problem of the continuation of the Adviser's office.

At the time I was asked to become the Adviser on Jewish Affairs it was the feeling of the cooperating organizations that there would be no need of continuing the office beyond the end of the year, when it was assumed that most of the DP camps would be closed. Happily, this stage of the DP problem has now been reached and the few remaining camps will be closed in the next few months and should present no major problems.

Several weeks ago, at a meeting of the four organizations, held in New York, I understand this situation was reviewed and a recommendation was made to Washington that at the end of my terms of office, a successor should be appointed. Washington sent a cable to this effect to the appropriate authorities in Germany and Austria. In the discussion which developed here, it was evident that neither the Army nor the High Commissioner felt that there was any need of an Adviser beyond the end of this year. The US High Commissioner of Aus

took an even stronger position and notified Washington immediately that he did not need the services of an Adviser beyond the date of my departure. In Germany the Army was quite vigorous in maintaining that the residual DP problem did not justify an Adviser and that the US High Commissioner was of the opinion that with the creation of the new Federal German Republic, a more comprehensive approach to the Jewish problem in Germany was desirable. In line with this thinking the Army, with the concurrence of the High Commissioner, advised Washington that the office should not be continued beyond December 31, 1949.

Anticipating this development, which coincides with the original thinking of the four organizations, on August 9 I presented a memorandum recommending the creation of a joint office which would be free to operate in all of western Germany and in Austria, and would make possible the continuance of the partnership of the organizations, which had worked so effectively during the past few years through the instrumentality of the Adviser's office.

I felt that it would be a serious mistake to permit the Adviser's office to be discontinued without setting up some organization of broader scope, to meet developing problems. The precedent reflected in the establishment of the Adviser's office, in my judgment, clearly demonstrated the value of a joint office to coordinate Jewish organizational effort in working with the

numerous complex problems facing the Jews in Germany and Austri

## 7. APPRECIATIONS

I cannot conclude the formal part of this report without paying tribute to the various major Jewish organizations which have worked toward the solution of the Jewish DP problem.

The American Joint Distribution Committee has made a monumental contribution to the collective effort on behalf of the DPs, either by supplying, supplementing or financing the physical, cultural, religious and immigration needs of the DPs. As a direct result of their coordination, the American Joint Distribution Committee and the Hebrew Immigration Aid Society have been outstanding in their achievements in the resettlement of the Jewish DPs under the US DP law. The vocational training program of ORT has paved the way for the gainful employment of many DPs who have been resettled. The Jewish Agency for Palestine and the Central Committee of Liberated Jews, in their single-minded enthusiasm for Israel and through their field workers, showed a real sense of dedication to their work. They gave the DPs a philosophy which unified them and gave their life spiritual content. It is they who spearheaded mass migration to Israel. The teamwork between these various organizations is a tribute to the local and national leaders of the organizations and to the staffs whose cooperation, in the final analysis, made this teamwork possible.

I also want to pay tribute to the US Army, to its Civil Affairs Division, to the IRO, to General Lucius D. Clay, to General Clarence R. Huebner, to General Geoffrey Keyes, US High Commissioner for Austria and to Mr. John J. McCloy, US High Commissioner for Germany,



all of whom have been most cooperative in their handling of the Jewish DP problem.

I should like to single out for special mention Major Abraham S. Hyman and Chaplain (Captain) Louis Barish for their invaluable assistance to me and for their superlative contribution to the cause of the Jewish displaced persons in Germany and Austria.