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Agreement Pertaining to Reparation Funds for Non-Repatriable Victims of German Action¹

[Released to the press June 19]

Agreement has been reached by the Governments of the United States, the United Kingdom, France, Czechoslovakia, and Yugoslavia in conference at Paris concerning matters pertaining to making available certain reparation funds for the rehabilitation and resettlement of non-repatriable victims of German action.

The agreement was worked out in accordance with the provisions of Article VIII of the final Act of the Paris Conference on Reparation, signed by the Governments on January 14, 1946, which made available a fund of \$25,000,000 out of German assets in neutral countries, out of all the non-monetary gold and by the Allies in Germany, and out of all the assets in neutral countries of victims of Nazi action who died without heirs.² The conferring powers are of the opinion that the non-monetary gold and "heirless funds" will amount to a few million dollars.

Since the overwhelming group of eligible victims were Jewish, the conference allocated \$22,000,000 out of German assets in neutral countries, 95 percent of the non-monetary gold, and 95 percent of the "heirless funds" for the rehabilitation and resettlement of Jews. The remaining part of the fund was made available for those German and Austrian non-Jewish victims who were persecuted by the Nazis for religious, political, or racial reasons and who are in need of resettlement. The agreement gave general administrative responsibility to the Director of the Inter-governmental Committee on Refugees, who will make funds available to authorized field organizations. It is expected that the authorized Jewish field organizations will use a large part of these funds for the rehabilitation of refugees and for the resettlement of Jews in Palestine.

The United States representative was Dr. Eli A. Berg of Columbia University. He was assisted by Irwin Mason and Jacob Kaplan of the Department of State.

Text of agreement
In accordance with the provisions of Article VIII of the final Act of the Paris Conference on Reparation, the Governments of the United States, France, the United Kingdom, Czechoslovakia and Yugoslavia, in consultation with the Inter-governmental Committee on Refugees, have worked out, in common agreement, the following plan to aid in the rehabilitation and resettlement of non-repatriable victims of German action. In working out this plan the signatory powers have been guided by the intent of Article VIII and the procedures outlined below are based on its terms:

In recognition of special and urgent circumstances, the sum of \$25,000,000 having been made available by the Allied Governments as a priority on the proceeds of the liquidation of German assets in neutral countries, is hereby placed at the disposal of the Intergovernmental Committee on Refugees or its successor organization for distribution to appropriate public and private field organizations as soon as they have submitted practicable programs in accordance with this agreement.

(A) It is the unanimous and considered opinion of the Five Powers that in light of paragraph H of Article VIII of the Paris Agreement on Reparation, the assets becoming available should be used not for the compensation of individual victims but for the rehabilitation and resettlement of persons in eligible classes, and that expenditures on rehabilitation shall be considered as essential preparatory outlays to resettlement. Since all available statistics indicate beyond any reasonable doubt that the overwhelming majority of eligible persons under the provisions of Article VIII are Jewish, all assets except as specified in paragraph B below are allocated for the rehabilitation and resettlement of eligible Jewish victims of Nazi action, among whom children should receive preferential assistance. Eligible Jewish victims of Nazi action are either refugees from Germany or Austria who do not desire to return to these countries, or German and Austrian Jews now resident in Germany or Austria who desire to emigrate, or Jews who were nationals or former nationals of previously occupied countries and who were victims of Nazi concentration camps or concentra-

¹ Telegraphic text.

² For text of final act see BULLETIN of Jan. 27, 1946, p. 114.

tion camps established by regimes under Nazi influence.

(B) The sum of \$2,500,000, amounting to 10 percent, arising out of the \$25,000,000 priority on the proceeds of German assets in neutral countries, 10 percent of the proceeds of the "non-monetary gold," and 5 percent of the "heirless funds" shall be administered by the Inter-governmental Committee on Refugees or its successor organization through appropriate public and private organizations for the rehabilitation and resettlement of the relatively small numbers of non-Jewish victims of Nazi action who are in need of resettlement. Eligible non-Jewish victims of Nazi action are refugees from Germany and Austria who can demonstrate that they were persecuted by the Nazis for religious, political, or racial reasons and who do not desire to return, or German and Austrian nationals, similarly persecuted, who desire to emigrate.

(C) The Director of the Inter-governmental Committee on Refugees or the Director General of the successor organization shall under the mandate of this agreement make funds available for programs submitted by the appropriate field organizations referred to in paragraphs A and B above as soon as he has satisfied himself that the programs are consistent with the foregoing. Only in exceptional circumstances may the cost of resettlement programs exceed a maximum of \$1,000 per adult and \$2,500 per child under 12 years of age. The action of the Inter-governmental Committee on Refugees or its successor organization shall be guided by the intent of Article VIII and by this agreement which is to place into operation as quickly as possible practicable programs of rehabilitation and resettlement submitted by the appropriate field organizations.

(D) In addition to the \$25,000,000 the Inter-governmental Committee on Refugees or its successor organization is hereby authorized to take title from the appropriate authorities to all "non-monetary gold" found by the Allies in Germany and to take such steps as may be needed to liquidate these assets as promptly as possible, due consideration being given to secure the highest possible realizable value. As these assets are liquidated, the funds shall be distributed in accordance with paragraphs A and B above.

(E) Furthermore, pursuant to paragraphs C and E of Article VIII, in the interest of justice, the French Government on behalf of the five gov-

ernments concluding this agreement, are making representations to the neutral powers to make available all assets of victims of Nazi action who died without heirs. The governments of the United States of America, the United Kingdom, Czechoslovakia, and Yugoslavia are associating themselves with the French Government in making such representations to the neutral powers. The conclusion that 95 percent of the "heirless funds" thus made available should be allocated for the rehabilitation and resettlement of Jewish victims takes cognizance of the fact that these funds are overwhelmingly Jewish in origin, and the 5 percent made available for non-Jewish victims is based upon a liberal presumption of "heirless funds" non-Jewish in origin. The "heirless funds" to be used for the rehabilitation and resettlement of Jewish victims of Nazi action should be made available to appropriate field organizations. The "heirless funds" to be used for the rehabilitation and resettlement of non-Jewish victims of Nazi action should be made available to the Inter-governmental Committee on Refugees or its successor organization for distribution to appropriate public and private field organizations. In making these joint representations, the signatories are requesting the neutral countries to take all necessary action to facilitate the identification, collection, and distribution of these assets which have arisen out of a unique condition in international law and morality. If further representations are indicated, the governments of the United States of America, France and the United Kingdom will pursue the matter on behalf of the signatory powers.

(F) To insure that all funds made available shall inure to the greatest possible benefit of the victims whom it is desired to assist, all funds shall be retained in the currency from which they arise and shall be transferred therefrom only upon the instructions of the organization to which the Inter-governmental Committee on Refugees or its successor organization has allocated the funds for expenditure.

(G) The Director of the Inter-governmental Committee on Refugees shall carry out his responsibilities to the five governments in respect of this agreement in accordance with the terms of the letter of instruction which is being transmitted to him by the French Government on behalf of the governments concluding this agreement.

In witness whereof the undersigned have signed the present agreement.

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done in Paris, on the fourteenth day of June, 1946, in the English and French languages, the texts being equally authentic, in a single original which shall be deposited in the archives of the Government of the French Republic, certified copies thereof being furnished by that government to the signatories of this present agreement.

- Legate of the United States of America.
M. GINZBERG
- Legate of Czechoslovakia.
D. KLIVANA
- Legate of France.
PHILIPPE PERIER
- Legate of the United Kingdom of Great Britain & Northern Ireland.
DOUGLAS MACKILLIP
- Legate of Yugoslavia.
M. D. JAKSIC.

Annex to the Agreement on a Plan for Allocation of a Reparation Share to Non-Repatriable Victims of German Action:

In accepting the phrasing of paragraph E of the agreement, the Czechoslovak and Yugoslav delegates have declared that the Republic of Czechoslovakia and the Republic of Yugoslavia have not by so accepting given up their claim to the forthcoming inheritances mentioned therein which, according to the provisions of international law, belong to their respective states.

PARIS, 14th June, 1946.

- The Czechoslovak Delegate
D. KLIVANA
- The Yugoslav Delegate
M. D. JAKSIC

Negotiations for Double-Tax Treaties With Belgium, Luxembourg, and the Netherlands

[Released to the press July 31]

The United States Government is preparing to send a delegation to Belgium, Luxembourg, and the Netherlands to negotiate double-tax treaties with those countries. The delegation is expected to leave Washington July 22. Prior to that time the delegation would be glad to confer with interested parties or to receive statements and suggestions from them concerning problems in tax connection with those countries. Communications in connection should be addressed to Eldon King, Special Deputy Commissioner, Bureau of Internal Revenue, Washington, D.C., who will head the delegation.

The United States has treaties with Sweden and Norway for the avoidance of double income taxes and administrative cooperation and has treaties with Canada for the avoidance of double taxes on incomes and estates and for administrative cooperation. It is expected that ratifications of treaties with the United Kingdom and

Northern Ireland relating to income and estate taxes will be exchanged in the near future. Negotiations for a new treaty with France and for treaties with the Union of South Africa have been announced and are in an advanced stage. The treaties which it is hoped will be negotiated with Belgium, Luxembourg, and the Netherlands will be of the same general type.

The United States Delegation is as follows:

- Eldon P. King, Special Deputy Commissioner, Bureau of Internal Revenue, *Chief of Delegation*
- Roy Blough, Director, Division of Tax Research, Treasury Department
- Stanley S. Surrey, Tax Legislative Counsel, Treasury Department
- Henry S. Bloch, Division of Tax Research, Treasury Department
- Cyril E. Heilemann, Office of the Legislative Counsel, Treasury Department
- Peter J. Mitchell, Office of the Chief Counsel, Bureau of Internal Revenue
- William V. Whittington, Treaty Adviser, Treaty Branch, Division of Research and Publication, Department of State