

United States Holocaust Memorial Museum

Interview with Seymour Rubin
January 6, 1997
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PREFACE

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SEYMOUR RUBIN

January 6, 1997

Q:Let me begin, oh, by the way, this is Monday, January 12th, 1997.

A:Can't be the 12th.

Q:Pardon me? January 6th, you're right, do you by any chance wear a hearing aid?

A:No, I don't.

Q:You don't. Okay. I'm in Georgetown at the home of Seymour Rubin and I'd like to begin. If you could give me some biographical information about yourself: when were you born and where were you raised and perhaps a little bit about your family and education before you went to college.

A:Well, I was born in Chicago, Illinois, in 1914, April 6th, 1914, that makes me 82 years of age, as the newspapers have indicated the other day, much to my wife's annoyance. I was raised in Chicago, more or less, and I went to grammar school, junior high school and high school there.

Q:Telephone.

A:Where are we now?

Q>Your wife was annoyed that they put your age in the paper.

A:Well, you want to start off again about Chicago?

Q:Sure. Sure.

A:I was born in Chicago in 1914. My parents both came here from Latvia and Russia at the age of two and three many, many years ago. And I went to school in Chicago in public schools: grammar school, junior high school, high school.

Q:Which part of Chicago?

A:I was born on the West side of Chicago and my family gradually moved to the North side so that by the time I went to college, we were living in Wilmette, just North of the city of Chicago. I went to the University of Michigan, which is a nice state school, it had a regular reputation

and was just a sufficient distance away from Chicago so I could get away from the family a little bit, but I could also get back -- by hitchhiking -- back, and get a meal when I needed one. And then I went on from University of Michigan to the Harvard Law School where I got my regular degree, Magna Cum Laude, and then I stayed on for an additional year and got an L.L.M. at the suggestion of Felix Frankfurter(ph). I thereafter went down to the Circuit Court of Appeals in New York City and clerked for the person I consider to be one of the better judges, one of the best judges, really, in the United States, Augustus N. Hand, not Learned Hand who was his cousin who was on the same court, but Gus Hand. I stayed with him for a year and then came down to Washington. In Washington, the thesis was -- my thesis was -- that I was going to get a job, which I did get with the Securities and Exchange Commission in the Reorganization Division. The reason for the Reorganization Division being that it was the factor in the SEC which handled litigated cases, corporate reorganization cases, and I wanted to go back to Chicago and practice law with my two older brothers in the field of corporate reorganization, which had been occupying a great deal of their time. I never got back to Chicago because I left the SEC [phone rings] should I stop?

Q:Back to Chicago . . .

A:Well, I never got back to Chicago because I moved from the SEC to one of the wartime agencies, the office of Price Administration here which seemed a little more exciting at the time as we were just beginning to get into the war. And then from the office of Price Administration, more by chance than anything else, I moved over to the State Department in March of 1943.

Q:Before we go to the State Department, could I ask you about your, is your family Jewish?

A:My family is Jewish. I was raised in the Reform aspect of the Jewish religion. I took Hebrew lessons which, unfortunately, I've completely forgotten about, and, I'm a reasonably non-conforming Jew.

Q: And during the early days of National Socialism, you were in college and law school. Were you actively aware of what was happening, and was it something that was a major part of your view of the world at that time?

A: Well, I wasn't tremendously aware of what was going on. I was... I read the newspapers all the time and so I knew approximately what was going on, as much as one can gain from the newspapers. I still remember being in college when Mr. Hitler came to power in Germany, and I remember talking about that with a history professor who curiously, whose name I curiously enough still remember, Mr. Slossun(ph), his name was. A very distinguished professor, a very interesting professor. He said, "Hitler will last a few months, that's all." That was in 1933, when I was still in college, and I was aware of what was going on quite clearly. When I went to the Harvard Law School which was in 1935, I saw a lot of people there and, as a matter of fact, I've, a group of other people and I got together and organized - with a fellow named Nathan Isaacs(ph), who is a professor at the business school -- he came over to my little apartment that I was sharing with a couple of other characters, and sort of gave us lessons in the Talmud, supposedly every Saturday. It lasted about three Saturdays and that was about it. But, so far as what was going on in Germany was concerned, yes I was aware of it but I wasn't deeply involved in anything particular. I do remember being at a Harvard Law Review dinner one time and talking with one of the professors who was resentful about the fact that longshoremen in New York had been trying to prevent the unloading of goods from Germany, and he thought this was an unwarranted interference by a private organization in the affairs of the United States Government. I disagreed rather strongly with him at the time but didn't take a tremendous amount of act, I did not take an active role, really, in anything going on. I had a little bit to do, not very much, with refugee matters. Partially because one of the people who eventually became my partner, and who was a year or two after me in law school, was very much involved in that. And I probably contributed a little bit to some organizations but I didn't do very much more than that.

Q: You mentioned that it was sort of by chance that you went to the State Department. Can you describe a little bit more about that chance?

A: Yes, I can. As I said, I've spent a large amount of time in the Reorganization Division of the Securities and Exchange Commission when I first came down here to Washington. And eventually in 1943, in early '43, a friend of mine, Bernard Melser(ph), who's still a Professor of Law, Emeritus, at the University of Chicago, called me. He was temporarily in the State Department. He was a very bright young man and he was about to go over to Europe, I think he was in on the Nuremberg Trials, but he was in the State Department at the time. And he called me, and he said there was a very interesting thing going on there, and why didn't I come over to the State Department and organize or work on something called the Reorganization Program in the Foreign Funds Control Division of the Department of State. And I said, "Bernie, that has absolutely nothing to do with corporate reorganization under Chapter 10 of the Bank," -- well, Chapter 10 didn't exist, but 77B did -- "under the Bankruptcy Act at all. It's absolutely different." And he said, "Well, you know that and I know that, but nobody else knows that and you're the only person around who knows something about quote, 'reorganization.' Reorganization is reorganization is reorganization." So, I thought it was a very interesting kind of thing, and went over to the State Department, and basically I was the fellow who was in charge of the program, which there was one, and trying to run the Germans out of enterprises, primarily in Latin America. The reorganization program there was one which took into account the fact that a large number of business enterprises in Latin America, in particular, had been founded by German enterprises, Farben¹ and a variety of others. And the worry was that these enterprises would contribute to the Nazi war effort in at least two ways. One was by contributing of funds to a variety of very evil causes; and the other was by contributing and financing espionage, or sabotage, or

¹ IG Farben: A large German Chemical Cartel. Assets of this Cartel were cloaked by a Swiss holding company called "Interhandel" after the war. (Source: Nicholas Faith, *Safety in Numbers: The Mysterious World of Swiss Banking*. New York: Viking, 1982.)

worse. And the idea was, you had to allow the Latin Americans to continue to have the benefits of these organizations, many of which were in the medical and drug, pharmaceutical field. You couldn't just close down the organizations, so you had to continue to have the organizations do what they had been doing: producing drugs. But you wanted to get the German influence out of those, and that was the reorganization aspect: trying to introduce, primarily at that time, American enterprise to come in and take over these enterprises. Certainly during the period of the war, and probably thereafter, because we always had the theory that we didn't want the Germans to come back again in Latin America, particularly in view of the fact that the National Socialist philosophy was one that was anathema to most of us here.

Q: Was that reorganization separate from the Safe Haven Program? Or was that part of it?

A: The Safe Haven Program developed out of the Reorganization thing, that's right. I was one of the originators of this, so called, Safe Haven Program. But that had the same kind of objective as it that the Reorganization Program did. Reorganization was supposed to: a) take care of the present threat – try to get the German control away from these enterprises in Latin American so they couldn't contribute money; and secondly, the idea was to prevent any recurrence of the German influence in Latin America. That, basically, was the Safe Haven Program, prevention of recurrence of Nazism, and fascism, and so forth.

Q: But Safe Haven was an international effort, not just an American effort, is that, can you describe more about Safe Haven and its beginnings?

A: Well, Safe Haven was basically, my recollection is, it was basically an American initiative but we certainly had the British involved in it from the very beginning. And it may have been international in the broader sense of the word, because I'm sure, as what resulted, as a fact of the later days, the French got involved very heavily. But basically, at the beginning, the British and the Americans were the only ones who were able to do anything and it was a British-American effort, basically aimed at trying to identify German influence which one could equate with Nazi influence at the time, and to try to get rid of that, not only at the

present time, but for, to prevent any recurrence of it. That was basically the Safe Haven Program. What we were trying to do is locate areas where the Germans had located money, where Germans were cloaking or having somebody else cloak for them etcetera, etcetera.

Q:And, specifically, what did you, what was your role in that effort?

A:Well, I was trying to devise policies with respect, particularly in the beginning, with the Latin Americans to try to persuade the Latin Americans, for example, to control the German enterprises, German owned enterprises in their territory. But, my first trip was down to Columbia and my effort down there was to try to persuade the Columbian government to either supervise or actually vest the assets belonging to German controlled enterprises and then to have those administered in accordance with this reorganization program by Allies, by Americans, probably, because the Americans were the only ones really able to do this kind of thing but we would have said the British or the Dutch or anybody else, if there were people like that around as well. But there weren't very many around.

Q:So it was actually an effort to try and move American management in to take control of the corporation, is that...

A:Yes.

Q:...what you were doing?

A:Yes. Exactly. Because the idea was, you were, as I say, had two objectives. One was a wartime objective, to prevent espionage and sabotage and financing of the German war effort and the second was a post-war effort which was akin with the idea, part of the idea that you didn't want the German, Germans as they were then certainly, to come back in to any kind of political power in other areas of the world. We had some problems here in the United States, as you probably know, with... we also had a lot of problems with the possibility of Germans infiltrating into the enterprises, particularly into the enterprises where they had been prominent in countries like Bolivia, Columbia, Argentina, etcetera, in Latin America. That was the part of the world that I was very much involved with. The entire enterprise had some people from, for example, one of my good friends, Kovi(ph) Oliver, who is still

around, a very distinguished, now former, ambassador of the United States to Colombia many years after this, was stationed in Madrid. A good many of the people who were involved in this when I got into it, were Americans who spoke good Spanish because Latin America was one of the areas of our concentration. We would find a lot of the people involved in this were people who had been born in El Paso, as Kovi(ph) was, or in some place in Texas who spoke Spanish as well as they did English, or nearly as well. Kovi probably spoke it better.

Q:And that was 1943 when you went to the State Department...

A:1943 was when I came into it. The effort had been going on for awhile before that. I came into this Division of Foreign Funds Control, which was basically trying to look at the financial transactions of people who might be supporting the Axis, and what we were trying to do was to prevent any financial transactions which would have been of benefit to them. There were a variety of aspects of that. One was to blacklist companies, either in the United States or elsewhere, primarily elsewhere, because we had direct control over the United States. But we were trying to blacklist companies, mainly from the neutral countries who were doing business with the Germans.

Q:Can you mention what some of those companies are, were?

A:They were, we were, we had a blacklist which was maintained in Switzerland, Sweden, Spain, Portugal, Argentina, Columbia, Turkey, a variety of other countries. Basically, wherever we thought, what we could do would be to prevent a financial transaction which would have been beneficial to the... to the Germans. We were active in trying to say-- to the enterprises, mainly, or to individuals, but mainly these would be enterprises, individuals acting as enterprises, as well-- we were trying to say to them, "If you do this, you're not going to have any access, whatsoever, to any American facilities. And we will not only prevent you now from dealing with the United States, selling to the United States or getting exports from the United States, but we will continue this effort after the war in order to prevent you from rebuilding the thing."

Q: Could you mention some of the enterprises that we're dealing with, some of the German enterprises?

A: Well, the, Sterling Drug was one of the enterprises; IG Farben², of course, is the largest one.

There were a whole slew of corporations in Sweden which had been manufacturing ball bearings for other machine parts and things like that, who were all on the blacklist. My recollection does not go to the individual names very much. We had a few Americans on the blacklist, some American nationals living in Vichy France... France were suspected of dealing with the Germans, and we blacklisted American nationals. That raised some issues here but we did it nonetheless. But, one of the real reasons for the negotiations with the Swiss in 1946 was the fact that the blacklist still existed and there were a number of Swiss corporations which were still on the blacklist and they were obviously desirous of getting them off the blacklist. We were desirous of restoring normal relations, too. But the principal motive for the negotiations on the Swiss side, was to eliminate the blacklist.

Q: I want to lay as much groundwork for the Swiss negotiations as possible. So we're now at '43, '44.

You have come to the State Department and you're sort of gradually becoming part of the Safe Haven Program, is this right?

A: Yes, except not gradually.

Q: Not gradually. It didn't happen gradually.

A: No, it didn't happen gradually. I was there in the beginning and was very active in it. Largely because I came to the State Department in 1943 as a very healthy young man with very, very bad eyes. And though I tried to get into the Navy, they threw me out, laughing all the time. And then the Army called me down for the draft twice and they examined me from stem to stern and found I was a very, very healthy specimen until they got to my eyes. Then they couldn't believe how bad they were and I got thrown out again. So I was one of the

² During the war, IG Farben had many holding companies, and/or branches all over the world, even in the United States. (See Nicholas Faith, *Safety in Numbers: The Mysterious World of Swiss Banking*, pgs. 144-160.)

very few youngish males around here, at the time, who had had a fairly good education, Harvard and so forth, who was around at the time, who was not going into the Army. Most of the people my age were not married at the time (although I got married just at the same time that I went into the State Department), but if we were married, we didn't have kids, etcetera, so most of my colleagues went into the Army or the Air Force or whatever. And I happened to be around, so I moved up in that absolutely new area for State Department work very, very quickly. And basically, I was one of the originators of it, and so forth.

Q:In, I think it was Bower's(ph) book, about the, The Paper Clip Conspiracy, he quoted you as saying that you, one of the reasons you thought you moved up quickly in the State Department, because there some sort of renewed anti-Semitism backlash, because of senior State Department positions earlier. Can you sort of explain what that scene was like?

A:I speculated with Mr. Bower(ph) a little bit about this, I've never been quite sure about it, but I did move up. If you take a look at my record in the State Department, I moved up from the entry level to high in the Civil Services, I could go very, very quickly. And there always was a rumor around that the State Department was rather anti-Semitic. I always thought that there were some people in the old Foreign Service who were, although I had many, many friends in the Foreign Service who had no anti-Semitism whatsoever, and I developed these friendships as time went along. But it seemed to me, at the very beginning, that perhaps one reason that I was promoted as quickly as I was, was because I was what you might call a respectable Jew. I'd been to the Harvard Law School, I'd been on the Harvard Law Review, I'd been a clerk for a very distinguished WASP³, a judge up in New York City, etcetera, etcetera. I knew which fork to pick up at the dinner table, etcetera. And I was reasonably respectable. And it seemed to me that there was some possibility that when people looked around they said, well, here's a fellow, we really want to do something about this anti-Nazi program, here's a guy who happens to know a lot about it and who is very competent and

³ WASP: White Anglo-Saxon Protestant.

who is respectable and, you know, he's the kind of person we would like to push forward. So I did get to be the Chief of the Division in a very, very short period of time and, after that the Deputy Director of the office, and after that the first Assistant Legal Advisor for Economic Affairs, etcetera, etcetera. Whether this had much to do with my being Jewish or not Jewish, I really don't know except that I had a... I always had a sort of a little bit of a feeling that well, maybe, everybody thought well, this is a, quote, good Jew, unquote.

Q:But the anti-Semitism, as you said, was not an issue for you. You didn't experience it directly in the State Department.

A:No, I never experienced it directly in the State Department. The only experience I ever had with really discussing it in any, even remote way, was in connection with Mr. Bower's book, The Paperclip Conspiracy, indicated that I was one of the people in the State Department who was most in favor of pursuing what had been Mr. Roosevelt's policy of keeping well-known, very active Nazis out of the United States, both then and probably forever. And there was a program which was near and dear to the hearts of the United States Army people which was to bring German scientists, particularly rocket scientists, to the United States to help us in our rocket program. The Germans obviously had been well-advanced in the rocket program, way ahead of almost anybody else. And it wasn't Warner Von Brown(ph) and people like that, but they wanted to bring a lot more people in. That raised the question as to how many of these people you should bring into the United States, contrary to what had been the publicly stated policy, as I recall, of President Roosevelt, that, well, no Nazis, or active Nazis, were not going to get into the United States. I was a little more, a lot more perhaps, aggressive in the saying, we ought to have very, very strict standards of necessity and utility, bringing these people into the United States than the Army really wanted to adopt. As far as I could tell, back in those days, the Army officers, in Germany particularly, would go out and they would find somebody who'd swept the floor in the rocket establishment. They wanted to bring him to the United States on the grounds that he would contribute to the... our own effort to develop rocket technology. I had a little discussion about that, I wrote a

memorandum about it, as a matter of fact, one time, and I got into a dispute, which is in... accounted in Mr. Bower's book, with a very good friend of mine named Clare Wilcox(ph), for whom I worked, as a matter of fact, a little bit later, in trade matters. He was a very distinguished economist from Swarthmore and I'm sure he had not the slightest bit of anti-Semitism in him, not the slightest. But he thought that I was being a little too sensitive about the possibility that if you brought some of these Nazis into the United States they would contribute to what was then, to a certain extent, the latent anti-Semitism of certain people in the United States. I'd lived in New York when I was clerk for Gus Hand, and back in those days, there was a guy named Fritz Coon(ph) who was around, who was a well-known American Nazi. In any case, Wilcox and I got into a dispute which was reflected in a couple of memos back and forth in which Clare(ph) basically said he was just as anti-Nazi as I was but he didn't think that this was the... it was appropriate, we were trying to keep too many people out of the United States who would be useful, etcetera. And I had a little discussion by memorandum with him. The fact that it never really became personal was evidenced by the fact that sometime a little bit later, Clare Wilcox(ph) was the Deputy Chairman of our delegation to the International Trade Organization in 1947-48, and I was the legal advisor to that delegation. I was one of Clare's(ph) principal assistants if you can call it that, at that time. And he and I became very, very good friends. So I don't think that, well, that discussion took place largely, I think, because I had said that there were too many of these Nazis, or people who were likely to be Nazis, who were getting into the United States under color of necessity and I really wanted to have a very strict standard applied. I still remember, we sent somebody around to Vanovar Bush(ph) maybe we sent Vanovar Bush(ph) around to Mr. Conant(ph). I've forgotten which way it went. One of them was in the government...

Tape #1, Side B

A:One of them was in the government and one of them was not, as I recall. To explore the question of how many of these scientists really would contribute to our rocket technology if they were brought into the United States. And I do recall that, as we got back, was, well, you

could bring a few of these people in, not too terribly many of them, and you could get everything you needed out of them in a period of about six months. I'm not sure that that's entirely the case, because I suppose if somebody had developed something that really has been very good at one point, you can probably expect to get more things out of him as he went along, in the future. But, my recollection is that that was the reason for Mr. Bower's book, *The Paperclip Conspiracy*, basically.

Q: Right. The United States took what's, I understand, has been described as a very tough roll against the neutral countries. Can you describe the attitude, maybe even the position, of the State Department going into the Swiss negotiations in 1946. And I guess I need you to sort of lay the groundwork with the Paris Agreements the year before.

A: Well, I'll go back even before the Paris Agreement. The Potsdam(ph) Agreement, signed, basically, the assets in the neutral countries of German nationals, to the Western Allies with respect to reparation purposes. So that the theory was that we would take, the... we'd get reparations from the Germans, and not only from Germany itself, the occupied areas, but also from the areas where Germans had interests in the neutral countries. And the Paris Agreement decided on how those assets, how all of the reparations to be taken from Germany, would be divided up among all of the Western Allies. Because the only people present, the only countries present at the Potsdam Agreement, were the United States, Great Britain, and the Soviet Union. So, Paris had to do something about allocating the proceeds, allocating the amounts that would be given to the various Allied countries, whether they happened to be Belgium, Holland, or the United States, and so forth. The Paris Agreement also worked out a formula -- because even then we were concerned about refugees and the people who were left homeless, the persecutees and so forth -- had worked out an agreement that a portion of what was recovered would be allocated to what was then the Intergovernmental Committee for Refugees, and through the Intergovernmental Committee for Refugees primarily it was decided -- I'm not sure if this was in Paris or a little bit later --

to the Jewish Agency⁴ and the Joint Distribution Committee.⁵ [phone ringing] The machine will pick that up, I hope. In any case, the Paris Agreement was one in which we were allocating the proceeds of the reparations which were scheduled to come from Germany. Now, part of those proceeds, obviously, were the assets of German, of the German entities, and German individuals located in the neutral countries. And that laid the background for the negotiations with the Swiss and then later with the Swedes and the Spanish and the Portuguese and, even to a certain limited extent, with the Turks. Because we knew there were a lot of German assets located in Switzerland; Switzerland had been right there at the center of Europe, it was a financial center and so forth. And there was no question but that there were a lot of German assets in Switzerland. So we began these negotiations on the thesis that what we were after, in accordance with the Paris Reparation Agreements, the United States, Great Britain and France, as agents of all the other Allies, were to secure these assets which were located in the neutral countries and put them into the reparations pot, which would be administered eventually by the Interallied Reparations Agency, which had been established and which was functioning in Brussels. So, we began the negotiations with the Swiss, basically, on that thesis: That what we were doing was to look for the German assets in Switzerland and put them in the reparations pot. On the Swiss side, the negotiations, as I said a moment ago, were useful, if you want to put it that way, because what they were aiming for was to get rid of the freezing and the blocking which was the result of the proclaimed list of certain blocked nationals, the formal name for the blacklist. So that we had some incentive on both sides to go ahead and negotiate. On the Allied side, when we started the negotiations, before we actually got into the negotiations, we began to

⁴ Jewish Agency for Palestine was established in 1922 and recognized in Article 4 of the Palestine Mandate as a public body to advise and cooperate with the British administration of Palestine in economic, social and other matters that affected the establishment of the Jewish National Home.

⁵ American Joint Jewish Distribution Committee (JDC) was founded as a philanthropic agency in 1914 to aid Jews in need all over the world. It played an active role in rescuing Jewish refugees from Nazi Germany.

think about this, and if we were thinking about taking over the German assets in Switzerland, we began to worry about what are, quote, the "German assets in Switzerland." And at that point, maybe before, it was certainly on all of our minds, but articulating it, we began to say the formula, "The enemies...or our enemies... are our friends." And we were not going to take over the assets, even though they had originated from somebody in Berlin, if they belonged to a persecutee. That is, the assets of Mr. Hans Schmidt, a good German Nazi, which were located in Switzerland, were different from the assets of Mr. Chaim Cohen, who had died in Bergen-Belsen or in Auschwitz or in someplace like that. Equally a citizen, formerly a citizen of Berlin who had deposited assets in Switzerland. So, when we began the negotiations, we had basically these, the overall objective of securing the German assets in Switzerland, and the subsidiary, but not very subsidiary, deviation from that objective, of exempting and making sure that the persecutees got whatever they possibly could get out of that.

Q:How did you go about determining what those figures were?

A:Well, in the first place, we didn't determine what the figures were. The first thing we did, was to say in effect, "If there's a German asset, so-called German assets in Switzerland, and you identify it, and Mr. Cohen who used to be living in Berlin, comes over there and says, 'Hey, I was a persecutee, I survived Bergen-Belsen, here I am, I want my property back,' you, the Swiss, nobody else, takes that asset and puts it into the reparation pot." -- Just as we, in the United States, were returning the assets of persecutees who could turn up here and identify the assets. Even though they were, quote, in quotes, "German assets." We demanded that the Swiss do exactly the same. And as far as I know, there was never any objection to that on the part of the Swiss. And as far as I know, every German Jew who turned up in Switzerland and could identify his assets, got those assets back.

Q:Was that a significant number, do you have any idea how significant that number was?

A:I have no idea how many assets there were, but I assume there were a number of people, particularly perhaps, more from Germany than from the other occupied areas. Because the

Germans, in effect, had more notice. I mean, Hitler was there in 1932, '33, and it was a long time before the controls really fell into place, before the Final Solution was begun to be worked on and so forth. And the German Jews were likely to be more prosperous than the Hungarian or the Rumanian Jews, although there were a lot of prosperous Rumanian and Hungarian Jews, maybe even Bulgarians, and Polish. So, the German Jews had some notice and, despite the fact that there were controls which were enacted by the Germans, I'm sure there was a considerable period of time when those controls could be successfully evaded. So, I suspect, a large number of German Jews actually did get their money out of Switzerland [sic]. One way or another. Maybe before the war actually broke out, maybe even during the war. The amounts, I have not the slightest idea. Really. I don't think we ever tried to make any evaluation of how many German Jewish assets there were in Switzerland, say, in 1932, at the beginning of the war before things really began to get terrible. And so, we had no way of knowing how much would have been recovered by German Jews who came out. Whether the Swiss would have figures on somebody who turned up at the bank, and was able to identify the bank number, and was able to say, "I am the survivor," or, "I am actually the guy who put the money there and I want to get it back now." And how many of those people actually turned up and got their money out, that I just do not know. I don't know whether anybody knows it. Maybe some people do, maybe if you went back and did this kind of study that Mr. Volcker is doing, maybe you could go back through all those old records and you could find that people did actually turn up and did recover their assets. I'm sure that a large number of them did. That is not to say that a large number of them did not. But a large number of them did. As I say, I suspect in the case of the German Jews, it would have been more likely that they got the money out than the case of the Hungarians and the others who thought that, "Well, it's not going to come here," the Czechs or whatever, who thought, "We are going to be protected." I know there was a lot of people in, say, Austria, who had money in Switzerland, and who came out and then went back into Austria, because they thought that nothing was going to happen to them. But, in most of those cases, they had

their families out before they went back. We know a number of people would back and then, of course, they got caught.

Q: We're talking about individuals now. We're going into the negotiations, what about other assets in Swiss banks, especially the question of gold.

A: Well, the question of gold, there are two different questions there. If I can go back, the other assets you wanted to talk about, let me talk about the other assets. There were a lot of assets deposited in Switzerland by German, Hungarian, etcetera, Jews, everybody was putting their money in, whether it was Jewish or not. But the Jews had a particular reason and a lot of those assets were never claimed. Because the people died in concentration camps, not only they died, but all of their heirs and so forth died. Now, on those assets, those I take it are what we are talking about here, so far as these negotiations are concerned. There probably are still a substantial number of those around. Because the Swiss never did what I and a variety of other people urged them to do at the end of the war, do the kind of census that Mr. Volcker and his group are doing at the present time. It's very difficult, I think, to get any clear figures down to the last penny or Swiss franc or whatever, as to how many of these assets there were, and maybe you could never really identify all of them. But, because we discovered here in the United States when we tried to do a similar thing, it was very, very difficult to identify heirless assets. Just by names and things like that. But, to a certain extent, a lot of those assets did exist in Germany, and they could have had a census. Perhaps not as elaborate as the one which is being conducted now because it would have been timelier then. Now, Mr. Volcker has to go back over all these years and check back records. And banks have disappeared, and accounts have been transferred, etcetera, etcetera. Then, that was not the case; they could have done a census and, while I don't think they would have been able to identify every heirless asset, particularly since names are ambiguous, as we discovered here in the United States. The name Burger might be Warren Burger(ph) of the Supreme Court, it might be my friend, Raul(ph) Burger, who is Jewish. And this Warren Burger is not Jewish. Burger is a good German name, it just means an inhabitant of the city.

But, in any case, we would not have gotten down to the last penny, but they could have done something at that time. Now, I think that they are going back, and to a certain extent, I think Mr. Volcker and his group, and maybe even the Swiss group which is doing some different kind of survey, will be able to locate some of these, the assets. So, what we were talking about in the negotiations, also were these heirless assets and we were trying to insist, we did insist, that the heirless assets be put in the hands of somebody. Question: Who is that somebody? Well, if a German Jew came out and he identified the asset as being his own, he got it back. That we settled from the very beginning. If he were not alive and neither was anybody else who survived him, the question is: What happens to those German Jewish assets which are, in a true sense, heirless? And there, all we could get out of the Swiss was a statement of sympathetic consideration. They would give consideration, sympathetic consideration, to the desirability of identifying those assets and making them available to one of the relief organizations. The relief organization we had in mind at the moment, was the Intergovernmental Committee for Refugees, which was succeeded by the IRO, the International Refugee Organization. And both of those used, as a operating agency, the Joint Distribution Committee and the Jewish Agency for Palestine, I guess it was at the time. So, that was the situation with respect to heirless assets and the negotiations, as I say, came to a conclusion, not a very satisfactory conclusion on that basis, with the Swiss saying they would give sympathetic consideration to doing something about this, but without any firm commitment on their side. I think they regret now not having given us a firm commitment, and I regret it very much, and people who might have benefited from these assets would regret it, I suppose, most of all. So that was the situation with respect to the heirless assets. And we've been negotiating, fighting, doing something about them almost ever since. In my own case... and, I left the State Department in 1948, and I became... I went into the private practice of law, but one of my principal clients was a foreign relations aspect of the

American Jewish Committee,⁶ and I worked on their behalf a very, very... a lot of hours, anyway. And did a lot of things in connection with Jewish claims. And one of the things I did was to continue to pursue this business of the heirless assets in Switzerland, so that sometime, I think, in 1951, I was in, actually went to Switzerland and had a meeting with the American Legation as it still was then, the Embassy, and we went over to the Swiss Foreign Office or the Ministry of Justice, I've forgotten which, to talk about this issue. And had a rather frustrating meeting over then, over in that office. I think that was 1951. I would have to take a look at the record to make sure. So much for heirless assets at that time.

Q:At the end of those negotiations, can you remember how you felt about the conclusion that you had reached? Was it, did you feel at the time that it was... given the situation, that it was satisfactory, that you'd done what you could do? I mean, I know this is 20/20, we all have 20/20 hindsight.

A:Forty years later.

Q:No, I mean, 20/20 hindsight.

A:Oh, 20/20 hindsight, oh.

Q:Yeah, it's 40 years later, but can you recall what you were thinking at the time when those negotiations finished?

A:Sure. I remember very, very well. I was not very happy with the conclusion of the negotiations, particularly on this question of heirless assets. We thought we had achieved pretty much what we were able to achieve and what we could achieve in connection with the general reclaiming of German assets for the reparations pot. Even there, there were problems, because, basically what we did, in the end, was to say to the Swiss, "Okay, you're, you will identify all the German assets. Now, I'm talking about German assets, excluding the Jewish

⁶ "The American Jewish Committee was founded in 1906 as a Jewish defense organization in reaction to anti-Jewish pogroms in Tzarist Russia. During Nazi era: Urged the United States to intervene on behalf of the persecuted Jews of Europe. Post-war: Concerned with restitution, resettlement, reparations, indemnification, and immigration to the United States." (Source: *Archives of the Holocaust*, v. 17, Introduction by Frederick Bogin.)

ones, but, you will identify all the German assets in Switzerland and you will liquidate, under the supervision of something called the Swiss Compensation Office, all of those assets. And then, what you will do with the proceeds, you will turn 50 percent of those over to the Allies to put into the pot of the Interallied Reparation Agency, and the other 50 percent you will retain for your own claims against Germany." -- Because the Swiss were arguing that they had a lot of claims against Germany themselves and so forth. And all of these German assets in Switzerland should not go to somebody else, they should go to the Swiss claimants who had perfectly legitimate claims against Switzerland [sic]. Now, the question of whether it was a 50/50 split, whether that was fair or not, I never thought that that should have been quite that way. I always thought we should have had 60 percent, or 70 percent, or... if not 100 percent, but that was not really satisfactory, but it seemed to me, and I think it seemed to everybody else there, the best we could do with the Swiss. The only weapon we had at the time was the continued existence of the blacklist. And that was a very fragile weapon at the time. People don't remember that, but nobody really wanted to continue the blacklist in the period 1946, '47 on, we were normalizing all of our relations. And, in point of fact, even in Germany, the attitude -- for Germany, I should say -- the attitude was changing a great deal. You had, at one point in '43, '44, '45, the Morgenthau⁷ Plan on the one side, which would say, well, let's reduce Germany to an agrarian state. And then you had, after we came in and we were occupying Germany, the views of people like General Clay and others, who said, well, the only way in which this economy can survive and which can prevent starvation, is if they go back to being an industrial nation, which they were before. And, in the end, of course, the United States put a tremendous amount of money into Germany instead of taking it out. So, there was a certain attitude on their part, that we couldn't keep the proclaimed list in existence very much longer. And I still

⁷ Henry Morgenthau, Secretary of the Treasury.

remember, we went up on the Hill,⁸ I can't remember exactly which Senator we saw, but one of the relevant Senators at the time, and told him about the deal we were working on at the time, and he said, well, that's probably the best you can do, why don't you accept the deal, and let it go at that. So, on that side, we were reasonably satisfied, but not entirely satisfied. On the side of the heirless assets, I never was very satisfied with it. But, I couldn't see what else we were going to be able to do because the pressure on us to bring these negotiations to an end was very strong. The United States, I think, was stronger on this than anybody else, including the British. The British were on our side, but they always had problems about re-establishing their relations with Switzerland, with the Swiss banking system, and the French...

Q: They were afraid of alienating the Swiss? What was, can you... I know you were very much involved in discussions with the British. Can you go into more detail about that?

A: The British wanted to re-establish normal relations with the Swiss. The Swiss had been a neutral country. The British lawyers had, perhaps, the same attitude that a lot of American international lawyers had, except that that seemed to me to be a little stronger in the Foreign Office there than it was in the State Department here, maybe because I and a couple of other people like myself were in the State Department, but, basically, the attitude was that the neutrals had a perfectly good right to deal with whoever they were going to deal with. That, basically, is the essence of neutrality. And to a certain extent, that is a policy which had been established by the United States way back in the 1800's when we enacted the Neutrality Act. We were able to deal with the French when the British thought we shouldn't be dealing with the French in the French-British wars. But, in any case, we were very strong on this subject of not dealing with the Germans and, basically, we had no particular strength in retaining the proclaimed list. So we came to the conclusion that we might as well, the best thing we could do would be to conclude the agreements on the basis we did, which gave us the money we

⁸ Capitol Hill.

wanted, pretty much, so far as German assets, strictly German assets were concerned. Which gave us a statement that they would look sympathetically at the whole business of heirless assets. And we thought we could probably work out something on that and we would be able to get them to do a census so that we would be able to find out what the heirless assets were, and so that we could take those assets and turn them over to the Intergovernmental Committee for Refugees. And that's where we were when we came to a conclusion. Satisfactory? No, this interview which was done with me in the Post, I thought it was a pretty good and fair story, a lot of my friends have told me that I shouldn't be too unhappy because I expressed a view that maybe we could have done better. Well, I've never been in a negotiation, almost never been in a negotiation, where I thought I had done the absolute best that I possibly could at the beginning of negotiation. And I am not now, and was not then, unhappy with what we came out with. I thought it was a reasonably satisfactory conclusion. But, not completely satisfactory.

Q:Let's talk also about the issue of gold which we skipped over.

A:Okay, looted gold, I'll get back to that. There, you have to make a distinction with respect to the question of looted gold. The main body of looted gold that we were talking about back in those days when we started negotiating with the Swiss and with the others, the Portuguese as well, was the gold which was stolen by the Germans out of the Central Bank depositories. You have to know that the large amount of gold that was on deposit in Belgium, in Brussels, was moved to Switzerland, and maybe down to Dakar(ph) and re-smelted and so forth. But that was Belgian government Central Bank gold. And what we were then making sure of, trying to make sure of basically, was that the gold which was stolen by the Germans out of every Central Bank depository, which was basically where gold was kept, was restituted at the end and that's the gold which we have, basically, gotten back. To the extent of about 60 or 70 or maybe even 80 percent of it. That is the gold which, basically, has been distributed by the International Gold Commission, a tripartite commission on gold, which is more or less affiliated with the institutions in Brussels, and which as been restored, a part of which

has been restored even fairly recently, to the Albanians, who lost gold from their central depositories and so forth. That is one aspect. That's the major part of the, quote, the "looted gold" that went to Germany and which was used by the Germans for their own purposes. The second part of the looted gold, was the gold which was taken out of the teeth of concentration camp victims, the gold bracelets that came off the wrists of women, etcetera, etcetera. And in that particular category of quote, "looted gold," unquote, we generally included looted gold and other assets because, in that same general category, we're talking about paintings, valuable silverware, etcetera, etcetera. All the valuables, the personal valuables that people would have. Now, a certain amount of that, going back strictly to the gold, was looted by the gold... looted by the Germans, and melted down by them, and used by them for their own wartime purposes. I hesitate a little bit when I say "wartime purposes," because I am reasonably convinced without having any particular proof of it, that a substantial amount of that went into the pockets of the individuals, the individual Germans who were there in the concentration camps, the guards, etcetera, etcetera, the people who had control of it, and so forth. The Germans were pretty good at keeping track of things like this because they didn't want the guards to be profiting instead of the authorities back in Berlin, but I'm sure that, since in almost every other case there's been some individual looting, there probably would have been a considerable amount of individual looting in this particular case. So, some of that, though, may have disappeared into the pockets of the guards, etcetera. But a large amount of that gold went back to smelting establishments in Germany and was smelted down. And then, probably, having been smelted, had the Reichsbank stamps put on it. And, all in all, probability, the Reichsbank stamps dated back five or ten years or something like that so that it looked just like gold that had been in the Reichsbank Central Bank depositories for years. Now, the Swiss knew at the beginning of the war, approximately how much gold reserves the German central bank did have. And they know that during the course of the war, more gold went through Switzerland than was in those depositories at the beginning. So, everybody there, I think, has been conscious of

the fact that a large part of that gold had to be looted in one sense or the other. In the sense of having come from the central bank depositories of the, what should have been Belgian gold, or Albanian gold, or French gold or something like that, Central Bank gold, and on the other side, gold that came out of the concentration camps or out of just stealing the stuff from the Jews who had not been put into a concentration camp, but whose homes were looted. So, that gold has been a substantial part of the discussion. The question of what actually happened with respect to the gold that passed through Switzerland, or came into Switzerland, is, I think, one that maybe Mr. Volcker⁹ and others will be able to find out more clearly about. A large part of that gold, I think, was just transferred back, transferred by the Germans, converted into Swiss francs, and the Swiss francs were used by the Germans to purchase whatever it was they wanted to purchase, war materials in the first place, or something else. Some of that gold probably remained in Switzerland. How much remained in Switzerland, I do not know. I don't, I doubt that very much of it did remain in Switzerland, because I think it had all been used, to the extent that it possibly could be used. We did work out an agreement with the Swiss in which they would make a payment on account of looted gold to the International, the Tripartite Gold Commission. And a payment of that sort was made. Beyond that, I don't know. How much of this gold can be identified as having come from the people who were in the concentration camps and how much their claims, therefore, should be, I do not know. I notice in the newspapers, there was some complaint about the fact that the amount of money that's still in the Federal Reserve in New York, under the control of the Tripartite Gold Commission, some payments were being made to governments, like the Albanian government, rather than to individuals. Since the governments got back less than, a lot less than 100% of what was looted from them, I'm not sure that that's a legitimate complaint. I think the governments are entitled to get their gold back. How much of the gold that came out of teeth, etcetera, etcetera, actually went into

⁹ Paul Volcker.

Switzerland, one does not really know. It may be, as people now tell me, nobody told me at the time, that one could identify the gold that came out of bracelets and teeth and so forth, as having had that kind of origin. Because that gold has in it, elements which are not found in the gold which comes out of a mine, which is then smelted and cast into a monetary bar. But, on this, I really have very little knowledge.

Q: Could you talk about the negotiations themselves? You mentioned to me when we spoke last week, the names of some of the Swiss negotiating team, the tenor of the meetings. It went on, the meetings went on for two months, I guess.

A: Went on for about two months, yes.

Q: Here in Washington.

A: Yes.

Q: Can you talk about some of those sort of aspects of the talks?

Tape #2, Side A

Q: Could you talk about the, the negotiations themselves? You mentioned to me when we spoke last week, the names of some of the Swiss negotiating team, the tenor of the meetings. It went on for two...the meetings went on for two months, I guess.

A: Went on for about two months, yes.

Q: Here in Washington.

A: Yes.

Q: Can you talk about some of those sort of aspects of the, of the talks?

A: Sure. Well, the, the, the Swiss negotiations were, as I said, the first negotiations we went on. Later was the Swedish negotiations here in, in, in Washington, there was a substantial contrast, in the tone, really, of the two. But to talk about the Swiss, the Swiss delegation was headed by Walter Stucki, who was a very eminent Swiss ambassador. I've forgotten what other posts he held but he was a pretty high dignitary¹⁰ so far as the Swiss government was

¹⁰ Walter Stucki was a senior official at the Swiss Political Department. (See Nicholas Faith, *Safety in Numbers: The Mysterious World of Swiss Banking*, pg. 140.)

concerned. I think he had been the Swiss ambassador to Vichy France, as a matter of fact. And he headed the delegation. He was a tall, stern, balding fellow and rather severe in appearance, I would say, and a little remote in tone, in tone and so forth. The second man on the Swiss delegation, as far as I can recall, was a fellow named Rappard, who was a very pleasant, genial, very distinguished Swiss international lawyer whose name is commemorated in the Rappard Institute in Geneva at the present time which is one of the world's leading institutions in the field of the study of international law. And he was one of the people with whom I dealt most extensively because I have a legal background and he was a lawyer and so forth. Other members to the delegation I don't remember too well. There apparently was a fellow named Heerch(ph) or Hersh(ph) or something like that, whom I must say I can't recall at all. There was another member, the junior member of the delegation, named Geeterom(ph). Gee, his last name was Durham, D-U-R-H-A-M, who I think is no longer in existence but may be, and my recollection is that there was another fellow who was also around in the background, sort of, named Paul Jolles, J-O-L-L-E-S, who I think in later years was a rather distinguished Swiss government official in the field of international trade, which is the field that I followed in years later, myself. The member of the Swiss delegation, I think, was a fellow named Ernst Shtayburger(ph), who was here in the Swiss legation at the time and who became a very good friend of mine in years thereafter. Wrote some pieces when he was in private life in, in Switzerland about the fact that there had been a lot of cloaking in, in Switzerland. And...

Q:Cloaking is?

A:Cloaking in the sense of Swiss using their names to disguise the fact that a particular asset was really a German asset. For example, the biggest case, which was one, one that causes a lot of difficulty and which you find a lot about in the records of the Justice Department here and so forth, was the IG Chemie case. IG Chemie was a Swiss corporation. It was accused by us and by others of being a cloak for I.G. Farben. And the holdings in the United States of IG Chemie included General Dyestuff(ph) Corporation which was a very large aspect that

closely connected with General Aniline and Film, which again, was a very large company which rivaled Kodak at one time. But General Aniline Film and General Dyestuff were American corporations, presumably owned by IG Chemie. Our, our, our argument was that IG Chemie was really a cloak for IG Farben. And that's what I mean by cloaking. There were many cases, much less dramatic than that, much smaller than that, in which an asset owned by Mr., we'll say, Mr. Hans Schmidt, use that name I always use, in New York was held in the name of Mr. John Jones, or whatever his name could have been, well, it was cloaking. And that was the case, of course also, in, in a number of situations in Latin America, where companies were...perfectly non-German companies were accused of being cloaks for the German, real owners, of the property.

Q:And Durham had written, you said, written extensively about this?

A:No, Durham, Durham had never written, as far as I know, anything about it. He was a junior member of the, William Rappard(ph), I'm not sure how much he had written about the subject, I wrote a lot more than he did on there...and a fellow named Borchard(ph) here in the United States, who was a professor of law at Yale, had written quite a bit about the subject, the general subject of whether it was possible to take enemy private assets and use them for reparations purposes, basically, that was the issue. But Rappard was the, the eminent international lawyer on the, on the Swiss delegation, so that when we were talking about heirless assets and the utilization of German assets in Switzerland, private German assets in Switzerland, for, for reparations purposes, for payment of the reparation claims of the Allies, it would be Rappard who would talk about the general rules of international law which protected the enemy private assets, and I keep emphasizing private, in the neutral countries, or indeed, in hostile countries. Because Borchard here and Paul, I think his first name was Paul, maybe not, but Professor Borchard at Yale wrote articles which are on file now which said that, under the rules of international law, the assets of enemy private individuals were, in effect, sacrosanct and could not be confiscated, even by their enemies. That is, the United States would be allowed, under his theory, to take over the assets in the

United States belonging to the German government or maybe to semi-governmental corporations, if there were such. But if there was a private individual in Germany, who had a bank account in New York, that bank account could not be taken by the United States government and used for reparation payments or war claim payments in the United States. Because under international law, it was a private asset of an enemy national. That is one of the big arguments which you can find...my articles on that subject and Professor Borchard's(ph) article on the subject and the article...sort of takes a position closer to Borchard(ph), but somewhat intermediate, written by a fellow named Otto(ph) Summerick(ph)...Otto Summerick was a lawyer in New York City of German background, but those three articles are in a publication put out by the Duke University Law School entitled, "Law and Contemporary Problems," and I think it's the issue, maybe the summer of 1952, something like that.

Q:What about the American delegation, aside from yourself. Can you talk about who else was there?

A:Well, the American delegation for the negotiation of the Swiss was headed by Randolph Paul. Randolph Paul was a very, very distinguished, had been a very distinguished tax lawyer, he had been the general counsel of the Treasury Department during a good part of the war years. And he was one of the people who participated in the formulation of the negotiations with the Swiss and so forth. He headed the United States delegation. I was his deputy. I was in the State Department, and...I'm not sure whether it was then still called the Foreign Funds Control Division or whether it was called the, let's see, one moment while I think about that. I think it was the Division of Enemy Property Controls. Enemy Property Controls, I think, was the name of the division. But, there was a transition in the State Department from Foreign Funds Control to Enemy Property Controls and I moved from being in the Foreign Funds Control Division to being the chief of the Division of Enemy Property Controls and then we expanded that division and took charge of, basically, of post-war negotiations on enemy property matters in both, on both sides of the ocean, Japan, Korea, and Germany,

Austria. I became the Deputy Director of the Division...of the Office of Enemy Economic Warfare, Economic Controls. In any case, I was on the delegation as Mr. Paul's deputy. On the delegation was a fellow named Orvis Schmidt who was, you would have to get his title from somebody else, but he was in the, basically, the Office of Foreign Funds Control of the Treasury Department. And I'm not sure whether he was actually on the delegation or not, but there was a fellow who took an active part of it named John Pailey(ph), who was Mr. Schmidt's boss in the Treasury Department. There were a couple of other people who were very actively engaged in it. And I really can't remember how many people were actually on the, on the delegation. I think my deputy, Walter Surrey(ph), was actually on the delegation. And in the Treasury Department, probably, a fellow named Joe Duboy(ph), Doobwah(ph), Dooboise(ph), D-U-B-O-I-S, was, was on it. And a...very actively on the delegation was a fellow named James Mann(ph), who was later in the American legation in Berne as a Treasury Department representative in Berne, Switzerland, and he was very active in all this. He and Orvis Schmidt were probably the ones who dealt the most with the issues of looted gold because that was an issue which seemed peculiarly to fall in the hands of the Treasury Department rather than the State Department. And that pretty much made up the American, American delegation. Randolph Paul was the head of the delegation and very active.

Q:Is it true, as far as you know, that you're the only person of that delegation that survives?

A:I was the only person what?

Q:You're the only person surviving?

A:I am the, I am the only one of the negotiators in these negotiations who is surviving in the sense that I was the head of the negotiation in all, all four of these negotiations and so far as the Swiss, so far as the Swiss, French, British and so forth, I'm the only one. Randolph Paul is dead, so I'm the...the other people on the American delegation and the Swiss thing, well, Jim Mann is dead, Randolph, well Randolph is dead, Walter Surrey is dead. I can't think of anybody else on the delegation who has survived. There is one other person who is alive who knows a good deal, deal about this and that is Morton Bock(ph), whose name I may

have mentioned before, who's living up here in Washington, not far away from where I am now, who's still a good friend of mine. He's ten years older than I am, so, it gives me hope that I'll be able to go on for a little while longer anyway. And he was around in, probably in the Treasury Department, at the time of these negotiations. I have a difficulty remembering whether Mort was actually in the Treasury Department. I guess he was in the Treasury Department, maybe during the negotiations. He may have actually gone over to the American Legation in Berne at the time, but he probably would have come back for the negotiations if he had been over there. But I, I, I know about Mort very well, but I can't remember really whether he sat in on these negotiations or not.

Q:And something about the tone of the negotiations. You mentioned that Mr. Stucki was very stern and somewhat distant person, but did that set the tone for the negotiations?

A:Yes, it did. The negotiations were not very, not very friendly except for the fact that I became very friendly with a few of the people afterward, like Shtayburger(ph), who was a wonderful guy and who was not as stern as that. But Stucki was a rather stiff, you might call middle European bureaucrat, diplomat. And he took very strongly the, the, the Swiss line that there was no entitlement on the part of the Allies to any of these German assets in Switzerland, let alone the heirless assets. And, that was the line which he took very, very strongly. I might deviate a little bit here to say that, that same line, basically, was taken by a very different person whose name was Emil Sandström, who was head of the Swedish delegation. Sandström had been a justice of the Supreme Court of Sweden, he was the head of the League of Red Cross Societies,¹¹ he was a wonderful, wonderful, man. And he, as a lawyer and as a Swede, took the same line, that the Allies were not entitled to the German private assets in, in, in Sweden. But the Swedish attitude was, okay, fellas, we don't think you're entitled to these things, but we think we should be making some kind of contribution, not

¹¹ Perhaps Mr. Rubin is referring to the International Committee of the Red Cross (ICRC). This was the umbrella organization of all of the regional Red Cross offices. (See Jacques Picard, *Switzerland and the Assets of the Missing Victims of the Nazis*. Bank Julius Baer: 1993.)

only to, to the Allied reparations finances, but also to the refugees. They had taken in a lot of refugees, of course, during the war and, basically, what we'll do, a calculation. How much you think you'll be entitled to and we'll make that available as a pro bono gift. So we give it to you as a gift, you take it as your due, whatever the theory, the money gets over there. And then we don't have to argue about the law of the, the international law with respect to enemy private property, enemy private property. So that, that, that the negotiations with the Swedes went swimmingly and very...on a very friendly basis. With the Swiss, they were stiff and Stucki, having said you're not entitled to anything, for quite awhile, went back to Switzerland for further consultation, then he came back here and pretty much reiterated the same point. And then I suppose I made, well, somebody's described me as having made a moral argument, which may or may not have had some kind of effect, that not only are we entitled to this legally, but there's a moral obligation on the part of Switzerland because Switzerland, well, they allegedly armed themselves to resist any aggression if it should come and did not bear any of the real costs of the war and all sorts of other people did. And we arrived at the conclusion.

Q:Do you remember delivering that opinion in...

A:Oh, I remember saying it in one of the meetings, yes. Yes. I don't remember whether I put it in writing or not.

Q:Do you remember the response, do you remember...

A:Oh, the response was one of well, maybe, or something. It was not a very...it was not yes, you've convinced us and here you are with the money. But in the end, they went back and they did come back with a proposal, as I say, which was not as satisfactory as I would have liked it to be, but it was better than saying get out of our hair, we're not going to give you a nickel.

Q:How important do you think was your argument in turning them around?

A:My moral argument?

Q:Honestly, I mean...

A:Honestly, I think it had some effect. I think it had some effect. I think that it may have had some effect, more because they began to think a little bit about the public relations aspect than, than any other aspect of it. It may be, and I do not condemn Mr. Stucki as being a Nazi, I don't think he was, he was a very stern, stiff Swiss diplomat. But I have sort of a feeling, and he was you know, sympathetic in the sense of what had been going on, but I suspect that basically, what he began to think about was the possibility that there not only was a plausible legal argument which they continued to deny, but I am convinced that my rhetoric was sufficiently good, my logic sufficiently good and my demonstration sufficiently good so that maybe I inculcated a few doubts even in the mind of people like Professor Borchard(ph) up at Yale. And I think maybe I did the same thing with Mr. Stucki and maybe with...and certainly with Mr. Rappard(ph). But then I think also, the moral argument appealed to them in a sense because maybe there was... it had some effect as a moral argument and more because it had an effect as an argument they thought about as a possibility of public relations. What's going to happen if the Allies really come forward with this and they say that on, on a moral basis, the Swiss have been bastards. That, I think, probably had some effect. How much effect, I do not know. I ain't no psychologist.

Q:Yeah, but they also had a tremendous interest in furthering their position as an international center of finance in the future, so they...that's what you...

A:Oh yes, I'm sure, I'm sure that the fact that these arguments were being made on a moral basis, etcetera, had a, had a considerable effect. They're thinking about their future relations. The British, on their side, were thinking about being a little more lenient, I think, than the Americans were, partially because they wanted to re-establish financial relations with the Swiss, and I have no doubt that the Swiss wanted to re-establish financial relations with everybody. That, of course, was one of the reasons why they were so insistent and so they were so anxious about getting rid of the proclaimed list, getting rid of the blacklist.

Q:And was the, the elimination of the blacklist a direct point of negotiation? Was, was that something that you all as members of that delegation had control over?

A:Oh, yes, yes. That was central to the negotiations, of course. The Swiss were saying, one of the things we have to have is the elimination of the blacklist. And we were saying, you don't get that until we get this agreement. And then we said, as soon as you get the agreement...I think, I'm trying to think whether we said as soon as you get the agreement or as soon as the agreement is implemented, you get rid of the blacklist. To my shame, I really can't remember which one we said. I think probably we said something about implementation.

Q:Because they had to go back and have, this...agreement had to be ratified by their parliament.

A:It had to be ratified by their Parliament, that's right, that's right. And I remember, and this is in the comments which I made...the article I wrote about the Swedish agreement, I, I pointed out that the Swedish agreement was implemented very, very...almost immediately, if not immediately.

Q:It was June when the parliament agreed, but I gather that their discussions were extremely contentious in the Swiss Parliament.

A:I'm sure that they were.

Q: Yeah, yeah. *The Washington Post* reporter, David Ottoway(ph), mentioned in his piece this fall about you, that, at the time of those agreements, there was very little attention paid to, to what was happening here. There were so many other things going in the news, that even the *New York Times* barely mentioned the fact that the, that an agreement had been reached. In retrospect, was that a...was it helpful to the negotiation or did that harm the negotiation in any way?

A:Well, I wouldn't say it harmed the negotiation. It certainly didn't help them. I mean, it would have helped, I think, had there been a little more publicity about what was going on. As, the point I made a little while ago, which was that one of the reasons why I think the Swiss came to the conclusion that they did at the very end, perhaps inadequate as that was, was that, the fear of publicity. And publicity here would have, I think, pushed them a little bit

further on. They had a very competent ambassador here in town, Mr. Bruggemann, and my recollection is that we talked with him and he was very anxious to have this agreement concluded. I'm, I'm not...I don't recall very much that, that, that he took any part in the negotiations but I do have a very strong feeling that he was anxious to get this thing over with and he probably back home was pushing Mr. Stucki quite a bit, back home in the embassy here, the liaison. He was married, incidentally, to a lady who had been an American, who maybe still was an American, who was Henry Wallace's¹² sister, who was apparently, allegedly, the only non-native born Swiss who ever spoke Schweizerdeutsch(ph) perfectly.

Q:Do you, do you recall President Truman ever expressing any opinion about the course of these negotiations, directly?

A:I do not recall that we ever got to see Mr. Truman, that I...I don't recall any particular expression from him. I was reasonably sure that we had his support in the White House. Back in those days, you sort of stuck around where you were. You didn't go through back channels as much as they do at the present time and, and I didn't have any back channels at the White House anyway. Even Randolph, Randolph Paul, I, I, I doubt that he ever saw Mr. Truman about this. But, you know, the thesis was, when we began the negotiations, we knew what we wanted and we never had any lack of support. Now if we'd, if we'd perhaps said to the White House, why don't you go to see the, why don't you call in the ambassador¹³ and tell the ambassador in, here sitting in the Oval Office, that if they don't do something, we're going to be in, they're going to be in very bad shape. Maybe we should have done that, we never thought about doing it, as far as I know. And I don't think that Randolph Paul ever thought about doing it either.

¹² Henry Wallace, Vice President of the United States in 1941.

¹³ United States Ambassador to Switzerland at this time was Leland Harrison.

Q: Let me just check and see how I'm doing here for time. I'm in a position here where I don't know what I don't know. So I'm going to...I'm relying on you to help me fill in, you know, points that I should be asking or should ask differently. I think I'd like to go, if we've, if we've covered this, to go on a little bit to your work in the Hague Agreements, just to mention it and what your role was. But...or do you think it's worth talking more about this Swedish and the Portuguese and what other negotiations were you involved in, in a general way?

A: Well, I might talk a little bit about the Swedish negotiations just because it, it does form a very big contrast to the Swiss. And there's an article in, in one of the Swiss newspapers, the Swiss interviewed me a little while ago and there's an article which...have you seen that?

Q: No, no.

A: ...which says, difficult Swiss, amiable Swedes, something like that, about the...

Q: Okay, okay, should we do that? Do you think that...

A: If you like, I don't know whether this is relevant to this oral history or not, you know, I was very much involved in the negotiations with the Hague and, and that sort of thing. I think to a certain extent, but let me talk a little bit about the, the, the restitution process, the Jewish Restitution Successor Organization¹⁴ because that is very much involved here and people are saying that the Jews didn't get what they should and...

(Pause on tape)

Q: Okay. Here we are back, okay.

A: I think what I would like to mention, briefly, I've only read two things, really. One is the question of the contrast between the Swiss and the Swedish negotiations. In both cases, we were looking for pretty much the same thing. We were looking for the German assets in the two countries, to take for reparation purposes. We were looking for restitution of looted gold, if there were any looted gold there, and we were looking for some kind of claims with respect

¹⁴ Jewish Restitution Successor Organization (JRSO): Based in New York, JRSO was organized by various Jewish philanthropic organizations to handle restitution issues.

to the persecutees. In neither case, did we have any problem with respect to individual claims of people who had come in and identified their property. There never was any, any issue about that. So far as the Swedes were concerned, they also made a contribution so far as the Intergovernmental Committee for Refugees¹⁵ was concerned. But so for the difference between the two negotiations, was that the Swiss were very, very sticky so far as the legal aspects were concerned. Maybe legitimately, I don't know. There still are people who argue that enemy private property is, is sacrosanct and maybe not. And they also were very difficult with respect to the one aspect, that I think is very important, the question of identification of, of heirless assets in, in Switzerland. In that particular case, it seems to me, they could very well at that particular point, have done basically what Paul Volcker is doing at the present time, with much less trouble than Mr. Volcker is having to go through: identify, if not 100 percent of the heirless assets, at least 95 percent or 85 percent or something like that, and restituted those to an, a successor organization like the Jewish Restitution Successor Organization which was operating very successfully back in those days, and right across the border in Germany. On the Jewish Restitution Successor Organization, I think it's important to note, in connection with the, the possible, their possible role in, in Switzerland, their possible role as a successful organization in Switzerland, that they did exactly that in the American Zone of Germany, very, very successfully. The JRSO did obtain a tremendous amount of, of property in Germany which had been looted from Jews and so forth, and that was, was properly restituted, etcetera. They also were able to participate in the negotiations with the Germans on, perhaps, the larger issue of the, of restitution of jobs, of taking care of people who had been in concentration camps and giving them some kind of compensation, inadequate, obviously, as monetary compensation ever would be for that kind of thing. They still were able to get people some

¹⁵ Intergovernmental Committee for Refugees (IGCR): "A body formed in 1938 to manage a solution to the problem of Jewish refugees. Switzerland was reluctant to involve itself with this body." (Source: Jacques Picard, *Switzerland and the Assets of the Missing Victims of the Nazis*.)

kind of compensation for the loss of career, the loss of jobs, etcetera, etcetera, etcetera. So the JRSO could have been a very, very effective operating agency here. On the question of heirless assets, they could have, I think, helped a great deal, and I am not minimizing the difficulty of identification of heirless assets, even in Switzerland. We had the same problem here in the United States. We had property in the United States which was vested by the Alien Property Custodian, on the grounds that it had come from Germany. And there was no way of telling whether that property coming from Germany had been the property of a Jew, who died in Bergen-Belsen or wherever, or had been the property of Mr. Goering,¹⁶ except by taking a look at the names. If you didn't have the names, basically all you knew, was that the account had been established by somebody in Germany and if the name was ambiguous and so forth, you didn't really know. We claim, we, the JSRO in the United States, claim that there should be about three million dollars on our best estimate, and that was an estimate made on the very, very crude business of taking a look at names and lists and things like that, in the assets which had been vested by the Alien Property Custodian and which were being turned over to the War Claims Commission here in the United States to pay United States war claims. Negotiations in the United States resulted in our first coming down to a figure of three million dollars as the amount of money which we thought would be adequate for this particular vested, vested asset, amount of heirless assets. Then that had to be reduced, because the War Claims Commission and others would refuse to accept it, to one million, and in the end, we had the Congress pass legislation which gave to the JRSO, only half a million dollars. Which indicates the difficulty of having, of identifying heirless assets even in a situation where you have the entire forces of the government trying to work with you. So, I think that perhaps the situation in, in Switzerland is, in a sense, understandable. I'm not sure how much there will be located in the way of heirless assets,

¹⁶ Reichs Air Minister and Economic Tzar: Responsible for huge amounts of looted art which he funneled into Nazi Germany's national collections as well as his own collections. (See Klaus Fischer, *Nazi Germany*, Continuum: New York 1995.)

particularly in view of all of these other factors. But the assets should have been restituted to the, restored to the Jewish Restitution Successor Organization back in those days. It should have been made available in those days to the, either the Joint Distribution Committee or the Jewish Agency, and should have gone for purposes of relief which would have been much more relevant back then than, than they are at the present time. I say it would have been more relevant back then than they are at the present time, because even though I'm conscious of the fact that there are a number of people who are still impoverished here in the United States, I can not really believe that...

Tape #2, Side B

A:...people who are still impoverished here in the United States, I can not really believe that these assets would be, if they went into this, this kind of account, very, very significant in terms of the total amounts that have been made available to the persecutees. The total amounts made available to persecutees come, basically, out of all sorts of sources, but I, I think, primarily, out of the sources that came from Germany in connection with the Hague negotiations, which, at Vassanar(ph) in which I participated in 1952 and '53, where we negotiated on behalf of both the government of Israel on the one side and the Conference on Jewish Material Claims Against Germany on the other side, as the two Jewish organizations, negotiated, negotiated there. And then the government of Israel was represented on its own behalf and then, of course, the Germans, represented by, very largely by a, a first class gentleman named Boehm(ph), I can't remember his first name, B-O-E-H-M, who was a wonderful, wonderful guy. And we did negotiate there, and there have been negotiations which have been going on ever since, and there has been a lot of money which has been paid into various accounts which, I think, has gone to recompense persecutees and their survivors, etcetera. I'm not saying, as I say, that the people who survived and the heirs and so forth, are not entitled. They're very much entitled to everything that they, they could possibly get. Certainly, they're entitled, if they can establish claims, to the property which was left by one of their own ancestors. And certainly, also, they're entitled to whatever

amount may come into the pot which goes into a pot of heirless assets, basically. But that amount that's going to go into the heirless asset pot is going to be minuscule compared to the amounts which have already gone in and so forth. And that, I think, is probably true even with respect to looted gold. There may be some looted gold which should be recovered, which has come out of the concentration camps, but you have to remember, a large amount of that looted gold was recovered in Germany itself. It was recovered at the, at the death camps. I know that one of the officials of the International Refugee Organization¹⁷ came to Switzerland with a couple of jerry cans filled with bracelets and gold teeth and so forth, and brought them into the American legation in Switzerland, and by arrangement with them, they were taken over to a, a cooperating Swiss bank and they were...those things were all smelted down and the proceeds were paid to the International Refugee Organization for the account of the, of the survivors and so, paid into the, into the interest of the...probably through the Jewish Agency and the JDC, but they went for the purposes about...but most of that stuff was probably recovered in, in Germany itself. A large amount of it must have disappeared, as I say, a large part of it was confiscated, a large part probably confiscated by guards at the camps, and a certain amount of it, certainly, went into the smelting pots and was eventually stamped and came out again as the, with the Reichsbank stamp on it. So there may be some additional amount available there. How much is a, is a matter which I think will be very difficult to tell. One other thing about the Swiss, and the claim against Switzerland, most of the money, I think, probably went...a lot of the money at any rate, went through Switzerland and did not remain, remain in Switzerland. I doubt that there's very much of the German gold still sitting there in a bank vault. Maybe there is some...Jew..some property still there, either gold bars or the things we also consider to be looted property, paintings, silverware, etcetera, not only in the, in the large Swiss banks, but maybe in some

¹⁷ International Refugee Organization: The major organization dedicated to the relief of refugees from the Nazi menace. Also called the IFO.

of the Swiss private banks, or in the hands of individuals in Switzerland. It's very, very difficult to, to tell about that. I, I think the amounts that we're talking about, that have been talked about recently, are, are substantially exaggerated. And, about the only thing I would like to add at the present time, is that I think the Swiss are, at the present time, maybe reluctantly and maybe under compulsion, making an effort to do something about it, despite the charges which were made just the other day that all this is on the basis of, of blackmail. And beyond that, so far as the...my participation in, in, in Vassanar(ph) and the Hague is concerned, about all I can say is that I was, as I said, a member of...I was working with the American Jewish Committee, the American Jewish Committee was very, very much involved in these negotiations which set up the negotiations at Vassanar(ph). I was one of the four people on the, on the Jewish delegation representing the Conference on Jewish Material Claims Against Germany. I think Moe(ph) Levitt(ph) representing the JDC, I representing, I don't know, a variety of organizations, I guess, certainly the American Jewish Committee, a fellow named Alec(ph) Easterman(ph) representing the Conference of, the Board of Jewish Deputies or something like that. And Maurice(ph) Bookstein(ph) who was representing, I guess, the Jewish Agency at, at the time. And we were the four so-called principal negotiators. Sitting up on top of us were Jacob(ph) Blaustein(ph) who was then President of the American Jewish Committee, and that absolutely glorious character, Nachem(ph) Goldman(ph) who then was, I guess, President of the Jewish Agency and the World Jewish Congress and so forth. And those were the two who did a lot of negotiating with...on behalf of these claims. Nachem in particular was a very...very close to Konrad Adenauer and Jacob Blaustein was absolutely essential, I think, in going to General Clay and other people in the United States government, and they did a wonderful, wonderful job there. I participated in those negotiations in the Hague... went on to be one of the few people together with Nehemiah(ph) Robinson(ph) who thought we would ever get anything out of the Austrians. And Nehemiah Robinson was with the World Jewish Congress. He and I were the only ones who thought negotiating with the Austrians was going to do anything at

all because the Austrians had been declared to be an occupied country by the Allies by, way back in Moscow in 1943. And they were saying, who us? We're not guilty. And then we had some negotiations with the Austrians and in 1955, I initialed an agreement in Vienna with the entire Austrian cabinet on the other side of the table which resulted in the payment of about 50 million dollars into a so-called Hilth(ph) Fund, which was administered by the Jewish organizations, by the Committee for Jewish Claims On Austria. The big distinction being that we got a conference for Jewish claims against Germany, but a committee for Jewish claims on Austria. It was supposed to reflect the difference. And that fund was, as far as I know, administered. It was inadequate, but it was something that the Austrians did pay in despite the fact that they were considered to be more liberated than, and an occupied country, than an ally of Germany. And that, I think, is about it.

Q:Okay.