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General Services Command

# *History Notes*

## British policy towards enemy property during and after the Second World War

*Historians, LRD*

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## **Foreword**

This report has been prepared by the Historians in the Foreign & Commonwealth Office at the request of the Department of Trade and Industry. It has drawn on files from a number of departments, as indicated in Annex IV. Although a great deal of material has been examined, some files had been destroyed over the years under the normal departmental processes of review and weeding. It has proved impossible to compile a complete record of what happened to all the property belonging to residents of every enemy territory.

The figures quoted in this report should be treated with caution. Some of the figures given in the files are inconsistent, contradictory or wrongly calculated. Others have proved impossible to discover, although every effort has been made to check all possible sources.

Gill Bennett  
Head of Historians, FCO

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## SUMMARY CONTENTS

### I Introduction (p. 1)

- ◆ enemy property in the United Kingdom was seized under the provisions of the Trading with the Enemy Act 1939, intended to prohibit commercial or financial dealings with the enemy, and to preserve enemy assets in the UK in order to prevent the enemy from benefiting from them
- ◆ an enemy was defined as any person or organisation resident or established in a state at war with the UK; nationality was not the criterion
- ◆ as countries were occupied by Germany, they too were defined as enemies
- ◆ debts due to enemies were to be paid to a Custodian of Enemy Property, who was given wide-ranging powers over enemy bank balances, securities and other property in the UK; enemy property could be vested in him by order of the Board of Trade
- ◆ the British Government had been engaged in economic planning for a future war from 1918 onwards, and a successful economic strategy against Nazi Germany made control over enemy property in the UK essential in 1939

### II The War Years: 1939-41 (p. 5)

- ◆ In the early part of the war the Custodian of Enemy Property intended where possible to control enemy property at a distance—preservation, not disposal; the major part of enemy assets comprised commercial debts and commercial monies; little private property
- ◆ **'technical enemies'** were countries who had become enemies through occupation, like Belgium; some technical enemies were also allies of the UK and did not want their nationals' property paid over to the Custodian; special arrangements
- ◆ **'belligerent enemies'** were those like Italy who joined Germany in fighting the UK
- ◆ the Custodian only used his vesting powers if there is no other way of securing enemy property; private assets are recorded and preserved. Nevertheless, **all enemy assets were now the property of the Custodian, not their former owners**, even when, for example, the enemy bank account remained at its original branch
- ◆ **assets could be released to refugees** fleeing enemy territory to help them reach the UK or a neutral country; accounts could be released to their former owners when they reached their ultimate non-enemy destination and were given a certificate by the British Consul that they held an immigration visa
- ◆ by 1941 Britain's desperate financial situation led to tighter implementation of the TWE legislation to enable the sale of belligerent enemies' securities and currency to aid the war effort; technical enemies' property was not vested
- ◆ from 1941 Inspection Orders were issued to allow opening of safe deposit boxes belonging to belligerent enemies to search for gold or currency
- ◆ despite some tightening of control, by the end of 1941 **enemy property remained blocked but largely untouched**

### III The War Years: 1942-45 (p. 13)

- ◆ as the Allies sought to tighten the economic blockade of Germany and curtail her trade with the neutrals, TWE provisions in the UK included measures to prevent neutrals 'cloaking' enemy ownership of property such as securities
- ◆ technical enemies' objections to Custodial arrangements for their property led to agreement in 1942 on a framework for a postwar settlement; the Banks agreed in 1944 to pay H% interest retrospectively on technical enemies' accounts
- ◆ victims of Nazi persecution recognised as falling into a special class: efforts were made to release their property to them quickly and to allow refugees to receive financial assistance from relatives and friends via British banks
- ◆ British involvement in international schemes to help victims of enemy oppression who could not escape: special licences for confidential financial transactions in enemy territory
- ◆ from 1942 British government departments began planning for a postwar financial settlement: concerns were expressed about the fairness of returning enemy property or repaying enemy creditors while British creditors had little prospect of recovering their overseas property
- ◆ in 1943-44 TWE legislation was amended to ensure that control over enemy property is retained even if the enemy concerned were liberated
- ◆ Britain's serious financial situation reviewed in 1944: substantial amounts of British property in belligerent enemy countries should not be written off; mutually beneficial arrangements should be made with technical enemies to allow resumption of trading relations; enemy property to be considered as part of overall reparations and restitution settlement

#### IV Peacemaking 1945-48 (p. 24)

- ◆ **settlement with technical enemies:** conclusion of money and property agreements led to the unblocking of property, and efforts through their governments to trace former owners; however, no blanket release of property until Cessation Orders were issued terminating the money and property agreement; most property was released quickly thereafter but in some cases (e.g. unclaimed accounts) was eventually surrendered to the Treasury
- ◆ **settlement with belligerent enemies** by international agreement: German property governed by Potsdam and Paris reparations agreements and by Inter-Allied Reparations Agency accounting rules adopted in 1947
- ◆ IARA rules regarding criteria for *ex gratia* releases to Germans later applied to all belligerent enemies: applicants had to fulfil all five of the following conditions
  - ⇒ they had suffered deprivation of liberty under discriminatory legislation
  - ⇒ they had not enjoyed full rights of German citizenship since 1 September 1939
  - ⇒ they had emigrated or proposed to emigrate from Germany
  - ⇒ they did not act against the Allied cause during the war
  - ⇒ their case merited favourable consideration
- ◆ settlement with other belligerent enemies by peace treaties, which included provisions that Allied and Associated powers had the right to retain and liquidate enemy assets in their territory and use them to settle their claims; the belligerent enemy governments undertook to compensate their nationals for losses



- ◆ British political aims in concluding treaties with countries increasingly falling under Soviet control: treaties might offer some chance of withdrawal of Red Army and relaxation of Soviet control, creating conditions favourable to emergence of democratic governments
- ◆ Anglo-US pressure led to inclusion in peace treaties of clauses binding belligerent governments to compensate their citizens for losses resulting from racial or religious persecution
- ◆ British Government remained committed to sympathetic treatment of victims of Nazi persecution, and in 1946-47 announced launch of more formal scheme for *ex gratia* payments to those who satisfied IARA criteria; discussions with Jewish organisations; guidelines for release policy agreed by Cabinet in March 1948

#### **V Realisation and release: 1949-61 (p. 39)**

- ◆ termination of money and property agreements with technical enemies; final arrangements for return of assets; difficulty of reaching agreement with Eastern European countries delayed settlement with Poland, Czechoslovakia and Yugoslavia; details of transfer of unclaimed funds
- ◆ British Government decided to exercise its right to liquidate belligerent enemy property in the UK to pay British creditors
- ◆ **by 1951, 90% of assets of technical enemies held by the Custodian had been released** (excluding Czechoslovakia, Poland and Yugoslavia)
- ◆ competing claims to German property: amount of assets exceeded expectation, and enabled announcement in 1956 of allocation of £250,000 surplus to dividend to the Nazi Victim Relief Trust; proposals to return 'future assets' to Federal German Government; 1961 Cabinet decision that £70,000 of further German surplus, plus £40,000 from Satellite surpluses, should be used to fund extension of *ex gratia* scheme of payments to victims of Nazi persecution
- ◆ liquidation of other belligerent enemy property: after long delays Administration Orders issued in 1955 and dividends paid 1956-64 to British creditors
- ◆ modification of criteria for *ex gratia* releases (for example, to allow claims from those who had been in ghettos as well as concentration camps)
- ◆ **by 1958, 84% of claimants had received full compensation (less administrative charge) for their property, while British creditors received between 5Hd and 8s 8d in the £**

#### **VI Winding up: the end of sequestration and the Custodial system, 1961-89 (p. 53)**

- ◆ settlement of outstanding problems with technical enemies: the Baltic States (1968), Poland (1976) and Czechoslovakia (1982)
- ◆ British Government decided not to return 'future assets' to Germany; announcement in 1973 that confiscation of Germany property should cease
- ◆ agreement with Roumania in 1976 for settlement of outstanding British claims, followed by end to sequestration of Bulgarian, Hungarian and Roumanian property; appointment of Administrators terminated in 1986
- ◆ final efforts to trace owners of unclaimed assets before the Custodian of Enemy Property's position was revoked; payments to the Exchequer; Custodian's account closed in 1988

**VII Postcript (p. 58)**

- ◆ break up of the Soviet bloc and reunification of Germany led to re-examination of how Communist governments dealt with their citizens and their property; post-1989 legislation in the former Balkan satellites; payment by British Government to Baltic States in 1992 of gold equivalent to that deposited in 1940
- ◆ **British Government no longer holds any of the former enemy property seized during the war, and refers enquiries to financial institutions or other governments**

## GLOSSARY

AEPD	Administration of Enemy Property Department
BBA	British Bankers' Association
<i>BFSP</i>	<i>British and Foreign State Papers</i> (London, 1841-1977)
CEP	Custodian of Enemy Property
CFM	Council of Foreign Ministers
Cmd./Cmdnd.	Command Paper to/from 1956
<i>DBPO</i>	<i>Documents on British Policy Overseas</i>
DTI	Department of Trade and Industry
ERP	European Recovery Programme
DFR	Defence (Finance) Regulations
FCC	Foreign Compensation Commission
FO	Foreign Office
<i>Hansard</i>	<i>Parliamentary Debates, House of Commons/ House of Lords, Official Report</i>
IARA	Interallied Reparations Agency
IGC	Intergovernmental Committee for Refugees
TGC	Tripartite Commission for the Restitution of Monetary Gold
TWE	Trading with the Enemy
TWEB/TWED	Trading with the Enemy Branch/ Department



# British policy towards enemy property during and after the Second World War

## I Introduction

British policy towards enemy property was governed by Trading with the Enemy legislation which had been prepared in advance of hostilities and came into effect when the United Kingdom entered a state of war in September 1939. The intention of the Trading with the Enemy Act 1939,<sup>1</sup> which in addition to prohibiting any commercial or financial dealings with the enemy, provided for the preservation of enemy property in the United Kingdom in contemplation of arrangements to be made at the conclusion of peace, was to prevent the enemy from benefiting from enemy interests in the UK and, *vice versa*, enemy interests in the UK from benefiting from activities of the enemy. Nevertheless, Section 16 stated that the Act should be 'without prejudice to the exercise of any right or prerogative of the Crown', thus reserving the ancient right to enemy property in wartime, regarded as one of the ancient financial rights of the Sovereign, like prize, or treasure trove, recognised by Common Law.<sup>2</sup>

Section 7 of the Trading with the Enemy (TWE) Act dealt with the property of enemies and enemy subjects, and provided that any debts due to enemies of the Crown were to be paid to a Custodian of Enemy Property appointed by the Board of Trade.<sup>3</sup> In addition, enemy property in the UK (which might include bank balances, securities and other property) could be vested by the Board of Trade in the Custodian, who was given wide-ranging powers over it. This meant that anyone defined as an enemy—any state at war with the UK and any person or organisation resident or established in such a state—who held a bank account, securities or other property in the UK was denied access to such property from 3 September 1939. On 16 September 1939 an Order was made under Section 7 requiring that all debts due to enemies be paid to the Custodian, who would keep them in an account under his name, and requiring anyone holding or managing property on behalf of an enemy to notify the Custodian.

<sup>1</sup> This Act, which came into operation on 3 September 1939, is printed in full in *BFSP*, vol. 143, pp. 180-91. Sections 1-7 of the Act are reproduced at Annex I below.

<sup>2</sup> See, for example, C.J. Marshall in *Brown v United States (1814)*, cited in C.H. Huberich, *The Law relating to Trading with the Enemy* (New York, 1918).

<sup>3</sup> There were in fact three Custodians, for England and Wales, Scotland and Northern Ireland. Custodians were also appointed in British Dependent territories, and in China in respect of the British concession in Shanghai.

### *The legacy of Versailles*

The Trading with the Enemy Act made no attempt to anticipate what might happen to enemy property at the end of hostilities. The records show, however, that in the view of many officials responsible for drafting and implementing the 1939 TWE legislation a prerequisite for any post-war settlement was that it should not follow the model of the post-World War I settlement embodied in the Treaty of Versailles, whereby the Allied Powers reserved the right to retain and liquidate all property within their territories of German nationals, while Germany was to compensate her own nationals whose property had been taken over by the Allies.<sup>4</sup>

The condemnation of the Versailles settlement by the economist John Maynard Keynes as a recipe for bankruptcy, decay and social unrest, and his judgement that the campaign to secure from Germany the general costs of the war was 'one of the most serious acts of political unwisdom for which our statesmen have ever been responsible',<sup>5</sup> was widely accepted in the inter-war years. Keynes's verdict seemed amply substantiated by the collapse of the mark in 1923 and subsequent German inflation leading to default on her reparations payments, which together with the stock market crash of 1929 and ensuing world depression created the conditions in which Adolf Hitler and the National Socialist Party could come to power in 1933. Though the apportionment of blame for Germany's default, and the causal link between the Versailles Treaty and the rise of Hitler continue to be the subject of historical debate, the view (encouraged by contemporary German politicians) that excessive reparation demands broke the German economy and fostered a spirit of revenge with disastrous consequences was current in British government circles in the inter-war period, and many people accepted that the actions of the Allied Powers at the end of the First World War must bear some responsibility for the subsequent sequence of events in Europe.

At the root of the criticisms of the Versailles provisions regarding enemy property was the perception that the retention of enemy property somehow violated a basic principle, that private property was sacrosanct: it was accepted that the Crown had a right to it during hostilities, but its use as a charge against enemy debts was less generally accepted, particularly with hindsight in view of Germany's experiences. As Sir Ernest Fass, the first Custodian of Enemy Property, wrote to Mr. E.H. Hodgson of the Board of Trade on 19 October 1939:

After the Great War the British Government were accused of having introduced for the first time into international relations a policy of confiscation of private property of enemy subjects for reasons other than reasons connected with the prosecution of the war . . . It seems to me that this time it

<sup>4</sup> The Treaty of Versailles, signed on 28 July 1919, is printed in *BFSP*, vol. 112, pp. 1-211. Articles 296-8 related to Debts and Property, Rights and Interests. Analogous arrangements for other ex-enemy states were embodied in the Treaties signed at Neuilly, St Germain, Trianon and Lausanne, 1919-23.

<sup>5</sup> J.M. Keynes, *The Economic Consequences of the Peace* (1919), p. 92.

is very important to secure that no handle is given to the German Government for a similar accusation.<sup>6</sup>

*Economic planning for the Second World War*

Nevertheless, both sympathy for the German plight and concern regarding the Versailles provisions on enemy property declined in the face of the rise of the Nazi regime and the worsening of the international situation during the 1930s. It did not impede the economic planning for a future war which began in British government departments immediately after 1918, based on the model of First World War legislation, and which accelerated after 1933. In particular the crisis in relations with Italy precipitated by her invasion of Abyssinia in 1935, increasing tension in Anglo-German relations following the remilitarisation of the Rhineland in 1936, and the threat to British interests posed by the Sino-Japanese war in 1937, stimulated detailed planning for economic warfare including the drafting of trading with the enemy legislation to which the Treasury urged other departments to give serious consideration.<sup>7</sup>

In drafting TWE provisions based on First World War precedent, officials were aware that the economic background to a major conflict in the 1930s would differ in a number of respects from that of 1914. For one thing, the European—and global—commercial and financial framework in which the legislation would be required to operate was different and more sophisticated than in 1914. Trade links were more extensive and multinational, and rapid progress in the fields of communications and methods of transport meant that financial markets were both more diversified yet more interdependent and vulnerable to international events. The increasing internationalisation of business operations was one reason why the draft TWE legislation was modified in 1935 so that it would apply to residents, rather than nationals of enemy countries, thereby encompassing nationals of non-enemy countries resident in enemy states, while not penalising enemy nationals who had fled or been forced out of their countries.

In the context of planning for war undertaken by both civil and military authorities in Britain in the 1930s Germany was not always top of the list as a potential enemy. At times during this period of sustained international tension Japan or Italy appeared the more immediate adversary—in 1938 it was worsening Anglo-Italian relations which provided the spur for more diligent interdepartmental consultation on TWE drafts. Planning for war, however, was based on the perception of Germany as the underlying and increasing threat, and it was recognised that in any case hostilities against either or both her Axis

<sup>6</sup> A copy of this letter was sent to the Foreign Office by Mr. S.D. Waley (Treasury) on 20 October 1939, W 15235/14783/49, FO 371/23931.

<sup>7</sup> On pre-war planning for economic warfare see W.N. Medlicott, *The Economic Blockade* (HMSO, 1952), vol. I, pp. 12-24. Mr. Waley (Treasury) sent drafts of a TWE Bill for comment to E. Holland Martin at the Bank of England on 23 October 1935, but was unable to pin the Board of Trade down to serious discussion until 1938 (Waley to Holland Martin, 20 January 1938, and further correspondence in Bank of England file C 40/1000).

partners would involve war with Germany too. As a maritime and trading nation with global responsibilities, the UK was especially vulnerable to war on more than one front, but also was in a good position to operate an economic blockade which might starve an enemy of important funds and supplies, both through her own Imperial links and in conjunction with friendly neighbours such as France. Pre-war economic warfare plans, including proposals for a Ministry of Economic Warfare, were laid on this basis.

A central factor in planning for economic warfare was the respective economic positions of Germany and the UK. Following Hitler's accession to power in 1933, Germany had spread its economic influence throughout Europe and beyond through trade, through financial diversification and through territorial expansion as a result of which the reserves of adjacent territories, such as Austria, were added to German coffers. She had also built up strong business and financial links which extended to organisations within the UK or in the sterling area. For the United Kingdom, whose economic strength declined in the late 1930s in the face of mounting international insecurity and the costs of rearmament, the successful prosecution of economic warfare against Germany, aimed at severing the latter's supplies of money and raw materials, would clearly be vital.

A key element in this strategy would be control over German property in the UK. It was known that apart from bona fide joint British-German interests, money and other financial assets were placed in UK banks by German interests, either in their own or others' names, for the purchase of raw materials or armaments, for safekeeping or for onward transmission to other destinations. London was a financial centre, and as such attracted funds from all over Europe, and businessmen and private persons from all European countries held assets in the UK. Germany's aggressive policies of expansion and acquisition also led to a flight of capital from Continental Europe during the 1930s, mainly to the United States but also to the UK, as persons and organisations sought to protect their assets against the Nazi campaign of confiscation and spoliation. In the case of the Jewish community this campaign was legitimised by a series of discriminatory decrees, which led to the reduction of the Jewish community in Germany from about 500,000 in 1933 to around 30,000 by 1943.<sup>8</sup> Jews and members of other threatened communities in countries such as Poland took what steps they could to move their assets, although this was difficult to achieve for private citizens because of foreign exchange regulations and logistical obstacles. Such matters were easier to arrange for businessmen with access to established financial machinery.

With the outbreak of war, a central plank of the British Government's economic warfare policy was to deny financial resources to the enemy. This meant the swift assumption of effective control over German assets, overt and

<sup>8</sup> TWED memo. on 'The question of compensation for German Jews who have suffered property losses from Nazi persecution or legal discrimination', 22 September 1944, FO 1046/136.



cloaked, in the UK. On 3 September 1939 TWE legislation providing for that control was ready for immediate enactment. To ensure its effectiveness, the legislation had to be extended to each country overrun by Nazi Germany, which thereby became, willingly or unwillingly, an enemy of the UK, and its residents' assets in the UK subject to the control of the Custodian of Enemy Property.<sup>9</sup> As the number of these enemies increased, each addition bringing particular factors to bear, the implementation of the TWE legislation was tested both in principle and detail, and evolved through a process of close and empirical consultation between government departments and financial institutions.

## **II The War Years: 1939-41**

During the early part of the war very little action was taken to implement the TWE provisions on enemy property. The Trading with the Enemy Branch (TWEB), jointly staffed and administered by the Treasury and Board of Trade, had been set up to implement and monitor the legislative provisions, and there was close cooperation with the newly-established Ministry of Economic Warfare and with the Foreign Office, particularly in regard to the imposition of the economic blockade and the maintenance of the Statutory List of persons with whom it was prohibited to trade. As far as enemy property was concerned, however, the emphasis was on notification of debts due to enemies and of the existence of enemy property, rather than on any action by the Custodian.

There were a number of reasons for this lack of rigorous enforcement. In the first place, although government planning, both civil and military, was based on the prospect of a long war, no one of course was sure how long the war would last and the relative calm of the early months meant that the idea of 'business as usual' persisted in financial circles well into 1940. Certain transactions with enemies were still permitted, for example through Swiss intermediaries, provided a licence were obtained from TWEB.<sup>10</sup> There was a general unwillingness to disrupt trade with the neutrals, and the property of neutral companies who appeared on the Statutory List by virtue of their trade with the enemy was not deemed subject to the control of the Custodian.

Nevertheless, British banks and other financial institutions were encouraged to be properly suspicious of financial dealings conducted in the UK by neutrals: in March 1940 the Stock Exchange Committee issued a notice warning its members that 'enemy interests are making most strenuous efforts to realise securities, and in particular Bearer Bonds in England, through the medium of agents in neutral countries'; it was believed that a large quantity of securities seized by Germany in Poland and Czechoslovakia had been disposed of in the

<sup>9</sup> The date on which each country became an enemy is noted on the descriptive sheets for each country in Annex II at the end of this Note. A table showing the chronological progress of enemy status is at Annex III.A.

<sup>10</sup> FO despatch No. 11 to Basle, 29 January 1940, W 1169/3/49, FO 371/25055.

UK in this way.<sup>11</sup> British firms were encouraged to report any approaches from neutral companies which might conceal enemy dealings in contravention of TWE legislation, and which should be subject to Custodian control.

A second reason for the delay in implementing the full panoply of Custodianship provisions was that the administrative machinery, laid down in outline in the TWE Act, had to be further defined and tested, and its implications and applications communicated to those, such as clearing banks and accepting houses, who would be involved in implementing it. The TWEB, for example, made regular communications to the British Bankers' Association informing their members of their obligations under TWE regulations (although occasionally other agencies intervened, such as when the Inland Revenue informed bankers on 17 October 1939 that interest or dividends on enemy property, payable to the Custodian, would be subject to income tax).<sup>12</sup> It is clear that at this early stage of the war the intention was for the Custodian where possible to control enemy property at a distance, with a view to preservation, not disposal.

#### *'Technical' and 'belligerent' enemies*

The operation of the TWE enemy property provisions was also complicated by the emerging political difficulty encountered in dealing with different sorts of enemy. As the list of enemy countries grew, it became apparent that a distinction had to be drawn, at least politically, between those countries whose enemy status rested on co-belligerence with Germany (such as Italy), and those who became enemies by virtue of their occupation by Germany (such as Belgium and Luxembourg). An added complication was introduced when parts of a country were occupied and acquired enemy status at different times (such as Poland and Norway), and when governments-in-exile were established in London. Initially, those countries who became enemy territory by reason of their occupation were termed 'involuntary' enemies, a term superseded by that of 'technical' enemies. 'Voluntary' enemies became known as 'belligerent' enemies.

While the TWE Act made no distinction between technical and belligerent enemies, relations between technical enemy governments and HMG were clearly quite different from those (i.e. virtually non-existent) with belligerent governments, particularly when the governments of certain technical enemies, such as Poland, moved to London. Some of these countries were allies of the UK, with troops fighting on the Allied side. Such technical enemies did not wish debts due to persons in their territory to be paid to the Custodian of Enemy Property in the UK; in fact, they wished to collect the debts themselves. The Dutch Government issued a decree on 24 May 1940 vesting in itself all overseas property of Dutch nationals, and the Norwegian, Belgian and Polish governments were considering similar measures, all of which were in potential conflict with TWE. While a certain amount of accommodation was possible on an informal basis—on 30 April 1940, for example, an interdepartmental meeting had agreed

<sup>11</sup> Reported in the *Financial Times*, 15 March 1940.

<sup>12</sup> Inland Revenue circular 17.10.39, Bank of England file C 40/1000.

that debts due to persons in Norway, Denmark and enemy-occupied Poland need not for the present be paid to the Custodian<sup>13</sup>—the basic problem remained. Legally, there was no question but that debts due to persons in technical enemy states were payable to the Custodian under TWE terms; politically, the situation was more delicate.

The position was set out in a minute of 3 October 1940 by Patrick Dean, Assistant Legal Adviser in the Foreign Office:

the truth is that there is direct conflict between the Trading with the Enemy legislation and the measures adopted or desired by the Allied Governments concerned . . . Do the Foreign Office think it desirable for reasons of policy to support the Allied Governments, and if so to what extent and which, in their desire to adopt their own measures and to appoint their own custodians for listing and collecting the various assets in question? There would be no difficulty to be expected about this were it not for the fact that the Trading with the Enemy Branch and the Treasury feel strongly that it would be wrong and unsafe to allow these various Governments to list and collect the sums of money due to various companies resident in their territories without safeguarding the position of subjects who are owed money by companies, etc., in the enemy-occupied countries . . . It seems to me, however, that the time has now come to see whether anything can be done to meet the wishes of the Allied Governments concerned . . . while at the same time not weakening the security which these debts and other assets afford with regard to debts which are owed the other way round to British companies. At present no progress is being made, because the two systems are really irreconcilable, and the Board of Trade and the Treasury are naturally sticking to the protection afforded by the Trading with the Enemy legislation, and only making small concessions to the Allied Governments which do not really represent their wishes. In consequence an enormous amount of trouble is being caused and time wasted.<sup>14</sup>

In the event a variety of arrangements were made with the Allied or technical enemy governments to accommodate their objections to debts or property being paid over to the British Custodian, while preserving a charge on such assets: if they wished to appoint their own Custodian, he might receive the debts or property of persons in their territory who might wish to pay them over to him, but would have no power to gather in the property or dispose of it, and the property had to remain in the United Kingdom pending a payments agreement or other form of settlement. Alternatively, debts due to persons in the enemy territory might be paid into an account or fund under joint UK-Allied government control.<sup>15</sup> Some special arrangements were made, as in the case of the Polish government in London whose Custodian was allowed to collect in debts against a promise by

<sup>13</sup> Note of meeting held in the Board of Trade on 30 April 1940, BT 271/9.

<sup>14</sup> Minute by Dean (FO), 3 October 1940, W 10711/3/49, FO 371/25063.

<sup>15</sup> Note of interdepartmental meeting on 7 February 1941, Bank of England file EC 4/376.

the Polish government to honour British debts. Where a technical enemy did not appoint a Custodian or seek separate payments arrangements, however (such as in the case of France), the British Custodian remained in sole control of their debts and property. Despite these accommodations, the basic conflict between the TWE legislation and the insistence of 'Allied' technical enemies on rights over their own property remained unresolved and anomalous until some formal agreement was concluded, such as the Anglo-Dutch Property and Financial Agreement of 2 October 1944 (which nevertheless excluded from its scope any German property cloaked as a Dutch asset). This agreement was to prove a model for subsequent agreements with technical enemies who were also Allies.

#### *Early implementation of Trading with the Enemy Legislation*

The arrangements and discussions described above related essentially to the disposition of debts owed to persons in enemy territory, whether technical or belligerent. These debts were predominantly, though not exclusively, commercial, left over from pre-war transactions. In the case of enemy property such as bank balances or securities, it had been mandatory since September 1939 to notify the existence of such property to the Custodian, whether it belonged to private citizens or to corporate concerns. However, the powers to vest enemy property in the Custodian were rarely exercised in the early part of the war. According to a Board of Trade circular of January 1940, the general policy was to refrain from making vesting orders except in cases where property could not be secured effectively otherwise, or where there were enemy-owned shares in British companies and vesting would enable business to continue.<sup>16</sup> As with debts, the emphasis was on notification and preservation, and on ensuring that the enemy was denied access to such property. When vesting powers were used it was for important assets of considerable potential value to the enemy (and to the UK), which could otherwise not be secured, such as those of the *Banque de France*, vested by order of the Board of Trade on 23 July 1940, and also gold, which according to the Defence (Finance) Regulations (DFR)<sup>17</sup> had to be offered for sale to the Treasury if it belonged to a UK resident—such as the Custodian of Enemy Property. The Board of Trade took the view that:

The position is that gold in this country owned by private persons in enemy territory can be and is being vested and sold to the Bank of England, the proceeds being paid to the Custodian. We should discuss with Allied Governments the question of vesting gold which was their property. In the case of Germany, Italy, Denmark and France, we should simply go ahead and vest.<sup>18</sup>

<sup>16</sup> Copy enclosed in circular despatch from Colonial Office, 18 January 1940, K 1786/231/270, FO 369/2561

<sup>17</sup> See Annex I.C below.

<sup>18</sup> Wills (Board of Trade) to Waley (Treasury), 24 August 1940, W 9845/3/49, FO 371/25062.

With regard to private assets, however—which might range from funds placed in a London bank by a private citizen from, say, Poland, seeking to protect his savings from spoliation by the Nazi regime, to the substantial capital assets of a large Roumanian industrial concern—the Custodian’s role remained essentially passive: to record and conserve, rather than to gather in or sell. Nevertheless, all enemy assets were now under the Custodian’s control, and banks and other institutions, such as safe deposit repositories, where enemy property might be kept were reminded regularly of the Custodian’s potential powers and their duty to keep such property safe: in August 1940, for example, TWEB issued a notice that under the TWE Act it was an offence to permit access to or removal from safe deposit boxes by enemies or anyone acting on their behalf.<sup>19</sup>

#### *Early release policy*

While the importance of denying enemy access to assets was underlined, however, consideration was given by the TWEB to the fact that the freezing of individual enemy assets in the UK would disadvantage those residents of enemy territory who had managed to escape into neutral territory and needed help. In response to a large number of enquiries concerning funds held by banks in the name of such refugees, the British Bankers’ Association was notified by TWEB in July 1940 that balances could be released to British nationals for personal expenses and to enable them to reach the UK; foreign nationals in neutral countries could be given an allowance of up to £25 per month for 6 months.<sup>20</sup> A further notice was issued on 31 October informing banks that they might release to British customers formerly resident in enemy territory who had reached neutral territory up to £50 per month for up to three months as maintenance while awaiting facilities to reach the sterling area.

Non-British customers might draw up to £100 for maintenance pending their further departure to some place in the sterling area or to the Americas, although it was pointed out that ‘prolonged residence in a neutral country in Europe must invoke a rationing of sterling as a precaution against re-remittances to enemy territory’. Accounts would be restored to their full status as sterling accounts of residents in the country of ultimate destination on production of a certificate by a British Consul in that country that the former enemy resident held an immigration visa there. The notice emphasised, however, that any releases were made under special licence from TWEB, and did not alter the fact that under the terms of the TWE Act all monies in the hands of bankers of customers resident in enemy territories ‘were not only in blocked accounts but monies which were *prima facie* held for the Custodian of Enemy Property’.<sup>21</sup> Their former owners, resident in enemy territory, had no legal right to them.

<sup>19</sup> Letter from TWEB Controller, 22 August 1940.

<sup>20</sup> BBA statement of 12 July 1940, Bank of England file C 48/192.

<sup>21</sup> BBA notice of 31 October 1940, sent to FO on 6 November by Mr. F.W. McCombe of TWEB, W 11706/3/49, FO 371/25063.

TWEB policy on the question of individual releases to refugee, as explained to Mr. L. Collier of the Foreign Office in a letter of 6 November 1940 from Mr. McCombe of TWEB, was governed primarily by considerations of the drain on foreign exchange, and by concern that funds released for this purposes should not find their way back into enemy hands. He added that:

The question of what amount we will allow in e.g. Switzerland to those who produce a medical certificate, or obtain a Consular certificate, confirming their inability to come to British territory, or to go to the American Continent, is still under discussion. We are painfully short of free currency in certain neutral countries, and we must further restrict the amount remitted so that there is absolutely no surplus which can be passed on to the enemy, to pay debts or maintain relatives, or for whatever purpose.<sup>22</sup>

*Tightening control: 1941*

From the outbreak of war until early 1941 very little enemy property was vested in the Custodian. A shift in policy—or rather in attitudes towards existing policy—can be discerned in the spring of 1941, revealing a greater willingness to contemplate vesting the property of belligerent enemies and the use of certain assets, principally gold and hard currency, for the benefit of the British war effort. This shift can be traced to a number of factors. The most important was the financial situation of the UK, which was at a critical point in early 1941. British defeats in Norway, followed by the German invasion of Belgium and the Netherlands in May 1940, had led to an expansion and acceleration of the war effort which Britain, carrying the financial burden of the war single-handed since the fall of France, could not afford. A supplementary budget in July 1940, introduced to try and bridge a £200m deficit, proved an inadequate response to the crisis. Britain had exhausted her gold reserves by early 1941, the greater part used to purchase armaments in the United States. Help from the United States in the form of lend-lease and mutual aid began only in March 1941.

Officials in the Treasury and Bank of England began to discuss the possibility of using existing powers to vest gold, securities and hard currency belonging to belligerent enemies in the Custodian of Enemy Property, for sale to the Treasury against sterling. It is clear from the archives that despite the TWEB's reiteration of the implications of the TWE legislation, there was still considerable confusion about the ownership of enemy assets: while the terms of the Act made it clear that property vested in the Custodian became his property and ceased to be the property of the former owners, the jump to making use of those assets was a big one. The Board of Trade were concerned that property should be preserved as a charge against post-war settlement of debts to British creditors, but the banks were worried that former customers would come back for their money. The Treasury were increasingly in favour of making use if possible of gold and currency assets belonging to residents of enemy territories ('For my part, I am strongly inclined to go ahead and get hold of anything on which we can lay our

<sup>22</sup> McCombe (TWEB) to Collier (FO), see note 21.

hands')<sup>23</sup>, while the Foreign Office worried that a wrangle with the technical enemies over Allied debts might poison wartime relations and prejudice a post-war monetary settlement.

There was general agreement that the assets of technical enemies should not, generally speaking, be vested, except for gold which might be made available to further the joint war effort; it was also generally imagined that the use of enemy assets would involve some modification of TWE legislation. It was left to the Custodian himself, in July 1941, to make the position clear:

All property held or managed for an enemy has to be notified to me. It cannot be dealt with without the leave of the Trading with the Enemy Branch, but I do not come into the picture until the Board of Trade vest it in me. They can vest or not vest as they like and, when vesting, direct me to hold or sell. So far a few houses and leases and some perishable goods and furniture have been vested in me for 'preservation' under Section 7 of the Act and gold has been vested and sold notwithstanding the Section, the wording of which is a little uncomfortable in this regard. Apart from that, Vesting Orders have been confined to enemy-owned shares in British companies in cases where, without such vesting, the companies could not have carried on or where it was in the national interest that I should take charge, and to the assets of firms trading here under schemes by which they have been sold to British companies.<sup>24</sup>

In other words, the TWE legislation already provided the authority for the use of enemy assets and for enemy property to be vested and sold if the Board of Trade so directed.

A further clarification was achieved at an interdepartmental meeting in June 1941 when it was accepted that there was 'no difference in law between a sterling balance held by the Custodian in his own name on his account at the Bank of England, and a balance standing to the credit, with a United Kingdom banker, of an individual subject to TWE regulations and marked "o/a Custodian".' In both cases the balances belonged to the Custodian and were thus the property of a 'resident' under the terms of the Defence (Finance) Regulations (DFR). This definition was accepted by the Treasury Solicitor in September.<sup>25</sup>

These clarifications of law and procedure were clearly driven by the Treasury's quest for gold and foreign exchange to help the British war effort. With the same aim in view, and in the knowledge that a large number of safe deposit boxes

<sup>23</sup> Rowe-Dutton (Treasury) to H.A. Siepmann (Bank of England), 19 May 1941, Bank of England file EC 4/376.

<sup>24</sup> Sir Ernest Fass (Custodian of Enemy Property) to Rowe-Dutton (Treasury), 7 July 1941, Bank of England file EC 4/377.

<sup>25</sup> Interdepartmental meeting of 19 June 1941, and note of meeting held at the Treasury Solicitor's Office, 5 September 1941, both in Bank of England file EC 4/376.

contained gold, Inspection Orders, each covering safes in a particular bank or safe deposit repository, were issued for the first time in July 1941. Initially the Orders were issued for boxes belonging to any type of enemy, but after 31 December 1941, in response to concern about opening safes belong to persons in occupied Allied territories, Omnibus Orders were confined to safes of belligerent enemies. Safes were opened if it were suspected that they contained gold or currency, and the contents of some were vested and sold. This process appears, however, to have been somewhat random: of 288 Inspection Orders issued up to 31 December 1941, only 108 safes were actually opened. No further Omnibus Orders were issued after July 1942, after which safes were only opened where there was a particular reason for needing to discover the contents or a sealed packet or deed box.<sup>26</sup>

In December 1941 a schedule setting out the *modus operandi* for assets affected by the TWE Act and DFR was drawn up by the Treasury. This showed that in the case of belligerent enemies, only gold and certain sterling securities were to be vested, while currency bank balances and debts were to be paid over to the Custodian (with certain specified currencies offered to the Treasury in accordance with DFR). For technical enemies, whether Allied or not, their property was not vested but currency balances and debts were to be paid to the Custodian. In the case of the Channel Islands (a Crown Dependency), gold, securities and currency bank balances were vested or sold to the Treasury but the proceeds were paid either to a resident Channel Islands account with a bank in the UK, or to the Custodian's account. Non-specified and sterling currency balances were exempt from payment to the Custodian.<sup>27</sup> The message conveyed by the schedule was clear: despite the exploration of the Custodian's powers which had taken place in 1941, and discussion of a more aggressive vesting policy, very little action had yet been taken under the TWE regulations in regard to enemy property, except in regard to gold and securities where some vesting orders had been made for the property of belligerent enemies. Otherwise, enemy property remained blocked but largely untouched.

### **III The War Years: 1942-45**

At the beginning of 1942 the Second World War hung in the balance. Although the entry of the United States into the war in December 1941 provided a valuable and much-needed boost to the Allied cause, the extension of the conflict to the Far East—in effect the globalisation of the war—meant that it was even more important to try and tighten the economic blockade round Germany and her allies and contain the war on the European front. One way of doing this was to try and sever German trading and supply links with the neutral countries and to prevent

<sup>26</sup> Board of Trade memorandum on Safes Reported under the Custodian Order, 8 March 1948, BT 271/116.

<sup>27</sup> Schedule sent from Treasury to Foreign Office on 8 December 1941, W 14757/7/49, FO 371/28753.



the enemy from profiting from looted property, in particular gold. Allied efforts to cut Axis links with the neutrals and control the export of German assets, including the Inter-Allied Declaration against Acts of Dispossession issued on 5 January 1943 and the Gold Declaration of 22 January 1944, have been documented in *Nazi Gold: Information from the British Archives, Part I*.<sup>28</sup> Another method, which had the potential both to deny funds to the enemy and provide financial support for the British war effort, was to tighten control over enemy property in the UK and make fuller use of the powers of the Custodian of Enemy Property.

From early 1942 steps were taken to make the operation of the TWE legislation more rigorous on a number of fronts, particularly in regard to the property of belligerent enemies. In February a notice was issued by TWEB drawing banks' attention to the fact that sterling balances held in the UK by belligerent enemies, if not already paid over, must now be sent to the Custodian of Enemy Property, and that foreign currency balances should be placed in the sole name of the Custodian and sold, with the sterling proceeds credited to the Custodian. The accounts of technical enemies were to be held in the sole name of the Custodian.<sup>29</sup>

The Treasury, Ministry of Economic Warfare and Bank of England also studied the question of preventing the enemy from acquiring interest on sterling securities owned by neutral non-residents but held by banks in the UK. They had been aware since early in the war that a considerable number of declarations of non-enemy ownership of securities, attested by banks in neutral territory, were false. In April 1941 TWEB had advised the Treasury of the extent of this problem and that their experience in day to day dealings with this matter left no doubt that 'the philosophy of lying which is the basis of the Nazi effort' could only be countered by 'the most drastic provisions'; honest bankers were reluctant to present coupons for encashment because of their doubts about such declarations.<sup>30</sup> It was agreed in 1942 that henceforth no interest would be paid to such neutrals unless the banks issued a declaration that the securities had been in the hands of a non-enemy since before 3 September 1939. The object of these proposals, as explained by TWED<sup>31</sup> to the Foreign Office, was to ensure that no interest was paid in respect of securities

unless it can be established that there is and has been no enemy interest in these securities since the outbreak of war . . . considerable evasions are known to have occurred, with the connivance of certain banks in central Europe . . . This Department is reluctant to contemplate a complete

<sup>28</sup> FCO History Note No. 11, September 1996 (2nd edn., January 1997), pp. 4-9.

<sup>29</sup> Draft of TWEB notice to banks, 6 February 1942, in Bank of England file EC 4/378.

<sup>30</sup> McCombe (TWEB) to Waley (Treasury), 12 April 1941, sent to FO by Waley (Treasury), W 4470/7/49, FO 371/28743.

<sup>31</sup> From 25 February 1942 TWEB became a joint Treasury and Board of Trade Department. Mr. H.S. Gregory was appointed Controller-General of the new department.

cessation of transfers of interest to destinations such as Switzerland and the only alternative to the present proposals . . . would be the imposition of an elaborate control.<sup>32</sup>

Continued concern about neutral cloaking of enemy assets, however, led to a further instruction from TWED in September 1943 that banks were in future to hold interest and dividends on securities to the order of the Custodian, paying them directly over to him if the securities were owned by a belligerent enemy.<sup>33</sup>

*Applying Custodial arrangements to Allied property*

Meanwhile, strong representations by Allied governments who were technical enemies had led to consideration at Ministerial level of future policy regarding Allied debts and property. It was agreed in January 1942 that the Allied governments should be asked to agree that debts due to them should continue to be collected by the Custodian for preservation in the UK pending a formal settlement between HMG and each government. Bank balances held by technical enemies would be held by the Custodian, but would be made available at the end of the war for release to their original owners. These balances were held in current accounts until it was agreed in 1944 that H% interest was to be paid on the accounts, retrospective to the date when enemy balances had become payable to the Custodian. The interest would, of course, accrue to the Custodian, not to the former account holder, although as Mr. Johns of the Bank of England noted on 20 July, the banks still seemed unable to grasp the fact that these balances now belonged to the Custodian, not their former owners:

What will happen to them is for the Custodian to say: they may be handed over to Allied governments, they may go straight back to the owners by mutual agreement—time alone will show—but the bankers seem to have made up their minds that, however much the position is reserved, the account holder will receive both capital and interest in due course and that their troubles will start when everybody else's have ceased.<sup>34</sup>

If the Allied governments wished to make arrangements for joint collection, this was permissible provided that the sums concerned were 'placed in a special account which will not be operated without our consent and until agreement has been reached on their disposal' and 'that the British and Allied Custodians consult each other and follow the same practices with regard to collection, with the reservation that any legal proceedings necessary to obtain payment should

<sup>32</sup> Correspondence between TWEB/TWED and FO, 26 February-4 April 1942, W 3170, 5315/18/49, FO 371/32409.

<sup>33</sup> TWED notice to British Bankers' Association, 2 September 1943, Bank of England file EC 4/379.

<sup>34</sup> Minute by Johns (Bank of England), 20 July 1944; see also further correspondence 17 May-15 November 1944 on Bank of England file EC 4/375.

be taken by the British Custodian'.<sup>35</sup> These decisions were to provide the framework for the release of technical enemy property at the end of the war.

In this context, while there was interdepartmental agreement on the need to close loopholes against neutral cloaking of enemy property, and to gather in belligerent enemy assets to the Custodian rather than leaving them in banks under Custodian control, there was still considerable reluctance to contemplate taking the next step of actually vesting enemy bank balances. It was agreed in February 1943 that belligerent enemies' rights and interests in foreign currency accounts in UK banks would be vested in the Custodian, but the Treasury and Foreign Office objected to a proposal later that year from TWED that an omnibus vesting order be issued for all enemy bank balances in order to protect the banks from future action by the enemy customers. Although correspondence on this suggestion shows the Treasury arguing against a vesting order on the grounds that it was unnecessary, since the balances were already the property of the Custodian, it was clear that concern about the possible reaction of technical enemies lay behind this objection. As Mr. Dean wrote to Mr. Gregory on 18 September 1943, 'the Allied Governments are as you know extremely touchy on the subject of bank balances'. The proposal was dropped in November.<sup>36</sup>

*Help for refugees: release policy and international initiatives*

Despite the evolution from 1942 onwards of a tougher line on enemy property, particularly that of belligerent enemies, it remained official British policy to release funds where possible to help refugees from Nazi persecution who managed to escape from enemy territory (see pp. 9-10 ). A further notice was issued by TWED to banks in July 1942 authorising them to pay out money for maintenance for persons who had succeeded in reaching non-enemy territory, and to pay money to persons outside the sterling area in non-enemy territory, who wished to help others to leave enemy territory.<sup>37</sup> It was also possible for refugees from enemy territory who sought financial assistance from relatives and friends in the UK to receive such help via British banks if they made a statement that they had severed all connection with enemy territory and gave details of their permit to reside in the non-enemy country.<sup>38</sup> However, foreign exchange considerations made it difficult for funds to be remitted outside the sterling area.

<sup>35</sup> Note of meeting at Board of Trade, 30 January 1942, and Board of Trade memo AEP(14) of 20 February 1942 recording decisions of Ministerial Committee on Allied and Enemy Property, Bank of England files EC 4/377, 378.

<sup>36</sup> Note of meeting at Treasury on 10 February 1943 to discuss Custodian matters, Bank of England file EC 4/379. For interdepartmental correspondence on the question of vesting bank balances, 8 September-1 November 1943 see Bank of England files EC 4/375, 379 and W 13006, 14080/8/64, FO 371/36371-2.

<sup>37</sup> TWED notice to banks No. 2 of 22 July 1942, Bank of England file EC 4/378.

<sup>38</sup> See, for example, correspondence regarding refugees from Poland, Austria, Czechoslovakia and the Baltic States who had found their way to Russia, 14 July-8 September 1942, W 10834/18/49, FO 371/32409.

As the war drew nearer to a close, concern was expressed lest former belligerent enemies escaping from their countries in expectation of defeat should benefit from a scheme designed to help genuine refugees: after the Italian armistice, for example, applications began to be received from Italians who said they had escaped from Italy and had taken refuge in Switzerland, Portugal or another neutral country. TWED's view was that such persons should not be given access to their former property, and in April 1944 issued a notice revising that of July 1942 by stating that payments should not be made where escapees possessed the nationality of a country at war with the UK. TWED acknowledged that it would still be possible for a collaborationist of Allied nationality to escape and gain access to his funds, but took the view that it was:

so important that the genuine Allied refugee escaping from enemy territory should obtain speedy access to his own funds here that the risk of a few black sheep getting in with the goats is one that cannot altogether be avoided.<sup>39</sup>

The Treasury agreed with TWED's policy:

It may be difficult from now onwards to distinguish the Refugee from Nazi oppression and the Rat leaving the sinking ship, and as long as a proper loophole is left for hard and genuine cases we think you are right in preventing the Rats from nibbling at the Custodian's pool of assets.<sup>40</sup>

TWED were also aware of the danger that their action might prevent genuine victims in belligerent countries from receiving help, and the notice instructed banks to refer to TWED any cases where belligerent nationals had, for example, suffered 'the loss or diminution of citizenship rights by operation of measures taken by any Government with whom His Majesty is at war, the grant of an immigration visa by any Dominion, Colonial or Allied Government, etc., etc.' As TWED explained to the Foreign Office:

Our main pre-occupation at the moment is with Czechs, German Jews and any other class of refugee who have clearly been the oppressed victims of the Axis continuously from the date of the outbreak of war between the Axis countries and ourselves. These people have never supported the Axis and it is our practice to release their property to them as soon as we are satisfied as to their bona fides and that they have escaped from Axis control.<sup>41</sup>

It should be noted that in addition to these efforts to release funds for the assistance of refugees from Nazi persecution, the British Government was also taking active steps to help victims of persecution in Germany and German-occupied countries. In the spring of 1944 HMG proposed to the US Government that they each contribute £1.5m to a credit scheme, operated by the Inter-

<sup>39</sup> TWED notice to banks No. 11 of 12 April 1944, Bank of England file 2681/2; letter from E.F. Henriques (TWED) to G.C. Allchin (FO), 3 March 1944, W 3628/48/76, FO 371/42383.

<sup>40</sup> R.A. Mynors (Treasury) to Henriques (TWED), 16 March 1944, W 3628/48/75, FO 371/42383.

<sup>41</sup> Henriques (TWED) to N. Law (FO), 12 April 1944, W 5779/48/75, FO 371/42383.

governmental Committee for Refugees using Switzerland as a base with the cooperation of the Swiss Government, for the rescue and relief of victims of enemy oppression who were in imminent danger of death. According to the Assistant Director of the IGC, this scheme utilised a 'wide and efficient network of underground agents' who succeeded 'not only in effecting the escape of many persons from areas in which they were in extreme danger, but also in concealing and preserving many times more persons inside the territories'. TWED were willing to issue licences for such confidential financial transactions in enemy territory provided that a proper degree of control were exercised over the organisations concerned: they were disturbed by the knowledge that the US Government had in the past issued a number of licenses to private organisations to finance operations in enemy territory. Following discussions with the US, however, it was agreed that the American Jewish Joint Distribution Committee should operate the credit scheme through Switzerland.<sup>42</sup>

*Planning for a postwar financial settlement*

From 1942, therefore, British policy in regard to enemy property combined a stricter interpretation of TWE legislation with a more broadly formulated policy on releases in case of hardship. Discussions about the more rigorous implementation of TWE legislation led naturally to a consideration of what would in fact happen to enemy property at the end of the war; and among financial departments increasing concern about the burden imposed on the UK led naturally to a consideration of a postwar financial settlement, although, as Mr. Siepmann of the Bank of England had noted as early as January 1942:

the subject cannot be approached at all except on fairly definite political pre-suppositions which we are not in a position to make. One must assume something about the shape of post-war Germany, not to mention Eastern Europe and the Pacific.

His colleague Mr. Cobbold was sure at least that there must be no question of committing the UK to principles involving recognition of claims by allied occupied countries but making no claim themselves:

We shall have borne the whole brunt of the war; our gold and exchange reserves will have gone; we shall have large debts to Empire and other countries and we shall have lost a great deal of our shipping. Therefore, we shall need to fight and to fight hard for our economic existence and we can be sure that if we do not take account of this nobody else will.<sup>43</sup>

In August 1942 TWED prepared a note on preliminary considerations in connection with a peace treaty, which offered approximate figures for debts due

<sup>42</sup> Correspondence on IGC credit scheme for victims in Germany and German-occupied countries, 18 April-22 December 1944, WR 41, 287, 334, 380, 405, 1017, 1139-40, 1979-80, 2091, 2170/41/48, FO 371/42857.

<sup>43</sup> Siepmann (Bank of England) to Cobbold (Bank of England), 10 January 1942; Cobbold to E.W. Playfair (Treasury), 16 January 1942, both in Bank of England file OV 34/210.

to and from the UK (£70m and £35m respectively), and for UK property in enemy territory (£110m) and enemy property in the UK (£35m). It was already clear that the situation at the end of hostilities would be quite different from that at the end of the First World War, when, for example, the UK had owed more to Germany than was owed to her, so it had been possible (at least in principle) to settle debts due to British creditors from German property in the UK. This time the balance was clearly quite different this time round, for all belligerent enemies. TWED put forward the view that it would be impossible to return enemy property or repay enemy creditors unless British creditors were assured of satisfaction:

It may be alleged that the employment of private funds and property in this way amounts to confiscation but the provisions of Section 7 of the Trading with the Enemy Act certainly contemplate the use of Custodian funds in the settlement . . . Most of the Axis countries had established, pre-war, a system of control over the overseas assets of their nationals which amounted to holding them at Governmental disposal and there can be less objection now than ever before to making use of these assets. Accordingly it is considered that there is a strong case for regarding enemy property at least as a pledge and probably as a source of reimbursement.<sup>44</sup>

Later in 1942 the Board of Trade was asked by the Paymaster-General's Advisory Panel on External Affairs to look into the question of private debts, property rights and contracts in regard to an international settlement after an armistice was signed. Mr. Gregory's advice to his parent department was that, as had been the case after the First World War, the settlement of these matters would involve 'definite and long-term decisions of an economic and political nature', and that he could see no alternative to a clearing system such as had been established in 1919: 'My own present inclination—at any rate so far as Germany is concerned—is for a settlement on much the same general lines as last time (involving the retention and possible sale of enemy property), with important differences of detail'.<sup>45</sup> A Bank of England memorandum of January 1943 on German debts, however, took the view that any assumption that the international and juridical situation in Europe would not be substantially different after the Second World War was 'wildly far from the truth', and expressed dismay that Whitehall discussions on post-war settlement seemed not to take into account 'the obvious change in the political make-up and outlook of Europe and the possibility that old-established diplomatic forms may not be effective in dealing with restitution, collection of enemy debts and any disguised form of reparations.'<sup>46</sup>

As the tide of European war turned in favour of the Allies in 1943 discussions on the possible form of a post-war financial settlement gathered momentum: in

<sup>44</sup> TWED note sent to Sir E. Hodgson (Board of Trade) by H.S. Gregory on 12 August 1942, BT 271/554.

<sup>45</sup> Gregory (TWED) to R.M. Nowell (Board of Trade), 6 October 1942, BT 271/554.

<sup>46</sup> Bank of England memo. on German Debts, 6 January 1943, Bank of England file OV 34/210.

February 1943, for example, TWED produced a long memorandum on United Kingdom claims against enemies,<sup>47</sup> and in April Mr. F. McCombe wrote a memorandum for TWED challenging the view that the Versailles precedent was feasible (arguing that public opinion must be educated 'to accept the fact that pre-war debts of the enemy . . . will have gone down into the abyss with the gangsters').<sup>48</sup> Meanwhile, the prospect of Allied forces liberating European territory raised the question of what would happen to enemy property, whether technical or belligerent, when its owners no longer lived in enemy territory.

*The amendment of TWE legislation to extend control over enemy property*

In the light of earlier discussions and criticisms of the Versailles settlement this raised a major issue of principle, but the records show that TWED, Treasury, Board of Trade and Foreign Office were in no doubt that arrangements had to be made to ensure that control over such enemy property was retained, at least until the conclusion of a formal peace treaty, in order to ensure that British creditors did not lose out completely. No-one knew how long the war would last, or how much more it would cost; although some relaxation of the Axis grip over Europe might be in sight, this could not imply a premature rehabilitation of ex-enemies which would allow them to recover their losses while the United Kingdom war effort remained stretched to its utmost. Despite, therefore, the doubts and objections raised to following the post-First World War precedent of retaining enemy property as a charge against British debts, officials looking ahead in 1943 to a possible end to hostilities were no more able than their predecessors in 1919 to contemplate a situation in which an ex-enemy in a country liberated by the Allies would be given his property back, when there was little or no hope of a British citizen repossessing his property in ex-enemy territory. This was clearly unacceptable and a political impossibility. As Mr. Gregory observed, in a historical memorandum of August 1942 on the settlement of private debts and property claims under the First World War peace treaties, despite the bitter criticism of the Versailles provisions on enemy property 'no alternative to the Clearing House system was ever proposed by responsible men'.<sup>49</sup>

In order to retain control over property belonging to enemies whose countries might be occupied by HM or Allied Forces, it was necessary to consider an amendment to the TWE Act, and a memorandum by the President of the Board of Trade of 9 July 1943 put forward proposals for a draft Regulation that the provisions of the Act should continue to apply to such territories though they ceased to be 'enemy territories' by definition. The arguments advanced in favour of the retention of control show the evolution of interdepartmental thinking:

- (i) The Trading with the Enemy Act contemplates that the property of enemies will be retained pending arrangements to be made at the

<sup>47</sup> Memo. of 12 February 1943, with critical commentary, BT 271/554.

<sup>48</sup> The filed copy of this memorandum in BT 271/554 is damaged and difficult to decipher in parts.

<sup>49</sup> Memo. sent by Gregory (TWED) to Hodgson (Board of Trade) on 27 August 1942, BT 271/554.

conclusion of peace, and there is no reason why the property in this country of (say) Italian individuals or companies resident in a part of Italy occupied by HM Forces should be released to them in advance of Peace Treaty arrangements and to the detriment of British interests.

(ii) Negotiations now in progress with the Netherlands and Norwegian Governments will probably result in the transfer to them of assets belonging to persons in their territories at present in enemy occupation. The transfer will involve the use of powers which are only exercisable over "enemy property". It is important to retain the control over the property until genuine Allied property has been distinguished from concealed enemy property. Similar arrangements are in contemplation with other Governments.

(iii) The fate of other "enemy property" in the United Kingdom, e.g. French, Danish, Monégasque, and that of persons in the Baltic States, has yet to be determined.<sup>50</sup>

The President added that the Treasury, Board of Trade and Custodian of Enemy Property were in agreement with the proposal to amend the TWE Act: the Foreign Office, while agreeing on the necessity of the Regulation, felt there was a risk of its being misrepresented by enemy propaganda in Allied countries, which must be met by suitable publicity. As Mr. J.G. Ward of the Foreign Office Economic and Reconstruction Department had written to Mr. Gregory on 22 May 1943, 'I foresee much unpleasantness with the Allied governments, reminiscent of the bad old days of 1941, if we change the Trading with the Enemy law so as to prolong indefinitely the "enemy" character of liberated Allied territory for the purpose of retaining our hold upon assets in this country belonging to persons at present in a state of enemy occupation.'<sup>51</sup> Mr. Ward's exposition of the problem in a later minute submitting that 'the Foreign Office must agree with the other Departments that it is necessary to prolong the "freeze" under the TWE law of this Allied and miscellaneous property, as well as of the property of real enemies', also provides a clear indication of official thinking at this time:

The issue is simple as regards property belonging to enemies proper, i.e. persons or concerns of enemy nationality. Obviously we must retain control of such property which will probably be required, as at the end of the last war, to indemnify as far as possible persons and concerns in this country who are owed money from the enemy countries. The problem is much more difficult in regard to property belonging to persons and concerns resident in Allied countries. The greater part of this represents genuine Allied interests, which have only been caught by our TWE law because the Allied countries came under enemy occupation . . . The question has an important political side, and the Foreign Office have succeeded in arranging that in practice the

<sup>50</sup> Memorandum by the President of the Board of Trade, Mr. Hugh Dalton, HPC(43)96, 9 July 1943, W 10182/54/49, FO 371/36526. See also the draft of this memo. preserved in Bank of England file EC 4/379.

<sup>51</sup> Ward (FO) to Gregory (TWED), 22 May 1943, and further correspondence in W 6618/54/49, FO 371/36525.



great bulk of this Allied property shall be left under a sort of *de facto* “freeze”, and that the British Custodians of Enemy Property shall exercise their theoretical powers over it as little as possible . . . The other Departments consider it essential, however, that the legal control of the TWE law shall also be maintained over the Allied property in this country when Allied territory is liberated as a result of future military operations. There are good practical reasons for this. The restitution or “unscrambling” of this property will be a long and difficult business, particularly as a proportion (especially of Dutch property) is enemy property masquerading as Allied, and in many other cases the ownership of the property will have passed away from the original owners during the years of enemy occupation. Moreover, if we are to carry out the proposed agreements with the Allied governments whereby the latter would take over the custodianship of this property, we must ourselves retain the necessary control over it, or it will be dispersed in meeting individual claimants.<sup>52</sup>

On 22 July 1943 an Order in Council was passed amending the Defence (Trading with the Enemy) Regulations, by adding Regulation No. 6 which provided that the controls exercised within the TWE Act over the assets of persons and firms resident or carrying on business in an area which had ceased to be an enemy territory, either because it had been occupied by Allied forces or had ceased to be occupied by an enemy power, would continue in force until the Board of Trade ordered otherwise. Copies of the Order were sent to the governments of the technical enemies (the Committee of National Liberation in the case of France), explaining that the automatic removal of restrictions in an area ceasing to be enemy territory ‘would be productive of nothing but confusion and would, indeed, in certain circumstances defeat the object with which the [TWE] Act was passed’. The Order was designed to enable careful consideration of the complex question of restitution, and the governments were assured that it represented no change in HMG’s policy towards enemy property in the UK; the restrictions would continue ‘only for such time as may be necessary to make the appropriate arrangements in agreement with the Allied Governments concerned for the restoration of the property to the persons properly entitled thereto’.<sup>53</sup>

A further Regulation, No. 7, to extend control over the property of persons in the territories of any power with whom the UK was at war, even if occupied by UK forces, was added by Order in Council on 28 September 1944. According to a memorandum by the President of the Board of Trade of 10 August 1944, it was designed

to provide legal sanction, which would otherwise lapse, for the necessary continuance of the existing controls over commercial, financial or other

<sup>52</sup> Minute by Ward (FO), 8 July 1943, W 10182/54/49, FO 371/36526.

<sup>53</sup> Order in Council SR&O 1034 of 1943. See also correspondence on W 10329, 11676/54/49, FO 371/36527/8, and W 12284/8/64, FO 371/36371.

intercourse with or for the benefit of a belligerent enemy, and thus enable the resumption of trade relationships in due course to proceed on an orderly basis.<sup>54</sup>

This further amendment to the TWE Act was inspired, according to Mr. Gregory, by thinking about 'the shape of things to come',<sup>55</sup> and formed part of intensified planning in anticipation of the end of hostilities. As the Axis grip on Europe gradually lifted during 1943 and into 1944, a series of armistice agreements beginning with Italy made the question of a financial settlement even more urgent. On an international level, the political discussions of the Big Three at Quebec, Tehran and Dumbarton Oaks<sup>56</sup> were matched on the economic side at the Conference held at Bretton Woods in July 1944 which established the International Monetary Fund and International Bank for Reconstruction and Development; the Final Act included a note that 'in anticipation of their impending defeat, enemy leaders, enemy Nationals and their collaborators are transferring assets to and through neutral countries in order to conceal them and to perpetuate their influence, power and ability to plan future aggrandizement and world domination',<sup>57</sup> a warning which applied to cloaked enemy assets in the UK as well as to the neutral countries.

#### *1944: the UK's financial position*

Within the British Government, an intensive study of post-war financial problems also began in 1944, and quickly revealed the seriousness of the UK's financial position.<sup>58</sup> The terms of any intergovernmental financial settlement on reparations and restitution would be crucial; and the fate of enemy property in the UK held by the Custodian, particularly that belonging to belligerent enemies, would need to be encompassed within the terms of such a settlement.

During 1944 TWED produced a series of memoranda summarising the approximate position regarding property claims between the UK and belligerent enemy territories. In March 1944 they estimated that the market value of money and other property in the UK held for persons in Bulgaria, Hungary and Roumania was respectively £200,000, £1m and £7m (the last figure including £2.6m of gold held by the Bank of England for the National Bank of Roumania). UK claims (known to be incomplete) against these three countries were estimated at £260,000, £6m and £3.7m. Only in the case of Roumania, therefore,

<sup>54</sup> Order in Council SR&O 1123 of 1944. Memo. by Mr. Dalton, HPC(44)68 of 10 August 1944, W 12963/48/75, FO 371/42386.

<sup>55</sup> Gregory (TWED) to E.E. Crowe (FO), 10 December 1943, W 17256/54/89, FO 371/36537.

<sup>56</sup> For these conferences and an account of post-war planning in general see Sir L. Woodward, *British Foreign Policy in the Second World War*, vol. v (HMSO, 1976), Chapters LXI-LXIV.

<sup>57</sup> The Final Act of the Bretton Woods Conference was printed as Cmd. 6546 of 1944: see also L.S. Pressnell, *External Economic Policy since the War*, vol. I (HMSO, 1987), and cf. *Nazi Gold I*, p. 7.

<sup>58</sup> See *DBPO*, Series I, Volume III, No. 1.

would there be any prospect of satisfying UK claims.<sup>59</sup> British individuals, British companies and the British Government had all had substantial amounts of property in the belligerent enemy countries, which could not just be written off; some way had to be found of trying to recover the property or obtaining compensation for it. Pending the formal conclusion of hostilities, tight control must be maintained over belligerent enemy property. In regard to the property of technical enemies, it was expected that as they recovered their freedom and full sovereignty mutually beneficial intergovernmental financial arrangements could be made. It was in the interests of the British Government to resume normal financial and trading relations with the technical enemies—most of whom were regarded as Allies—as soon as possible.

#### **IV Peacemaking 1945-48**

##### *Settlement with technical enemies*

When war in Europe came to an end on 8 May 1945, the powers of the Custodian of Enemy Property, as provided under Regulations 6 and 7 of the Defence (Trading with the Enemy) Regulations, remained in force. Both technical and belligerent enemies continued to be regarded as 'enemies' for the purposes of the TWE Act. Relations between the British Government and the two types of enemy were, of course, entirely different. In the case of the technical enemies, they were regarded for the most part as liberated Allies, who now had an important role to play both in peacemaking on an international scale, and as traditional friends and trading partners of the UK. Talking to his officials on 13 August 1945, Foreign Secretary Ernest Bevin announced that his long-term policy was

to establish close relations between this country and the countries on the Mediterranean and Atlantic fringes of Europe—e.g. more especially Greece, Italy, France, Belgium, the Netherlands and Scandinavia. He wanted to see close association between the United Kingdom and these countries—as much in commercial and economic matters as in political ones.<sup>60</sup>

The kind of relationship envisaged by Mr Bevin—a cooperative relationship which would be vital when planning how to feed and supply devastated and displaced populations throughout the coming winter—had to be based on mutual understanding and a willingness to face common problems, which included the fate of technical enemies' property in the UK and British property in technical enemy territory. In fact, a number of the technical enemies had already made detailed arrangements for the resumption of normal financial relations and for the restoration of their property in the UK. The governments of Belgium, the Netherlands and Norway had signed agreements with HMG in 1944 which provided for the retention of their property by the Custodian on their behalf until

<sup>59</sup> TWED memo. on property claims, sent to FO on 30 March 1944, W 5204/5/75, FO 371/42338. The disparity between Roumanian and UK claims was to disappear with the full discovery of claims.

<sup>60</sup> Record of meeting in FO, 13 August 1945, printed in *DBPO*, Series I, Volume V, No. 4.

they resumed full control over their countries, when the property covered by the agreements would be placed at their disposal.<sup>61</sup>

Financial agreements were signed with France and Czechoslovakia in 1945, and by 1949 most of the technical enemies had concluded some form of payments agreement with the UK, although it was to be many years before all outstanding claims were settled. Agreements with the Eastern European countries proved more problematical both in negotiation and in operation than those with, say, France or Belgium; and there were special problems with the Baltic States, Latvia, Lithuania and Estonia. They were technical enemies by virtue of their occupation by German forces in 1941, but had already been annexed by the Soviet Union in 1940; after the war, therefore, they had no independent governments able to negotiate money and property agreements with the UK, and although the British Government made a series of attempts to negotiate a settlement of mutual claims with the Soviet Union (finally succeeding in 1968), their refusal to recognise *de jure* the Soviet annexation of the Baltic States meant that the Baltic claims could not be dealt with under the usual machinery.<sup>62</sup>

Although there were some differences of detail, the basic provisions of the agreements with technical enemies—that is, Belgium, Czechoslovakia, Denmark, France, Greece, Luxembourg, the Netherlands, Norway, Poland and Yugoslavia—were the same:

- \* bank balances and securities held to the Order of the Custodian would be placed at the disposal of the original account holders, although the estates of persons who had died since their property became subject to the Custodian order would not be released until a legal representative was appointed;
- \* sterling held by the Custodian in respect of debts due to persons in the technical enemy territories would be paid to the respective governments in order to satisfy claims by creditors;
- \* persons were free to resume the ownership and management of immovable property in the UK;
- \* if any property had been vested by the Custodian and then sold, the proceeds would be paid to an account at the Bank of England in the name of the government concerned;
- \* no fees were to be charged in connection with the transfer of property;
- \* the technical enemy governments agreed to help in identifying UK property in their territory and help UK citizens trace their debtors;
- \* the agreements did not apply to property which cloaked belligerent enemy ownership (some governments offered an indemnity against this).

<sup>61</sup> A note on the Custodian Agreements with the Belgian, Dutch and Norwegian Governments dated 8 September 1944 is in Bank of England file EC 4/375.

<sup>62</sup> Details of the agreements for each of the technical enemies, and of the Cessation Orders which terminated them, are given on the Country Sheets in Annex II at the end of this Note.

The mechanism for restoring bank accounts and securities to their owners was as follows: in order to protect customer confidentiality, lists of accounts were not given to the technical enemy government; instead, the records of the Custodian could be inspected by representatives of that government, who would then trace the former owners and inform them that their accounts could be claimed; application would be made through the owner's government and the Custodian, when confident that the account did not cloak ownership by a belligerent enemy, would instruct the bank to release the account. Release was made either to the original owner, or in sterling to his government who would compensate him in local currency. If the account had been transferred to the Custodian's account at the Bank of England, its proceeds would be paid over to the government concerned. (Although the Custodian did not actively collect in the property of technical enemies, he was bound to accept the proceeds from, for example, the sale of technical enemies' property, trade debts, vested property or securities sent to him for safe keeping.)

Safe deposit boxes could be opened in the presence of a representative of the enemy government and of TWED, and again their contents would be released unless there were a question of possible belligerent ownership. (After March 1946, in order to remove an administrative burden from TWED, a procedure evolved whereby enemy residents assigned mandatory powers to someone in the UK to open the box with the agreement of the Board of Trade.) Persons in the technical enemy countries who wished to recover their property in the UK had to apply to their governments or to an authority designated by the government (e.g. the *Office des Changes* in France, or the Bank of Greece), who would forward them to TWED for approval. If approval were given, the property was released.

The majority of technical enemy property in the form of bank balances and securities was released relatively quickly after the conclusion of a payments agreement with the UK, and the Custodian took action to speed things up where possible: for example, his direction on 4 September 1945 that French bank balances under £500 were to be released to the original holders freed between 65-80% of French bank accounts. After a number of years had passed, the Custodian would supply the government with a list of funds still held by him which had belonged to residents in their territory so that they could try and contact the original owners and inform the Custodian. This reduced the amount of unclaimed property considerably.

A blanket release of property did not take place until the passage of a Cessation Order, which terminated the payments agreement: until that Order was passed, a technical enemy country was still treated as enemy territory. In some cases, where there were outstanding claims to be settled between the UK and a technical enemy government, the Order was passed long after the war (e.g. for Poland in 1976, and Czechoslovakia in 1984). With the Cessation Order

any remaining funds were released from the Custodian's control (in almost all cases technical enemies' accounts had remained in their original branch), a normal banking/client relationship was restored and any further requests or claims were addressed within that relationship. However, banks could not release the funds of a deceased's estate until legal formalities had been completed. In cases where the Custodian had vested property which was not sold before the conclusion of a money and property agreement, and which remained unclaimed by its original owner, that property was surrendered to the Treasury as *bona vacantia*, i.e. goods without any apparent owner to which the Crown has a right.<sup>63</sup>

*Settlement with belligerent enemies: Germany*

The disposal of property in the UK belonging to residents of belligerent enemy territories was, of course, governed by entirely different considerations and policies to that of the technical enemies, and was in fact subject to international agreement in the context of an overall reparations settlement. In regard to Germany, her property at home and overseas was subject to the provisions of the agreement on reparations embodied in the Protocol of the Conference held at Potsdam from 17 July-2 August 1945.<sup>64</sup> When more detailed arrangements were drawn up at the Paris Conference on Reparation which met from 9 November to 21 December 1945, it was agreed that each signatory government should hold on to or dispose of any German assets in their territory, in a manner to preclude their return to German ownership or control, and to offset those assets against its reparation share. Essentially a practical arrangement, which avoided the problems of gathering in all German external property and then redistributing it, this provision also stipulated that German assets were to include 'assets which are in reality German enemy assets, despite the fact that the nominal owner of such assets is not a German enemy.'<sup>65</sup>

Because of the special position of Germany, occupied and divided into four zones administered by powers who had a different vision of the future of Germany both as regards reparations and on the kind of economy towards which Germany—designated at Potsdam as an economic whole—should be moving in the next few years, a peace treaty was not envisaged immediately after the war. Arrangements for German property in the UK, therefore, were governed by the Paris Agreement, and later by the accounting rules drawn up in 1947 by the Inter-Allied Reparations Agency which was established by the Paris Agreement. These rules required the UK and other member governments to account for the property in their territories of the German State, Government, municipalities etc., and of the Nazi party, and for any individual with German nationality and living in Germany on 24 January 1946 (when the Paris Agreement came into force), or

<sup>63</sup> Details of unclaimed assets surrendered to the Treasury are given in Annex III, Table B below.

<sup>64</sup> Printed in *DBPO*, Series I, Volume I, No. 603.

<sup>65</sup> See Article 6 of the Final Act of the Paris Conference on Reparation signed on 21 December 1945, and published as Cmd. 6721 of 1946.

who died before that date. They were not required to account for certain groups of property (religious, charitable, etc.) or for the property of German nationals who satisfied the five following conditions (which later became the model for determining all *ex gratia* releases of property to ex-belligerent enemy victims):

- \* they had suffered deprivation of liberty under discriminatory legislation
- \* they had not enjoyed full rights of German citizenship since 1 September 1939
- \* they had emigrated or proposed to emigrate from Germany
- \* they did not act against the Allied cause during the war
- \* their case merited favourable consideration<sup>66</sup>

If a government were to release property outside the framework of these rules, they were required to account for it, i.e. in the case of the UK such a release would be at the expense of the British reparation account and ultimately of the British taxpayer. In this context the release of property to German victims still living in Germany posed a problem, and the position was complicated by a possible conflict with the Paris Agreement, which committed the UK to ensuring that German assets did not return to the control of Germany. However, the Paris Agreement had also conferred responsibility for the compensation of Germans to the German authorities, and the British Government was working within the quadripartite control machinery to devise arrangements for such compensation to be made. Detailed consideration was given both in London and in the British Element of the Control Commission for Germany to procedures for dealing with the claims of those who had lost property in Germany through racial, religious and political persecution: this was not, however, the responsibility of TWED or other departments responsible for enemy property in the UK.<sup>67</sup>

In contrast to the position after the First World War, German debts to the UK in 1945 far outweighed British debts to Germany. In addition to the normal private and commercial debts incurred through trade or business, at the outbreak of war in 1939 over £34m was owed to British banks under the Standstill Agreement agreed in 1931 to maintain the financial stability of Germany, and which was renewed until 1939.<sup>68</sup> It was clear, therefore, that the retention of German property in the UK was not only provided for by the Paris Agreement but would also be vital to cover debts to British creditors. However, no arrangements for

<sup>66</sup> A copy of the Accounting Rules, approved by the IARA Assembly on 21 November 1947, is filed in BT 271/135; see also note of meeting held at TWED on 28 November 1947 to consider the treatment to be accorded to the assets of victims of persecution in ex-belligerent European countries, T 236/4312.

<sup>67</sup> See, for, example, memoranda prepared by the Official Committee on Armistice Terms and Civil Administration of the Cabinet (ACAO Committee), ACAO/P(45)48 of 11 May 1945, by its working party on Germany and Austria (FWP(45)P.2 of 13 August 1945), and the Report on compensation and restitution to victims of Nazi persecution, 19 October 1945, C 7555/4/18, FO 371/46707. Extensive correspondence regarding procedures for the compensation in Germany of victims of Nazi persecution can be found on files C 4/18 and WR 139/48 of 1945.

<sup>68</sup> Memorandum by British Banking Committee for German Affairs, 13 August 1948, Bank of England File OV 34/2/5.

the liquidation or disposal of German property in the UK under the control of the Custodian were made before 1950, when an Administrator of German Enemy Property Bill was passed.

*Settlement with the belligerent enemies: the 1947 Peace Treaties*

Property in the UK belonging to residents of other belligerent enemies was dealt with in the context of peace treaties, which were concluded with Bulgaria, Finland, Hungary, Italy and Roumania in 1947; and with Japan in 1951. The conclusion of these peace treaties, and in particular those with the Balkan Satellites, Bulgaria, Hungary and Roumania, was an important policy issue for the UK and US Governments in the context of emerging East-West tension in Europe, and was the subject of difficult negotiations with the Soviet Union, whose representatives at Potsdam argued that the Satellites and Finland should be treated in the same way as Italy. This view was rejected by the British Government who were, however, determined to try and secure the early conclusion of the treaties, in order to try and preserve both British property and British influence in the belligerent enemy territories. Their position was explained in a brief for the UK delegation at the Potsdam, Conference, setting out the reasons why the British Government had asked for the US Government's views on the proposal that peace treaties with the Soviet-controlled Balkan countries should be concluded as soon as possible:

We could see no prospect of persuading the Soviet Government to agree to the formation of more representative Government in these countries in accordance with our interpretation of the Yalta Declaration on Liberated Territories. We were also dissatisfied with the treatment accorded to our Representatives on the Central Commissions and with the manner in which our direct commercial interests were ignored or damaged with apparent deliberation by the Soviet authorities. Several attempts to remedy these grievances by direct negotiation had failed. We, therefore, decided that our best course was to work for the conclusion of peace treaties, which would give some chance of the withdrawal of the Red Army and the relaxation of the Soviet control in these countries, thus creating conditions in which the emergence of democratic Governments might be possible.<sup>69</sup>

Although the US Government were not willing to support the British Government in these proposals, preferring to try and secure the broadening of the Bulgarian, Hungarian and Roumanian Governments through direct negotiation with the Soviet Union,<sup>70</sup> the British Government remained convinced that the conclusion of peace treaties offered the best hope of securing both economic and political objectives in Eastern Europe. At the Potsdam Conference it had been agreed that the UK, US and other countries entitled to reparations (except for the USSR and Poland) would receive their share from the Western

<sup>69</sup> Undated FO brief of July 1945, *DBPO*, Series I, Volume I, No. 82.

<sup>70</sup> *V. ibid.*, notes 4 and 5.



Zones of Germany and appropriate German external assets; the American and British Governments also renounced their claims to shares of German enterprises in the Eastern Zone of Germany, and to German foreign assets in Bulgaria, Finland, Hungary, Roumania and Eastern Austria.<sup>71</sup> Although this arrangement was ostensibly matched by Soviet concessions regarding property in the Western Zones of Germany, it also reflected Soviet control over Eastern Europe, established through military might but increasingly being reinforced by political pressure. It was clear to the British Government that these belligerent enemy territories, being progressively drawn under Soviet influence if not control, would not (and probably could not) repay debts owed to British creditors or restore to British ownership property (in particular industrial enterprises) in their territory unless bound by treaty obligations.

The British Government were also keen to revitalise trade with those countries, though it was already apparent that the strength of Soviet influence in Eastern Europe contradicted the normalisation of economic relations. The British Government, for example, had made proposals for the reopening of Anglo-Roumanian trade as early as April 1945, but on 8 May a Soviet-Roumanian agreement was concluded which meant that most Roumanian industries—including the oil industry in which Britain had important investments—would henceforth be owned on a joint 50-50 Roumanian-Soviet basis. As the British Political Representative in Roumania, Mr. J.H. Le Rougetel, informed the Foreign Office on 9 July 1945:

unless we are prepared to take a definite initiative in the very near future either by negotiating a treaty of peace or otherwise, British interests will certainly be destroyed in this country and with them will go all effective British influence . . . It is my firm belief that unless they are vigorously opposed the Russians will continue to encroach on our interests in every possible way, until finally we are driven out . . . I respectfully submit that the only effective way to Anglo-Russian understanding lies in resisting the Russians' obvious intention to isolate this part of Europe.<sup>72</sup>

The negotiation of the treaties was a lengthy and complex process, carried on both in the Council of Foreign Ministers and at the Peace Conference of 1946, and need not be described in detail here. It took place in the context of a broader East-West conflict with a global sub-text which had begun with the wartime Big Three conferences, was confirmed at Potsdam, brought into the open at the Council of Foreign Ministers meetings in London and Moscow in 1945,<sup>73</sup> and provided the *leitmotiv* for discussions whether in Plenary Sessions of the Peace Conference or in the meetings of the Balkans and Finland Economic Commission. The question of belligerent enemy property in the territory of the Allied and Associated Powers was only a very small part of the negotiation of the

<sup>71</sup> See the Protocol of Potsdam Conference, 2 August 1945, *DBPO*, Series I, Volume I, No. 603.

<sup>72</sup> Bucharest telegram to FO No. 698 of 9 July 1945, printed in *DBPO*, Series I, Volume I, No. 48.

<sup>73</sup> These conferences are documented in *DBPO*, Series I, Volume II.

peace treaties, but provided an opportunity for the Soviet Union, supported by governments under its influence such as Yugoslavia and Czechoslovakia, to pursue its goal of legitimising its existing and potential dominance in Eastern Europe.

As a result of strong Western lobbying and determined negotiation, the treaties with belligerent enemies all included provisions conferring on the Allied and Associated Powers the right to retain and liquidate enemy assets in their territory and apply them to the settlement of their claims, returning any excess. The belligerent governments undertook to compensate their own nationals for property they lost in this way.<sup>74</sup> These provisions were not achieved without a battle: the Soviet Union and her supporters argued that the Satellites should get their assets back, on the grounds that they were already subject to reparation and restitution demands. The Western powers, however, were adamant on this point: countries who had fought against the Allies could not possibly be treated more favourably than the Allies themselves. The property clauses offered the only hope that British creditors might receive satisfaction of their claims against the belligerent enemies, particularly as Soviet economic control in Eastern Europe directly threatened British interests there. Mr. Bevin, referring to Soviet control over Roumanian industries, was robust on this point during a speech at the Plenary Session of the Paris Conference on 10 October 1946, reserving his position on the Roumanian Peace Treaty 'unless Great Britain is given precisely the same treatment as others are given':

In our commercial relations we stand for equal treatment for all. For ourselves, we claim the right that we should fare neither better nor worse than the other Allies, and we have sought to ensure that the same conditions are provided for all in Roumania . . . We are not content to sit by and see in Roumania the interests of the United Nations squeezed out and placed in a position by discriminatory legislation where they cannot survive.<sup>75</sup>

In this context the provisions of the peace treaties were only part of an overall economic settlement which from the British point of view was intended to try and restore the pre-war situation at least in part, and to build some defence against Soviet encroachments. Belligerent enemy property in the UK was at least some charge against the potentially huge losses to be suffered by British businesses in Eastern Europe.<sup>76</sup>

<sup>74</sup> The relevant clauses of the treaties are included on the Country Sheets at the end of this Note. Special arrangements obtained for Finland and Italy, who both signed payments agreements with the UK (in the case of Finland, before the Peace Treaty) under which their assets held by the Custodian were returned to them in return for an undertaking to pay British creditors.

<sup>75</sup> A copy of Mr. Bevin's speech is filed at R 14986/6209/37, FO 371/59198.

<sup>76</sup> For an analysis of Soviet economic policy in central and south-eastern Europe in the early post-war period see *DBPO*, Series I, Volume VI, Appendix I.

The enemy property provisions of the peace treaties concluded with Bulgaria, Finland, Hungary, Italy and Roumania were implemented through the Treaty of Peace Orders of 2 February 1948, which created a charge on the property of the belligerent enemy territories in the UK (other than that of Finland, which had already been settled). Henceforth there were to be no transfers or dealings in property except with the consent of a newly appointed Administrator for Bulgarian, Hungarian, Italian and Roumanian property, Sir Henry Gregory.<sup>77</sup> The following day, 3 February 1948, Cessation Orders were issued. A rough indication of the amount of property involved (figures for debts due to the UK were still far from complete) was given in a memorandum by the Overseas Reconstruction Committee of the Cabinet of 21 February 1948, which presented the following figures for Roumanian, Hungarian and Bulgarian property in the UK, and their respective debts:

<sup>77</sup> In the case of Italy, who had already concluded a payments agreement with the UK, the Administrator's role was to monitor the implementation of that agreement.

	<i>Property in UK</i>	<i>Debts due to UK</i>
	£000	£000
Roumania	8,073	9,503 (includes £2.1m due to HMG)
Hungary	1,122	13,162
Bulgaria	197	1,948

The memorandum recommended that HMG should exercise their rights under the peace treaties to seize and realise this property in the UK, and use it to pay a dividend on outstanding claims of HMG and private claimants, each ranking equally but excluding residual claims from the first world war; nor would payments be made towards claims from British nationals in respect of loss or damage to their property in the countries concerned. No steps to realise or dispose of the property should be taken, however, until the governments concerned had had an opportunity of making alternative proposals.<sup>78</sup> In September 1948 Treaty of Peace Vesting Orders were issued vesting the property of each of the belligerent enemies (except Finland and Italy) in the Administrator. Technically, therefore, the property was now available for liquidation and use in satisfaction of British claims.

By the time the Vesting Orders were issued, however, the British Government and her Allies had already developed strong doubts that the Balkan ex-enemy countries intended to observe their part of the peace treaties, not in relation to the provisions concerning enemy property in the Allied countries, but in respect of Allied property in Eastern Europe. The rapid advance of Communism during 1948, beginning with the abdication of King Michael of Roumania in January and the adoption of a Soviet-type constitution in March, and including nationalisation of all private wholesale trade in Hungary, and of all principal industries and services in Roumania—including the oil industry—in June, had sent a clear signal to the West that their assets in those countries were in danger, although the governments of those countries still professed their intention of honouring the treaties. From 25 to 30 June 1948 a tripartite conference of American, British and French officials concerned with economic matters (Sir Henry Gregory representing the UK) met in Rome to discuss the coordination of policy in implementation of the Peace Treaties and the Satellites, and the implications of the recent Roumanian nationalisation laws.

Their discussions revealed that each power had quite different interests at stake in the Balkan territories: the rapporteur of the political-military committee, for example, said that

the United States objective in implementation in the Balkans was to use breaches of the Treaties as pegs on which to hang propaganda destined to

<sup>78</sup> ORC(48)5 of 21 February 1948, BT 271/330.

show to the world the evils of the Iron Curtain regimes. It was no longer thought that compliance with the Balkan Treaties would ever be secured.<sup>79</sup>

All agreed, however, that the Roumanian nationalisation measures amounted to serious discrimination against Allied interests and violated the terms of the peace treaty; a joint approach was proposed to the Roumanian Government in these terms, leaving the latter in no doubt that unless they agreed to modify their decree satisfactorily 'the E.R.P.<sup>80</sup> nations together with the United States, Canada etc. will ensure in practice that the Roumanian Government are not able to buy the capital equipment etc., which they hope to obtain from the West by their sales'. Concern was also expressed about violation of the military and human rights clauses of the peace treaties.<sup>81</sup> The question of the property clauses as they related to enemy property in the Allied countries was not raised: in fact, the retention of ex-belligerent assets appeared at this stage to be the most concrete element of the peace settlement.

Apart from the property clauses, another element in the peace treaties with the former Satellites had been introduced by the British and US Governments. At their instigation clauses were included in the peace treaties with Roumania and Hungary which committed those governments to making compensation for the loss of property, legal rights or interests by persons under their jurisdiction who had been the subject of measures of confiscation or control on religious or racial grounds since 1 September 1939.<sup>82</sup> Provision was also made for heirless and unclaimed property belonging to persons or groups who had been the object of 'racial, religious or other Fascist measures of persecution' to be transferred to organisations representing those persons, for the purposes of relief and rehabilitation.

The initial stimulus for the inclusion of such clauses had come from representations made to the British and American Governments by Jewish organisations. The Council for the Protection of the Rights and Interests of Jews in Germany, Anglo-Jewish Association, American Jewish Conference, Board of Deputies of British Jews and World Jewish Congress had all approached the British Government on these lines, the latter three organisations presenting joint proposals to Ernest Bevin on 28 June 1946 for the Council of Foreign Ministers

<sup>79</sup> Confidential report on Rome talks from Chancery, British Embassy Rome to Western Department (FO), 29 June 1948, BT 271/169.

<sup>80</sup> i.e. European Recovery Programme, a reference to the Marshall Plan launched by the US Government in 1947 to provide economic aid for the reconstruction of Western Europe: see A.S. Milward, *The Reconstruction of Western Europe 1945-51* (London, 1984), Chapter III.

<sup>81</sup> Report from Rome, see note 79; see also formal notes of the Paris talks, annexing a copy of Paris telegram No. 876 to FO of 28 June 1948, BT 271/169.

<sup>82</sup> These clauses are included on the Country Sheets in Annex II at the end of this Note.

(CFM).<sup>83</sup> It was a modified version of these proposals which were championed by the American and British delegations during the negotiation of the treaties.

After a great deal of discussion in the Council of Foreign Ministers, articles on compensation for victims of persecution were included in the peace treaties with Hungary and Roumania. A proposal for a similar clause in the Bulgarian Peace Treaty did not secure an adequate majority when put to the vote in the CFM, and Mr. Bevin agreed to withdraw it, acknowledging that 'the situation of the Jews in Bulgaria was more favourable than in Roumania'.<sup>84</sup> In the case of the Italian peace treaty it was considered that existing Article 15, containing an Italian guarantee of human rights and fundamental freedoms, would suffice. On 27 September 1946 Mr. Gladwyn Jebb, Deputy to Mr. Bevin at the Council of Foreign Ministers, reported a visit from Mr. Bernstein, a former adviser to General Eisenhower now representing various American Jewish organisations, to express gratitude for the support given by the UK delegation to Jewish claims, although they were opposed to the withdrawal of the clause from the Bulgarian treaty.<sup>85</sup>

*Compensation for victims of Nazi persecution: the beginning of the ex gratia scheme*

The British Government were also involved in a number of international initiatives to help Jews and other victims of Nazi persecution, including the Five Power agreement of June 1946 concluded under Article 8 of the Paris Reparation agreement for the allocation of a reparation share (non-monetary gold found in Germany, \$25m and heirless assets in neutral countries) to non-repatriable victims of German action.<sup>86</sup> As far as enemy property in the UK was concerned, from the summer of 1946 representations were made from Jewish organisations asking the British Government to agree to release the property of victims of Nazi persecution who had been residents of enemy territory. In addition a series of parliamentary questions were tabled, apparently inspired by the passage of US Public Law 671 in August 1946, which provided for the release from the control of the Alien Property Custodian of the assets of victims of racial, religious or other persecution if they fulfilled certain criteria, which were similar to but considerably more generous than those later set out in the IARA accounting rules (see p. 28); for example, residence in Germany would not

<sup>83</sup> A statement of proposals relating to the position of the Jews, for inclusion in the peace Treaties with the ex-enemy countries, together with supplementary memoranda, was sent to the FO on 10 July 1946, R 10861/5851/67, FO 371/58635.

<sup>84</sup> Council of Foreign Ministers 5th meeting, New York, 11 November 1946, R 16683/5851/67, FO 371/58642.

<sup>85</sup> UK Delegation meeting No. 56 of 27 September 1946, U 7380/5698/79, FO 371/57369.

<sup>86</sup> See *Nazi Gold: Information from the British Archives, Part II*, FCO History Note. No. 12, May 1997, pp. 35-8 and Annex III.

exclude the possibility of release, and there was no obligation to prove deprivation of liberty.<sup>87</sup>

In answer to these questions, Sir Stafford Cripps, President of the Board of Trade, committed the government publicly to giving sympathetic consideration to applications for release of property to victims of Nazi persecution with property in the UK who were in financial difficulty, and, pending the definition of IARA rules, to the heirs and legatees of deceased German victims who were resident in the UK ; however, no releases were to be made to victims who had not left Germany or who had died there after 8 May 1945.<sup>88</sup> Sir Stafford also promised to look into the question of Public Law 671: subsequent correspondence between TWED and the UK Treasury Delegation in Washington confirmed the wider application of the US legislation but also revealed that due to lack of claims and procedural difficulties no releases had been made under the Law by July 1947.<sup>89</sup>

These parliamentary statements marked the beginning of a detailed consideration of British release policy which was to form the basis for an extensive scheme of *ex gratia* releases to victims of Nazi persecution. The question was a complex one. As Mr. G.H. Shreeve of TWED pointed out when preparing a reply to Mr. Nield's question of 6 December 1946:

The property in this country of German victims of Nazi tyranny was largely placed here before the war at a time when the Jews in Germany sought to spread their assets and it is not usual for those in the United Kingdom to be the sole property outside Germany of a particular estate. It is also unusual for the sole claimants against the property to be in this country. It is, therefore, necessary for any such refugee here to establish a claim in law . . . It would be extremely difficult for us, therefore, to assume that because an individual is a son or daughter, or other near relative of a victim of Nazi tyranny, he is entitled to a part or the whole of the victim's property which is under the control of the Custodian. We have, for instance, received claims within the last few days in respect of one estate from three different parties,

<sup>87</sup> See on this question an undated note on US policy towards property of victims of racial or religious persecution, filed in BT 271/135.

<sup>88</sup> See parliamentary answers given on 28 October 1946 to Mr. Janner and on 6 December 1946 and 28 October 1947 to Mr. Nield, House of Commons, *Hansard*, vols. 428, col. 275, 431, col. 153 and 443, col. 52.

<sup>89</sup> The US Alien Property Office did not keep full statistics of releases of enemy property, and told the British Embassy in Washington in 1953 that they could not estimate how much property had been released to victims of racial or religious persecution. However, they considered that of the \$388m which had been vested in the Custodian of Alien Property, about \$12.5m had been released to 'persecutees'. In June 1953 the US Government released all blocked assets in the US belonging to citizens of 13 European countries (neutrals and former 'technical enemies') and Japan, and unfroze all blocked accounts worth \$100 or less. However, controls continued on about \$50m of assets owned by residents of Iron Curtain countries. (A.N. MacCleary, HM Embassy, Washington, to Clayton (AEPD: see note 94 below), 1 February 1953, T 236/4312; announcement in the *Financial Times*, 29 June 1953.)

each employing their own solicitor and each, I believe, claiming to be the sole beneficiary.<sup>90</sup>

Despite these difficulties, however, Mr. Shreeve took the view that 'we ought to offer some concession in favour of refugees who have taken up residence in this country'.

Representations from Jewish organisations urging the release of property to victims of racial or religious persecution continued during 1947, while officials wrestled with the political and practical difficulties of a release policy on this basis. Mr. F.R. Bienenfeld of the World Jewish Congress argued that it would be a simple matter to differentiate between assets originating from ordinary business transactions and assets deposited for other reasons, especially fear of persecution, by Roumanian or Hungarian Jews. Mr. Gregory, however, considered that these proposals might mean that any Hungarian or Roumanian property other than that derived from the sale of imported Roumanian or Hungarian goods would be released.<sup>91</sup> Mr. R.R. Whitty, representing the Custodian of Enemy Property's office, to whom this correspondence was copied, agreed that the problem 'bristles with difficulties':

I have every sympathy with Jews (and others) who have suffered in the concentration camps, but I do not know how you will distinguish between the Jew who has been persecuted because of his race or religion, and one who has been sent to a concentration camp for committing a criminal offence against the law of his country which was of general application e.g. the non-disclosure of foreign currency and securities. It is at least possible that many of the Jewish applicants for the release of their property here will, in the nature of things, be those who have failed to comply with their own local foreign exchange control laws, and suffered imprisonment as a result. Again, it will be difficult to discriminate between assets transferred to this country to assist emigration or in genuine fear of confiscation, and investments made in this country as a matter of financial policy.<sup>92</sup>

The adoption by the IARA of their accounting rules in 1947 for German external assets made it easier for officials to formulate a release policy by supplying them with a set of internationally agreed criteria which could be applied to claims for release of property. At an interdepartmental meeting on 28 November 1947 Mr. Carter argued in favour of release to individuals who fulfilled these criteria:

the case for releasing from Trading with the Enemy control to a victim who had left the enemy country was based on moral or sentimental grounds. Legally, their assets were seized and if retained could be charged against

<sup>90</sup> Minute by Shreeve (TWED), sent to J.E. Abbott (Treasury) on 5 December 1946, T 236/4312.

<sup>91</sup> Correspondence between Bienenfeld (World Jewish Congress) and Gregory (TWED), 19 June-4 July 1947, BT 271/115.

<sup>92</sup> Whitty (CEP) to Gregory (TWED), 9 October 1947, T 236/4312.



our reparation share. He thought it might be difficult to defend politically a policy of releasing certain kinds of property while retaining others, and the administrative complications in attempting to do so would be serious.<sup>93</sup>

He pointed out that any release would have to be in the form of *ex gratia* compensation. The former owner's property now belonged to the Custodian of Enemy Property, and might in any case have been sold.

The guidelines of the British release policy which emerged from these discussions were set out in a long memorandum of 18 February 1948 by Sir Henry Gregory. He explained that a 'victim' (who must be an individual—no corporate claims would be entertained) should, according to the rules, satisfy all five IARA criteria before a release could be made, as any release outside those rules would be at the expense of the British tax-payer (if the property were German) or of British creditors in the case of other belligerent enemies. It had been decided, however, that no test of loyalty to the Allied cause should be imposed, since 'the verification of war record is a hit or miss business uncertain in result and becoming more as time goes on'. Sir Henry pointed out that this policy was in fact more generous than that promised by Sir Stafford Cripps to Mr. Janner and Mr. Nield, since it was not based on any test of financial hardship and was extended to victims living outside the UK. He added:

in all cases it may be well to remember that any release is *ex gratia* and neither the individual owner (if still alive) nor a legatee (in the case of a deceased's estate) has any legal right to demand a release.<sup>94</sup>

This formulation of British policy on the release of enemy property to victims of Nazi persecution was to remain in force for a number of years, even though officials still struggled to interpret its minutiae. On 18 May 1948 a circular letter was sent by Administration of Enemy Property Department (AEPD) to legal representative, charities and other interested parties advising them of the conditions to be fulfilled in order to secure an *ex gratia* payment, and inviting applications which seemed to meet these conditions.<sup>95</sup>

<sup>93</sup> Note of meeting at TWED, 28 November 1947, T 236/4312. Mr. Carter suggested that the criteria should be applied to the assets of victims in Bulgaria, Hungary and Roumania as well as Germany.

<sup>94</sup> An incomplete and damaged copy of this memorandum by Sir Henry Gregory of the Administration of Enemy Property Department (AEPD)—which TWED became in February 1948—is filed in BT 271/115. A better, though slightly divergent version is filed in BT 271/135. Sir H. Gregory's proposals were approved by the Cabinet in March 1948.

<sup>95</sup> Circular letter from AEPD, 18 May 1948, BT 271/171.

## V Realisation and release: 1949-61

During 1945-48 the mechanism had been laid down for the release or disposal of property in the UK belonging to both technical and belligerent enemies, and a policy had been formulated for ensuring that those former residents of enemy territory who had themselves suffered from persecution and enemy action could receive compensation for what they had lost as a result of the necessarily comprehensive and therefore blunt-edged workings of the Trading with the Enemy legislation. Those policies and mechanisms were now to be tested in practice.

### *Technical enemies: termination of money and property agreements*

According to a memorandum of June 1950 by Mr. P.J. Mantle of AEPD, approximately £300m worth of Allied assets had been released, leaving only a 'hard core' under Custodian control. It seemed time, therefore, to consider the termination of the money and property agreements which had now been signed with all the former technical enemies except the Baltic States (see p. 25). Mr. Mantle rightly foresaw that the process of terminating the agreements and thereby relinquishing all control over the former enemy property would be problematical, for a number of reasons, although the argument that some of this Allied 'hard core' was actually concealing belligerent enemy property he considered 'out of date': it was time, he thought to 'waive a quite unspecified and uncrystallised interest in any minor amounts whose real ownership or destination may not yet have come to our notice or may be forever concealed'.

Mr. Mantle considered that there were two main difficulties with bringing the agreements to an end: one was that the Allied governments had benefited considerably in terms of exchange control and in the restoration of their external economies through the agreements, which provided them with sterling assets, trade and credit, and would not welcome their termination, particularly governments like those of Czechoslovakia and Poland with whom payments agreements had only recently been concluded. The other difficulty was that of trying to maintain some guarantee or security for the proper treatment of British interests in technical enemy countries. As Mr. Mantle pointed out:

So far, however, as the earlier Agreements were concluded with Western European countries with some remnant of a civilized approach to the rights of property owners the difficulty is not so great as to be incapable of solution by the ordinary diplomatic processes of pressure and bargaining. In some other countries the game is not worth the candle of ultimately saving anything from the wreck, but this provides no argument to meet the political representations which may very well arise.<sup>96</sup>

Further consideration of this problem in AEPD led to similar conclusions expressed in a memorandum of February 1951: by that time at least 90% of

<sup>96</sup> Undated memo. by Mantle (AEPD), BT 271/292.

Custodian-held assets for the Western Allies (i.e. excluding Czechoslovakia, Poland and Yugoslavia) had been released, and the balance looked as if it was going to become 'more and more difficult to shift'; the original purposes of the agreements (listed as the orderly release of Allied assets under Custodian control, ensuring that no belligerent property was dealt with outside the peace treaties, helping Allied countries to restore their external economies, and assuring some reciprocal treatment of British property) were by and large satisfied and little further progress was likely.<sup>97</sup>

The distinction between the Western Allies and the former technical enemies who were now under Communist control was an important one. In Czechoslovakia, for example, there was a conflict of title: nationalising bodies claimed ownership of both internal and external property, and would certainly take no action to try and find the original owners of property in the UK. This would make release of the Czechoslovak residue difficult unless it were possible to come to an arrangement whereby the nationalising bodies were allowed to dispose of the remaining assets. In Poland, where millions of people had been exterminated, many of them Jews, it was even more difficult to formulate a satisfactory release policy. As Mr. Mantle pointed out in a minute of 10 August 1954:

There was considerable Polish trade with this country and a comparatively large number of Polish Jews, etc., had assets in the UK . . . In view of the way events had been going on for a few years before the war it may be reckoned that a high proportion of Polish assets in the UK were owned just by the very people marked down for such extermination. In addition, the destruction of records in Poland was probably larger than anywhere else. The nationalising concerns, therefore, were left with a much less encumbered field on which to take over what was left in Poland of going concerns belonging to partnerships, individual private companies, etc. This will make it all the more difficult to prove any sort of title by the nationalising concerns which the Board could recognise in wholesale releases of Polish assets.<sup>98</sup>

The governments within the Soviet bloc were also unlikely to accept with equanimity that any unclaimed balances would lie dormant in British banks or revert to the British Treasury as *bona vacantia*: they considered that such property should become theirs, although this was clearly contrary to the intention of TWE legislation and to the payments agreements themselves. This was only one of a number of problems which rendered the termination of the Polish and Czechoslovak payments agreements problematical, and delayed it until 1976 and 1984 respectively. In the case of Yugoslavia, however, termination was successfully negotiated in 1962 on the basis that the remaining £13,059.13s.4d. of residual and unclaimed assets held by the Custodian was transferred to the

<sup>97</sup> Unsigned and undated AEPD memo., probably February 1951, BT 271/292.

<sup>98</sup> Minute by Mantle (AEPD), 10 August 1954, BT 271/536.

Yugoslav Government on their undertaking to make payments to Yugoslav owners if traced; the British Government provided a list of persons believed resident in Yugoslavia to whose account monies were reported due.

For the majority of the technical enemies, however, termination of the money and property agreements seemed the next logical step when almost all their assets had been released. There were, however, some outstanding problems. For example, at the end of 1950 there were still more than 500 safe deposit boxes and more than 1,000 sealed packets under Custodian control, few of which had been inspected or vested, although approximately £10.5m had already been released from safes. At an AEPD meeting it was suggested that all Allied safes should now be released from control without inspection, but this would remove any opportunity for uncovering possible cloaked belligerent ownership of the contents, particularly on Dutch account. On the other hand, the process of investigation would be expensive and would involve the Custodian in the difficulties of determining ultimate ownership of the contents. It was decided to investigate the possibility of inspecting Dutch safes only, vesting where necessary, and 'to allow our action on the remainder of the safes held on Allied account to be determined by the result'.<sup>99</sup>

Another problem was that of what would happen to monies wrongfully transferred under the agreements, which while those agreements were in force should be returned. This applied both to assets which were later discovered to have really belonged to a belligerent enemy, and to assets where the receiving government was unable to trace the original owner. AEPD's view in 1951, however, was that the former argument no longer constituted a reason for retaining control:

time and the requisition of relevant information have removed the necessity for maintaining Custodian control only in order to acquire the last penny of belligerent assets for one or other of our Administrators. If *they* do not get them the possibilities are that the belligerent owners will (or their Governments, though this is a long shot), or alternatively the Allied Governments concerned. There *may* be a relatively high percentage of such assets in the 10% 'remainder', but there cannot be much absolutely.<sup>100</sup>

In the cases of unclaimed assets, AEPD's view was that the termination of the agreements should be subject to assurances of reciprocity in conformity with the usual rights of one country in respect of another, and that the Allied government should be told that any property still held by the Custodian would be paid directly to the owner on application. Concern on this point appears to have been stimulated by experiences with the French, who had on a number of occasions

<sup>99</sup> Record of meeting in AEPD, 1 January 1951, BT 271/292. See also minute by Mr. Mantle on Allied safes, 15 March 1951, and undated 'Note on Safes', also 1951, both in BT 271/292.

<sup>100</sup> Undated 1951 AEPD memo. on cessation of Allied release arrangements, BT 271/292.

returned sums to the Custodian as unclaimed, then asked for them again.<sup>101</sup> These problems were, however, minor irritants rather than major difficulties of principle.

By 1951-2 the British Government's general view in regard to the technical enemies' property was that the Custodian had fulfilled his purpose as far as he was going to, and that there were strong internal reasons for taking all possible measures to cut down the Custodian's preoccupation with the Allied 'remainder', such as general political pressure, contingent drafts on manpower for emergencies and Administrator exercises, and good administration. With the exception of Poland and Czechoslovakia, where additional factors complicated a final settlement of claims, the money and property agreements concluded with the technical enemies after the war had all been terminated by the mid-1950s, Yugoslavia following in 1962.

In 1966 all unclaimed funds held by the Custodian in accounts of under 5s in value were paid over to the Treasury: approximately 1350 unclaimed French and Channel Islands accounts worth £324.18s 2d, together with 160 accounts belonging to other technical enemies worth £24 12s 6d. In 1968 a sum of £32,000 was similarly collected in from 1,300 Custodian-held accounts of less than £10 and from untraceable property returned from technical enemy governments. This sum included 4,600 French accounts worth £27,000 and 150 Belgian accounts worth £1,790.<sup>102</sup> However, unclaimed bank balances belonging to former technical enemies, which had never left their original banks and had now been released from Custodian control, remained in those banks as dormant accounts.

*The realisation and distribution of belligerent enemy property: Germany*

The 1946 Paris Reparations Agreement and the peace treaties had given the British Government the right to use German and other belligerent enemy property to satisfy their own claims if they so wished. Although no formal decision on whether to use belligerent assets in this way was taken for several years, there was never much doubt that this would be the eventual outcome. In the case of Germany, preliminary arrangements for the realisation and distribution of German assets in the UK were made in legislation passed in 1949 and 1950 which led to the appointment of an Administrator of German Enemy Property; and an Advisory Committee was appointed to resolve the vexed question of which class of British debts should receive priority: should it be the banking institutions, the short-term creditors who had supported Germany throughout the pre-war period; or should it be those creditors who could identify assets belonging to their debtors; trade debts; should payments be made to British firms whose business was carried on entirely overseas?

<sup>101</sup> AEPD note on Unclaimed Balances on French account, 1 September 1959, BT 271/299.

<sup>102</sup> Details of the transfer by the Custodian to the Consolidated Fund of further sums held to the accounts of technical enemies are given on the Country Sheets at the end of this Note.

The British Banking Committee for German Affairs, supported strongly by the Deputy Governor and the Bank of England, took the view that it was

legitimate to claim preferential treatment for Banking and similar institutions which gave credit to those Germans who did in fact possess assets in this country, i.e. that such institutions ought to be enabled to reap the benefit of their conservative lending policy which, it is said, differentiates them both from the long-term creditor and from the ordinary commercial creditor.<sup>103</sup>

The Treasury, however, considered that

we have to pay regard to the interests of all creditors, e.g. those who invested in long-term German securities and those who were engaged in ordinary commercial transactions with Germany, as well as those responsible for short-term credit facilities<sup>104</sup>

The Advisory Committee, reporting in 1951, made recommendations on the relative weight to be attached to claims against Germany outstanding in 1939, and on the details of which other claims and debts should be included. They also recommended that monies due to Germans from UK insurance companies should be returned to them as part of a comprehensive settlement of insurance matters. These recommendations were implemented through the Distribution of German Enemy Property (No. 2) Order of 1951, inviting claims by creditors by 1 May 1952 (later extended to 1 November), and setting in train a series of dividend payments from 1953-56. Agreement by the government of the Federal Republic of Germany to raise no objections to these arrangements, and a commitment to ensure that former owners in Germany of liquidated property would be compensated, was secured under the terms of the Bonn Conventions of 1952/4.<sup>105</sup>

The amount of German assets available in the UK for realisation and distribution proved to be considerably greater than at first estimated: a substantial amount was realised through accruals of interest, and when German property was sold prior to distribution receipts were larger than anticipated. It took some time, however, for the size of the potential surplus to become apparent. When the final dividend payment of 10Hd was announced in June 1956 the President of the Board of Trade stated that it would exhaust the funds in hand and that the amount expected to accrue in the next few years would be insufficient to make any further distribution practicable. Arrangements were to be

<sup>103</sup> Minute by H. Wilson Smith (Treasury), 17 January 1949, T 236/1987.

<sup>104</sup> *Ibid.*

<sup>105</sup> Details of legislation and dividends are on the Country Sheets at the end of this Note.

made for the allocation of £250,000 to an appropriate charity,<sup>106</sup> and the residue would be paid to the Exchequer.<sup>107</sup>

In the event, however, the residue was considerably larger than expected—estimated in April 1959 at £600,000, with the possibility of it reaching £1m within a few years—including about £100,000 of assets which had not yet been liquidated and were classed as ‘future assets’ which would not mature for some years. The latter was raised with the Prime Minister, Harold Macmillan, in October 1958 by FRG Chancellor Dr. Adenauer, who argued for the return of these assets ‘mainly for psychological reasons’.<sup>108</sup> This question, together with the wider issue of how to dispose of the German residue, was considered carefully by Ministers who were well aware of the negative presentational aspect of depriving individual Germans of such interests as bequests under wills so long after the war. On the other hand, they realised that ‘public opinion here might become restive if this money were returned to the Germans when Germany has not yet fully met her obligations to compensate allied and stateless Nazi victims’.<sup>109</sup> In addition the Chancellor of the Exchequer pointed out the need to reserve money to avoid a net charge on public funds arising from the distribution of belligerent enemy property, and the Prime Minister emphasised the need to consider ‘the position of the small class of Jews in Eastern Europe who had assets here which they were never able to claim because after the war they were imprisoned by the Communists’.<sup>110</sup> Consideration was also given to using part of the funds for payment to out-of-time British creditors, and to making further funds available for the victims of Nazi persecution.

The British Government were also concerned to ensure that the FRG Government fulfilled its pledges to compensate dispossessed owners in Germany under the terms of the Bonn Conventions. In a memorandum for the Cabinet of July 1959 Mr. D. Ormsby-Gore, now Minister of State for Foreign Affairs, noted that the Federal German Government had been provided with full particulars of the German assets which had been disposed of, but that they had ‘so far compensated very few owners’. He pointed out that it would be easier in about a year’s time to determine more exactly the amount of German assets which would be available for disposal, and to know whether further help would be needed for victims of Nazi persecution. The question of the ‘future assets’ could be used as a bargaining counter with the German Government to secure an

<sup>106</sup> i.e. the Nazi Victim Relief Trust: see p. 48 below. The allocation of this money was effected under the Distribution of Enemy Property (No. 3) Order, 1957.

<sup>107</sup> For Mr. Thorneycroft’s statement in the House of Commons on 26 June 1956 see *Hansard*, vol. 555, cols. 33-4.

<sup>108</sup> See minute from Commander Allan Noble, Minister of State for Foreign Affairs, to Prime Minister, 14 January 1959, T 236/5460.

<sup>109</sup> Minute for Prime Minister on C(59)139 (see note 110 below), 4 September 1959, PREM 11/3355.

<sup>110</sup> See Confidential minutes from the Chancellor of the Exchequer, Mr. Heathcote Amory, to PM, 21 January 1959, PREM 11/3355, and the Prime Minister’s reply of 24 January, copy in T 236/5460.

improvement in German compensation for Nazi victims who were stateless or of British nationality. In the light of these arguments the Cabinet agreed to defer a decision on the disposal of both known and future assets.<sup>111</sup>

By 1961 the amount available from German assets had risen to £1.7m, which clearly made it practicable to make another dividend payment to British creditors. The President of the Board of Trade's proposal to make a further and final distribution of a dividend of 2Gd in the £ out of the remaining proceeds of German assets in the UK, with the residue (about £70,000) being made available to victims of Nazi persecution whose claims had been ruled 'out of time', was accepted by the Cabinet on 13 July 1961.<sup>112</sup> They also accepted the recommendation that any further funds which became available (the 'future assets') would be returned to the Federal Republic of Germany; the Foreign Office having argued that in the light of recent agreements reached between the Federal German Government and the United Nations High Commissioner for Refugees in October 1960, and with Austria in June 1961, an announcement to this effect would help British negotiators, about to resume talks on compensation for the remainder of British persecutees, to secure a favourable result.<sup>113</sup> The legislative and practical difficulties of implementing this recommendation were not considered in detail at this point.

*The realisation and distribution of belligerent enemy property: the Balkan Satellites*

The liquidation and distribution of the property of other belligerent enemies broadly followed the German example.<sup>114</sup> As recommended by the President of the Board of Trade in February 1948,<sup>115</sup> approaches were made to the governments of Bulgaria, Hungary and Roumania asking them to suggest alternative proposals for settling claims between their country and the UK. Their response, in an increasingly hostile Cold War climate, was uncooperative, and in 1950 AEPD's view was that:

<sup>111</sup> Memo. by Ormsby-Gore C(59)139 of 27 July 1959, CAB 129/98, Cabinet Conclusions CC(59)51, CAB 128/33.

<sup>112</sup> Board of Trade briefing on memo. of 6 July 1961 by the President of Board of Trade C(61)92 and minute to Prime Minister, 12 July 1961, BT 279/119 and PREM 11/3355; Cabinet Conclusions CC(61)40, 13 July 1961, CAB 128/33.

<sup>113</sup> FO brief on memo. by President of Board of Trade (see note 112), 12 July 1961, C 91501/4, FO 371/160644.

<sup>114</sup> The information given below refers to the Balkan Satellites, Bulgaria, Hungary and Roumania. Of the other belligerent enemies, Finland and Italy had already concluded payments agreements with the UK. The arrangements made for the disposal of Austrian and Japanese property are set out on the Country Sheets at the end of this Note.

<sup>115</sup> See p. 33.



no further advantage is likely to enure to HM Government, or to the United Kingdom creditors against these countries by postponing any longer the realisation and distribution of the enemy property.<sup>116</sup>

AEPD submitted that although the principles and policy of a distribution of Satellite property would have to be co-related with the 'larger and more important job' of dealing with German property, formal authority should now be given

to proceed with the realisation or disposal of the property (i.e. the non-liquid assets) of the ex-enemy countries forthwith so that the proceeds thereof may be available to the Administrator when the time comes for a distribution to the claimants on those countries. The property concerned represents a very mixed collection and apart from the Government securities or securities quoted on the Stock Exchange, it will not be easy to find a satisfactory market for a great deal of it. It is therefore necessary to start as soon as may be possible on the formal realisation of these assets. . . <sup>117</sup>

The Treasury agreed that it was time to proceed towards realisation and distribution. As Mr. C.G. Thorley wrote to Mr. Mantle on 8 July 1950

Not only have British claimants been waiting a long time, but the passage of the Distribution of German Enemy Property Act, and the progress through Parliament of the Foreign Compensation Bill,<sup>118</sup> dealing with claims on other foreign countries, make it undesirable to delay further.<sup>119</sup>

Government departments concerned began the task of devising an equitable scheme for paying claims out of the proceeds of the seized property, but ran into considerable difficulty in reaching agreement on which classes of claims would be admitted, and on the administrative machinery required to deal with these claims. The Treasury, who were responsible for issuing a Direction to the Administrators of enemy property under which they would distribute the assets, took the view that any person who had suffered loss or prejudice by reason of war with the Satellites could make a claim. AEPD, however, came to the conclusion that it would be impossible to work out a scheme which would embrace all type of claims. For example, some classes of claimant, such as those owning property in the Satellite countries, were specifically provided for in the peace treaties, and even if it were not certain that the Satellite governments would honour their obligations such claimants had to be treated differently, quite apart from the fact that their inclusion (which would involve the large oil

<sup>116</sup> AEPD memo. on Satellite property in the UK, 24 July 1950, BT 271/330.

<sup>117</sup> *Ibid.*

<sup>118</sup> The Foreign Compensation Act, 1950 established a Commission for the registration and determination of claims for compensation from foreign governments, such as claims from British owners of property nationalised by the Yugoslav and Czechoslovak governments, and for the distribution of any compensation received from those governments.

<sup>119</sup> Thorley (Treasury) to Mantle (AEPD), 8 July 1950, BT 271/330.

companies) would ‘swamp other claims and result in a dividend to all so small as to give satisfaction to no one’.<sup>120</sup>

AEPD’s view, therefore, was that the Satellite distribution should be limited to creditors with pre-war contract debts, bondholders and persons with quantified claims in line with the German Enemy Property legislation. Agreement was reached on these lines during 1951 with the Treasury, who submitted a memorandum to the Chancellor of the Exchequer which was accepted by Ministers, but it was not until 28 July 1952 that the Treasury announced that the UK assets of residents of Satellite countries would be distributed ‘shortly’ to claimants: the preparation of Distribution Orders took another two years.<sup>121</sup>

In August 1952 the estimated value of the Satellite assets in the hands of the Custodian which would come into the hands of the Administrator for distribution were £110,000 (Bulgaria), £600,000 (Hungary) and £7m (Roumania); British claims against these assets were indicated at £2m, £13m and £12m respectively, although AEPD considered these figures ‘very suspect’, with some claims being considerably inflated while others had yet to be registered. At the request of the Board of Trade an attempt was made to divide the assets into individual holdings, holdings of partnerships and holdings of companies. The following figures, estimated by AEPD, show that corporate assets accounted for the major part of Bulgarian and Roumanian property:

	<u>Bulgaria</u>	<u>Hungary</u>	<u>Roumania</u>
	£000	£000	£000
<i>Individuals (including joint accounts)</i>	52	429	960
<i>Partnerships</i>	2.5	11	4
<i>Companies (including banks, government assets, etc.)</i>	55.5	160	6,036

Presenting these figures, Sir Henry Gregory noted that AEPD had found it impossible to identify Jewish property among these assets, but that it was believed that it constituted a substantial proportion of the holdings by individuals and partnerships.<sup>122</sup> The total amount of the assets available for distribution was determined by the amount of cash and of the proceeds of sale of Satellite property in the UK, after deduction of the Administrator’s expenses and a contingency provision to meet legal costs.

<sup>120</sup> Draft memo. on distribution of Roumanian, Hungarian and Bulgarian property in the UK, 6 November 1951, BT 271/330.

<sup>121</sup> On the reasons for delay see, for example, minute by Gregory (AEPD), 4 December 1951, and further correspondence in BT 271/331, and a retrospective view set out in a draft memo. of May 1955, BT 271/334. Details of the numbers of claims submitted can be found on the Country Sheets.

<sup>122</sup> Minute by Gregory (AEPD), 1 August 1952, BT 271/636.

Distribution Orders were issued by the Treasury on 26 July 1954 (Roumania) and 6 August 1954 (Hungary and Bulgaria). The closing dates for the submission of claims were set at 31 January 1955 and 28 February respectively, although this was later extended to 30 June 1955 in view of the delay in the issuing of the Treasury directions and the difficulty experienced by some claimants (particularly those in Iron Curtain countries) in meeting the deadline.<sup>123</sup> Final dividends were issued in respect of Bulgaria and Roumania in February 1956 and January 1957; dividends for Hungary were delayed by the Hungarian uprising of 1956 and subsequent events, so that the first dividend was not made until June 1957, with a second in March 1964.

Up to the point of the final dividend, assets from ex-belligerent enemy property were still being released to former victims of Nazi persecution under the policy formulated in 1948 (see p. 38). When that point was reached, however, the Administrator had to set aside the sum estimated for administrative and legal expenses and to pay such dividends to British claimants as would exhaust the proceeds of the assets at his disposal, thereby making any further releases to victims impossible. In the case of Germany, the President of the Board of Trade announced on 26 June 1956 that after that date no applications could be considered for the return of assets to individual Germans who had been victims of Nazi persecution, although the residue of the proceeds of German assets, amounting to £250,000, would be used to establish a charitable fund known as the 'Nazi Victim Relief Trust' to provide assistance to victims of religious racial or political persecution.<sup>124</sup> This fund was distributed both to charities (£100,000 was given to the Central British Fund for Jewish Relief and Rehabilitation) and to individuals on basis of need, and wound up in 1961 when all the money had been used. Announcements that no further applications for release by victims could be accepted were also made in relation to the Satellite countries in 1956 and 1957: by that time assets totalling £1,638,000 had already been made available to 756 victims or their heirs, about half of which went to Roumanian nationals.<sup>125</sup>

Technically, therefore, the *ex gratia* release scheme had come to an end. It was recognised, however, that many cases of hardship still existed where no compensation had been made, and that many late applications for release were still being received. In the case of both Germany and the Satellite countries, assets continued to accrue to the Administrator after the final dividends had been made to creditors; in addition, not all property had been distributed against the possibility of certain legal claims. In 1961, when the Cabinet considered the disposal of residual German assets (see. p. 45) and decided that the residue of

<sup>123</sup> See correspondence between Treasury and AEPD, May 1955, BT 271/334, and record of meeting held by Sir H Gregory, 17 May 1955 and press notice issued on 19 May 1955, BT 271/335.

<sup>124</sup> See note 105 above.

<sup>125</sup> Treasury memo. on assets in the UK of victims of Nazi persecution, 2 May 1958, BT 271/561.

£70,000 should be made available to meet 'out of time' applications for relief, the Administrator of Bulgarian, Hungarian and Roumanian Property had in hand some £40,000 after paying all expenses and allowing for a possible deficit in the Hungarian accounts. The Cabinet agreed with the proposal by the President of the Board of Trade that this sum should be added to the residue of German assets and the proceeds used to continue releases under the *ex gratia* scheme.

*The operation of the ex gratia scheme of releases to victims of Nazi persecution, 1949-70*

The British Government's policy on the release of ex-enemy assets to victims of Nazi persecution had been set out in March 1948 (see p. 38) and remained the basis for AEPD's response to claims. However, a number of concessions were made in the application of that policy in response to representations by a number of interested parties, in particular Jewish organisations, and in the light of knowledge accumulated by the Department of wartime conditions in the Balkan Satellite countries, particularly as they affected Jews. A series of representations in 1949 from Mr. Bienenfeld on behalf of the World Jewish Congress, in particular on the question of the closing date for lodging claims for release (set at 1 June 1949), led to the extension of that date to 31 December 1949; Mr. Bienenfeld having argued that conditions in Eastern Europe had now changed so that the Soviet and Eastern European Governments were no longer encouraging Jews in their countries to emigrate to Palestine, but some, such as the Roumanian Government, were taking steps to stop young Roumanian Jews from leaving the country.<sup>126</sup>

AEPD, while concerned that an extension of the period for submitting claims might hold up the distribution of Satellite property to British creditors, did not argue strongly against it. Other modifications of the release policy, however, were more problematical. In particular there was much discussion on the definition of 'deprivation of liberty' as specified in the IARA Rules. Jewish organisations and others representing victims argued that a strict definition, restricting release to those who had been in a concentration camp, was unfair, as other victims who had been forced to work in labour camps or live in closed ghettos had also been deprived of freedom. After considerable discussion it was agreed in 1951 that persons who had undergone forced labour service, whether civil or military; or who were held in custody for a short time but were under threat of death; or who had been forced to live in a closed ghetto, also satisfied the qualifying condition for 'deprivation of liberty'. Claimants no longer had to give the reasons for their incarceration in a concentration camp, and signed witness statements were to be accepted as evidence of deportation.

It was also announced that all previous applications for *ex gratia* release would be re-examined in the light of the modified criteria, without the need for claimants

<sup>126</sup> Minute by Sir H. Gregory of meeting with Mr. Bienenfeld, 30 April 1949, and further correspondence on BT 271/115.

to re-apply. Mr. Sydney Silverman MP, who had supported Dr Bienenfeld's representations, expressed gratitude to Mr. Arthur Bottomley, Secretary for Overseas Trade, on 15 May 1951, stating his view that 'most of our points have been adequately met', and an announcement was placed in the *Jewish Chronicle* on 1 June 1951 announcing 'important changes in the release of blocked assets of Hungarian and Roumanian Jews'.<sup>127</sup>

Further concessions were also made, such as the extension of the 'cut-off' date before which a victim must have died for a claim to be made for the release of his estate, from 8 May 1945 to 15 September 1947, the date of ratification of the Satellite Peace Treaties. On other points, however, the Board of Trade stood firm on its existing policy. They continued to maintain that all five of the IARA conditions must be satisfied for a release to be made: as Mr. G. Quin of AEPD explained in 1952:

Releases, *ex gratia*, out of moneys charged under the Treaty of Peace Orders with Bulgaria, Hungary and Roumania are, of course, at the expense of British creditors of those countries and the effect of easing the qualifying conditions for release would be a further depletion of the pool of assets—which in the case of Hungary is already very inadequate—available for the satisfaction of those creditors' claims.<sup>128</sup>

Nor did the Department accept the argument that persons who went into hiding should be classed as being deprived of liberty, as it would be impossible to prove; nor that releases should be made to the spouse of a person who committed suicide when not under detention, or the spouse of someone who had been deprived of liberty. Mr. Bottomley also rejected representations by, among others, Mr. Barnett Janner MP, proposing that banks should be required to disclose dormant balances and that those which belonged to Jews who died heirless should be placed at the disposal of organisations for the rehabilitation of Jewish survivors. The Minister explained that 'we should be opposed to prejudicing or reducing the amount of the Administrator's funds available for distribution to British creditors by adopting the proposal', which was also likely to meet opposition from the banks, quite apart from the 'constitutional difficulty of handing over public moneys for distribution, without a Vote or accountability, to charitable purpose narrowly limited to a particular class'.<sup>129</sup>

Such explanations did not stem a continuous flow of criticism which was levelled against the Board of Trade for the way that the release policy was applied, for example from John Foster, MP, who submitted long memoranda

<sup>127</sup> See meeting between Sir H. Gregory, Mr. Silverman and Dr. Bienenfeld, 20 November 1950, BT 271/252; letter from Mr. Bottomley to Mr. Silverman, 9 May 1951, and related correspondence in BT 271/135; letter from Mr. Silverman to Mr. Bottomley, 15 May 1951, BT 271/115.

<sup>128</sup> Minute by Quin (AEPD), 19 June 1952, BT 271/636.

<sup>129</sup> Letter from Mr. Bottomley to J.L. Edwards MP, Economic Secretary to the Treasury, 17 November 1950, BT 271/417.

attacking the way in which AEPD applied the IARA rules, comparing the British policy unfavourably with that of other countries and asking for a 'complete revision of the ungenerous attitude of the department', with the right of appeal to some extra-departmental body.<sup>130</sup> The Board of Trade's response to these attacks remained to refute points made on the grounds of any legal right to release, but to maintain a sympathetic attitude towards particular cases of hardship. They also drew attention to the amount of releases which were already being made: in the course of preparation of a response to Mr. Foster's memorandum of October 1951, a summary was drawn up of victims' claims received as at 17 June 1952, which showed that 63% of all claims had already been met at a cost of £1,067,080, with 22% pending (£413,895) and 15% rejected (£164, 230).<sup>131</sup> As far as other countries' policies were concerned, it was acknowledged that the USA and Denmark took a more liberal approach to release, but France, Belgium and Holland were more restrictive than the UK.<sup>132</sup>

AEPD accepted the argument that there might be some victims who fell outside the criteria for release and might therefore suffer. There were, after all, many British people who had lost all their property and stood to regain only a few pence in the pound from the distributions of belligerent enemy property in the UK. They rejected the accusation, however, that AEPD had administered concessions to the release policy in a 'strict or arbitrary fashion':

It must be obvious . . . that there must be rules if any concessions of this kind are to be applied over a wide field. Cases cannot be 'treated on their merits'. It is probably inevitable that people whose sympathies or interests are affected will criticise decisions on cases in which they are interested. It is quite conceivable that if the Hungarian Creditors knew that we had already released about £0.5m and that another £200,000 would possibly pass before their claims were settled, they too might feel aggrieved. The concessions which have been made were reasonably interpreted and in my opinion should be regarded as the last word. Any further concessions can only be at the expense of our own creditors, and if at this stage further concessions are made the whole question will be thrown open, distribution will proceed with the utmost difficulty and nobody will know where the end will come . . . it seems to me entirely out of keeping that there should be a proposal that a Departmental decision as to their applicability to a particular case should be subject to a "right of appeal to some extra-departmental tribunal" which would be responsible to nobody. Administration in this way would be impossible.<sup>133</sup>

<sup>130</sup> Memos. by John Foster MP, October 1949, BT 271/339, and October 1951, BT 271/686, and related correspondence on BT 271/407 and 636; see also correspondence regarding a third memo. by Mr. Foster but submitted by Mrs. M. Lane on the release of enemy property, 31 May 1951, BT 271/636.

<sup>131</sup> Summary of victim claims received as at 17 June 1952, BT 271/636.

<sup>132</sup> Comparative statement showing how IARA rules were applied in UK and Allied countries, November 1951, BT 271/636; see also AEPD minute of 16 October 1951, BT 271/407.

<sup>133</sup> Minute by Gregory (AEPD), 26 June 1952, BT 271/636.

Despite continued criticism from within and without Parliament, the *ex gratia* scheme continued to operate until the announcement of the final dividends to creditors from ex-belligerent enemy property. At the end of 1955, £1,546,640 had been released in response to 904 applications, which constituted 72% of all applications received. Applicants had received on average 78% of the amount they claimed. By 1958, 84% of all applications made had resulted in payment, with claimants having received on average 84% of the amount claimed (a 2% administrative charge was levied by the Administrator).<sup>134</sup> These figures can be contrasted with the amounts received by British creditors from dividends paid in respect of belligerent enemy property: in the case of Hungary, for example, 5Hd for each pound lost; for Roumania, 8s 8d; for Germany, 3s 1d; and British creditors were subject to a 3% administrative charge.

The Cabinet decision in 1961 to dedicate the German and Satellite surpluses to the *ex gratia* scheme meant that it continued in operation throughout the 1960s; payments were in fact made as late as 1970, to applicants who could provide a good reason for not having submitted an earlier application. Although no further German funds were made available after the 1961 decision, further accruals of Satellite assets were used to benefit victims of Nazi persecution. As long as claims continued to be received, the scheme was kept in operation and there were sufficient funds to meet them if validated. Any surplus was eventually paid into the Consolidated Fund.

## **VI            Winding up: the end of sequestration and the Custodial system, 1961-89**

During the period 1949-61 British policies towards the disposal or release of technical and belligerent enemy property evolved and were modified in response to the problems—and opportunities—presented by their implementation. After 1961, the duties of the Custodian and Administrator of Enemy Property<sup>135</sup> were largely confined to dealing with a number of residual, but none the less awkward problems relating to the final settlement of claims and disposal of those assets which continued to accrue.

### *Winding up: the technical enemies*

<sup>134</sup> Table showing releases of money to victims and heirs of victims in Satellite countries and Germany, 21 April 1965, BT 271/135.

<sup>135</sup> During the 1960s, the work of the former AEPD was carried out by Enemy Property Branch in the Board of Trade. Mr. R.H.M. Clayton, Controller of Enemy Property, now held all three Custodian posts and also held the multiple appointments as Administrator of Enemy Property. In 1969, in view of the lessening volume of work, Enemy Property Branch was absorbed into the Finance Division of the Board of Trade (later Department of Trade and Industry, DTI), and the post of Controller abolished. A separate Administrator was appointed, until in 1972 the posts of Custodian and Administrator were combined.

Three former technical enemies had still to resolve their mutual claims with the UK: the Baltic States, Czechoslovakia and Poland. With regard to the other technical enemies, the Custodian, under Treasury direction, gradually cleared his accounts of unclaimed money, paying Belgian and French balances totalling £32,800 to the Board of Trade in 1968, with further disposal of assets totalling £34,475.00 taking place between 1972 and 1974. This action was confined to accounts which did not contain any securities.

#### *The Baltic States*

As the Baltic States had no independent governments and their annexation by the Soviet Union was recognised *de facto*, though not *de jure* by the British Government, no separate money or payments agreements were made with them. The disposal of Baltic assets in the UK became part of the overall settlement of Anglo-Soviet financial claims on which negotiations had taken place spasmodically since 1955 and were nearing fruition in the early 1960s. When the British Government had 'frozen' the Baltic gold reserves in London in 1940 and refused to hand them over to the Soviet Union on demand, the latter had in retaliation suspended payment on Lena and Tetiuhe bonds to British bondholders, who thereafter regarded themselves as having a claim on Baltic assets in the UK. This complicated situation was compounded further by residual UK claims against the Soviet Union arising from the 1917 revolution, and Soviet counter claims relating to damage done by British troops in Russia since the Armistice of 1918.

The question of Baltic assets therefore became inextricably intertwined with Anglo-Soviet mutual claims, and as negotiations came to a head in 1967 the British Government decided that Baltic assets in the UK, including the gold reserves, should be sold and applied to the settlement of British claims under a general Anglo-Soviet claims and financial agreement, which was signed on 5 January 1968.<sup>136</sup> £500,000 of the proceeds was to be used to repay the Consolidated Fund for money paid to the USSR as part of this agreement. Provision for these arrangements was made in Orders issued under the Foreign Compensation Act of 1969, which extended the Board of Trade's powers under section 7 of the TWE act to include the disposal of the former property of a Baltic State or ceded territory,<sup>137</sup> and enabled the Treasury to direct the Custodian to pay any such assets over to the Foreign Compensation Commission. Under section 1 of the Act the proceeds of the sale of the gold deposited in London by the state banks of Estonia, Latvia and Lithuania were vested in the Custodian, and on 25 August 1969 the Treasury directed the Custodian to pay £500,000 of these proceeds into the Consolidated Fund.

<sup>136</sup> Published as Cmnd. 3517 of 1968: see *DBPO*, Series III, Volume I, *Britain and the Soviet Union 1968-72* (The Stationery Office, January 1998), No. 2.

<sup>137</sup> i.e. those parts of Czechoslovakia, Finland, Poland and Roumania which had been ceded to the USSR.



In January 1970 the Treasury directed that the balance of Baltic assets should be paid to the Foreign Compensation Commission: at that point this amounted to £5.8m, £5.4m of which was derived from the central banks' gold and only about £4,000 from the 'ceded territories'. Payment was not actually made until May 1971, by which time funds from the sale of securities and accrued interest meant that a further £95,000 could be paid to the FCC in June. Some £16,000 was retained by the Custodian to settle 17 outstanding claims for release, together with interest on the Baltic gold and other money not claimed by the USSR; both the number of claims and the retained funds gradually dwindled, and the remainder of the Baltic assets was finally surrendered to the Consolidated Fund in 1986.

#### *Poland*

In October 1973 the FCO proposed to the Treasury and DTI that the 1949 money and property agreement with Poland should be terminated in the same way that other agreements with technical enemies had been terminated. This would entail the return to the Polish Government of all Polish assets held by the Custodian, including the bank balances which had not been called in: this proved to be a total of £83,346.57. In August 1974, the British Government proposed to the Polish Government an exchange of notes to terminate the 1949 agreement, under the terms of which £69,200 would be paid to an account in the UK in the name of the Polish Government, representing residual and unclaimed assets. The balance of the assets comprised the estates of deceased persons (or joint accounts where one holder was deceased), which were only released on application by an heir or legally entitled person. The Polish Government also undertook to continue to help British creditors to trace their property or debtors in Poland. The exchange of notes finally took place on 30 March 1976, and the Cessation Order was issued on the same day. Payment of £69,981.29 was made to the Polish Government on 7 April, together with lists of the accounts both paid over and retained so that former owners could be traced.

A separate conclusion was reached on Danzig, which had never been the subject of discussions with the Polish government. Money called in by the Custodian amounted to £29,037.50, and had mostly belonged to ethnic Germans living in Danzig. Following the issuing of a Cessation Order in November 1984, the Custodian contacted the Federal German Government supplying a list of accounts greater than £100 so that their owners could be traced. Only a few former owners were traced, and the balance of the assets, including accounts under £100, were paid to the DTI, for onward transmission to the Treasury, in 1986 (a total of just over £23,000).

#### *Czechoslovakia*

A final settlement of claims with Czechoslovakia was held up until 1982 by disagreements regarding the restitution to Czechoslovakia of gold held by the

Tripartite Gold Commission.<sup>138</sup> The operation of the 1945 Money and Property Agreement was disrupted by the Communist coup in February 1948,<sup>139</sup> and although in 1949 an Anglo-Czechoslovak agreement had been reached for the repayment to HMG of a 1938 government loan, the Czechoslovak Government had later refused to make payments until approximately £18m of gold allocated to them by the TGC (the residue of their claim following the interim distribution in 1948)<sup>140</sup> had been paid over. Distribution of this residue was delayed mainly by the US refusal to agree until certain US claims against Czechoslovakia had been settled.

Attempts to reach a settlement in 1963-4 and 1974 foundered on US objections, but the conclusion of a US-Czechoslovak agreement in 1981 led to a renewed round of British negotiations in August 1981 when the UK put forward a claim for £47m, based on £19.5m of government debt dating back to 1938 and £6.025m for private claims, plus interest. Agreement was finally reached in November 1981 and signed on 29 January 1982 whereby the Czechoslovaks agreed to pay over £24.25m in settlement of UK claims and gave up their claim to Czechoslovak money and property in the UK worth £584,000 (comprising £487,313 in money, plus £90,000 in bank accounts held to the Custodian's order and £7,000 in realisable securities). They also agreed to compensate their nationals for any losses suffered as a result of this arrangement, and later asked for a list of all claims and properties for this purpose.

The intention on the British side was to use money from both government and private sources to meet British claims, the largest portion of which was government debt, and it was decided to provide the FCC with only £3.6m for distribution to private claimants. The vested securities in fact realised £5,000, and in November 1982 the Custodian paid £492,617.21 into the Consolidated Fund from the money held. He was initially reluctant to call in accounts from British banks until the Treasury insisted—a reluctance based on the same feeling expressed during the war years that the banks would be unwilling to part with what they saw as their customers' money. The accounts were gathered in during 1983, and in March 1984 the proceeds were paid into the Consolidated Fund (over £92,000) and the FCC (over £16,000). Following the issuing of the Cessation Order in May 1984 banks were informed that any remaining securities held for Czechoslovaks were henceforth free from control.

#### *Winding up: the belligerent enemies*

<sup>138</sup> For the establishment of the TGC and its operations see FCO History Notes 11 and 12, *Nazi Gold: Information from the British Archives*, Parts I and II.

<sup>139</sup> In response to a flood of applications from Czechoslovak nationals who fled the country after the coup, it was agreed that AEPD would release their UK assets to such persons without reference to the Czechoslovak Government (undated AEPD memo. on UK assets of refugees from Czechoslovakia, BT 271/149).

<sup>140</sup> See *Nazi Gold I*, Annex A.

### *Germany*

Although the Cabinet had decided in 1961 that the 'future assets' of German property in the UK should be returned to the FRG, it soon became clear that politically this would be a difficult step to take when British victims of Nazi persecution had yet to be compensated by the FRG and when the press was reporting anti-Semitic propaganda in Germany. In 1963 Edward Heath, Lord Privy Seal, wanted to use the future assets, together with the return of CUKSAs<sup>141</sup> and money held by the China Custodian relating to former German property in Shanghai, as a bargaining counter in negotiations for changes in the FRG's taxation legislation which prejudiced British victims. The Federal Government, however, were more interested in the termination of sequestration of German property, on which they placed a high psychological value, than in the other assets, and negotiations were inconclusive. In the end the Treasury's opposition to the return of the future assets—which were continuing to accrue interest and might amount to a considerable sum—proved conclusive.

The question of ending sequestration of German property was reopened in 1970, partly in response to representations from the Federal German Government, and after considerable interdepartmental discussion it was agreed in 1972 that the confiscation of German property should cease and that assets held by the Custodian should be released. In return the FRG undertook not to pursue claims for the return of assets already paid into the Consolidated Fund. On 2 February 1973 Geoffrey Howe announced in the House of Commons that the sequestration of German and Japanese assets was to cease.<sup>142</sup> The Administrator then freed from the charge imposed by the 1949 Distribution of Enemy Property Act any money still held by the Custodian, who released it to the beneficial owners. It was not until 1985, however, that a list of accounts over £100 was sent to the Federal German Government with a request for help in tracing the persons entitled. This led to the release of some funds, but eventually £6,655.33 from 37 accounts remained unclaimed and was paid into the Consolidated Fund.

### *The Balkan Satellites*

Of the three Satellites, the only outstanding UK claims to be settled were with Roumania, in particular claims relating to British oil companies formerly active in Roumania, together with a miscellaneous group of British Government and private commercial claims and some Roumanian bonds held by UK nationals. Negotiations on these claims took place from 1955 onwards, but agreement was not reached until 1975 when the Prime Minister, Harold Wilson, visited

<sup>141</sup> CUKSAs was a term resulting from the Anglo-Swiss Accord (i.e. UKSA) of 1949 relating to the disclosure of the beneficial ownership of securities. Under the Accord the Swiss undertook to present declarations of ownership which did not reveal names, but categories: AUKSAs were securities with no enemy interest in ownership since 2 September 1939, BUKSAs securities with technical enemy interest, and CUKSAs with belligerent enemy ownership.

<sup>142</sup> See *Hansard*, House of Commons, 2 February 1973, vol. 849, cols. 493-4.

Roumania and agreed with President Ceausescu an *aide-mémoire* setting out the basis for a full settlement providing for the payment by Roumania to the UK of £3.5m over four years from 31 December 1976. Final negotiations led to the signature of the Claims agreement on 12 January 1976, together with two confidential memoranda. One of these acknowledged that the proceeds of the sale of former Roumanian assets in the UK had been distributed to British claimants in accordance with the terms of the 1947 Peace Treaty, and referred to account being taken of the gold which formed part of these assets. The value of these Roumanian assets, stated as £7.69m, was taken into account in arriving at the amount of compensation which the Roumanians agreed to pay to the UK. At the time of the signature of the Agreement the Roumanians were supplied with a list detailing the composition of their seized assets as far as possible, which showed that of the £7.69m, £4.17m comprised the gold of the National Bank of Roumania which had been in the Bank of England, and £1.76 comprised accounts of Roumanian banks. Only £760,000 had been seized from the accounts of other Roumanian citizens.

After the settlement of UK claims with Roumania, the Custodian and Administrators were directed by the Treasury on 16 August 1976 to cease collecting and sequestering Bulgarian, Hungarian and Roumanian property, and the Administrators were told to pay into the Exchequer any remaining money held. Final accounts for these countries were presented in 1977 and the appointment of the Administrators was finally terminated in 1986. The Administrator of German Property post remained in being for legal reasons connected with the administration of deceased estates.

#### *The winding up of the Custodian of Enemy Property*

After the settlement with Czechoslovakia the Custodian held £186,123 in cash and a variety of securities, which were sold in 1985-86. This process revealed that substantial amounts of money still remained in some countries' accounts, and further efforts were made to trace former owners through their governments. Some deceased estates were also released even if probate had not been granted, provided sufficient evidence of entitlement was produced.

In 1986-7 the Custodian paid 634 accounts from technical and belligerent enemies, worth £32,682.32, into the Consolidated Fund. Any remaining securities were sold in 1987 and the proceeds of 536 accounts, amounting to £202,584.13, were also paid into the Fund. When the Custodian retired in 1988 £15,593.75 from 11 accounts which he still held was paid over, and on 9 May 1988 he closed his account at the Bank of England and revoked his own position.

## **VII            Postscript**

The reunification of Germany in 1989 and the break-up of the Soviet Union and Warsaw Pact changed the face of Europe in a way that those responsible for administering enemy property policy during and after the Second World War could never have anticipated. These changes also reopened some questions regarding the way that Communist governments had dealt with both their own citizens and other governments, and with their property. Pressure has grown for these governments to compensate for past losses by their citizens, and in the case of the former Balkan Satellites for the full implementation of the 1947 Peace Treaties: in March 1997, for example, legislation was passed in Hungary to provide for the establishment of a public foundation to implement Article 27(2) of the Peace Treaty. These moves have been generally welcomed in the West, and by Jewish organisations.

As far as the British Government was concerned, its recognition of the independence of the Baltic States in 1991 reopened the question of its use of former Baltic Central Banks' gold reserves as part of the claims agreement with the Soviet Union. This eventually led to the transfer in 1992-3 to each Baltic State of gold equal in quantity to that deposited with the Bank of England in 1940.

Meanwhile, the legacy of Nazi persecution during the Second World War continues, and the DTI still receives letters from those who lost—or their families lost—property which they had held in the UK before the war. None of that property now remains in the hands of the British Government, and such enquiries are referred to other governments or to financial institutions as appropriate. It remains important, however, that the machinery for the sequestration and of release of property, now long defunct, and the policies which underlay that machinery and directed the actions of those officials tasked with operating it, should be fully explained and understood.

## ANNEX I

### A

#### THE TRADING WITH THE ENEMY ACT, 1939

Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:-

*Trading with the Enemy and matters relating thereto.*  
*Penalties for trading with the enemy.*

1. (1) Any person who trades with the enemy within the meaning of this Act shall be guilty of an offence of trading with the enemy, and shall be liable—

- (a) on conviction on indictment, to penal servitude for a term not exceeding seven years or to a fine or to both such penal servitude and a fine, or
- (b) on summary conviction, to imprisonment for a term not exceeding twelve months or to a fine not exceeding five hundred pounds, or to both such imprisonment and such fine;

and the court may in any case order that any goods or money in respect of which the offence has been committed shall be forfeited.

(2). For the purposes of this Act a person shall be deemed to have traded with the enemy—

(a) if he has had any commercial, financial or other intercourse or dealings with, or for the benefit of, an enemy, and, in particular, but without prejudice to the generality of the foregoing provision, if he has —

(i) supplied any goods to or for the benefit of an enemy, or obtained any goods from an enemy, or traded in, or carried, any goods consigned to or from an enemy or destined for or coming from enemy territory, or

(ii) paid or transmitted an money, negotiable instrument or security for money to or for the benefit of an enemy or to a place in enemy territory, or

(iii) performed any obligation to, or discharged any obligation of, an enemy, whether the obligation was undertaken before or after the commencement of this Act; or

(b) if he has done anything which, under the following provisions of this Act, is to be treated as trading with the enemy:

Provided that a person shall not be deemed to have traded with the enemy by reason only that he has—

(i) done anything under an authority given generally or specially by, or by any person authorised in that behalf by, a Secretary of State, the Treasury or the Board of Trade, or

(ii) received payment from any enemy of a sum of money due in respect of a transaction under which all obligations on the part of the person receiving payment had

been performed before the commencement of the war by reason of which the person from whom the payment was received became an enemy.

(3) Any reference in this section to an enemy shall be construed as including a reference to a person acting on behalf of an enemy.

(4) A prosecution for an offence of trading with the enemy shall not be instituted in England or Northern Ireland except by, or with the consent of, the Director of Public Prosecutions or the Attorney General for Northern Ireland, as the case may be:

Provided that this subsection shall not prevent the arrest, or the issue or execution of a warrant for the arrest, of any person in respect of such an offence, or the remanding, in custody or on bail, of any person charged with such an offence, notwithstanding that the necessary consent to the institution of a prosecution for the offence has not been obtained..

*Definition of enemy*

2. (1) Subject to the provisions of this section, the expression 'enemy' for the purposes of this Act means—

- (a) any State, or Sovereign of a State, at war with His Majesty,
  - (b) any individual resident in enemy territory,
  - (c) any body of persons (whether corporate or unincorporate) carrying on business in any place, if and so long as the body is controlled by a person who, under this section, is an enemy, or
  - (d) any body of persons constituted or incorporated in, or under the laws of, a State at war with His Majesty;
- but does not include any person by reason only that he is an enemy subject.

(2) The Board of Trade may by order direct that any person specified in the order shall, for the purposes of this Act, be deemed to be, while so specified, an enemy.

*Inspection and supervision of businesses*

3. (1) The Board of Trade, if they think it expedient for securing compliance with section one of this Act so to do, may by written order authorise a specified person (hereafter in this section referred to as 'an inspector') to inspect any books or documents belonging to, or under the control of, a person named in the order, and to require that person and any other person to give such information in his possession with respect to any business carried on by the named person as the inspector may demand, and for the purposes aforesaid to enter on any premises used for the purposes of that business.

(2) If, on a report made by an inspector as respects any business, it appears to the Board of Trade that it is expedient, for securing compliance with section one of this Act, that the business should be subject to supervision, the Board may appoint a person (hereafter in this section referred to as 'a supervisor') to supervise the business, with such powers as the Board may determine.

(3) If any person, without reasonable cause, fails to produce for inspection, or furnish, to an inspector or a supervisor any document or information which he is duly requested by the inspector or supervisor so to produce or furnish, that person shall be liable, on summary

conviction, to a fine not exceeding fifty pounds or to imprisonment for a term not exceeding six months or to both such fine and such imprisonment.

(4) If any person, with intent to evade the provisions of this section, destroys, mutilates or defaces any book or other document which an inspector or a supervisor is or may be authorised under this section to inspect, that person shall be liable—

(a) on conviction on indictment, to penal servitude for a term not exceeding five years or to a fine or to both such penal servitude and a fine, or

(b) on summary conviction, to imprisonment for a term not exceeding twelve months or to a fine not exceeding one hundred pounds or to both such imprisonment and such fine.

*Transfer of negotiable instruments and choses in action by enemies*

4. (1) No assignment of a chose in action made by or on behalf of an enemy shall, except with the sanction of the Treasury, be effective so as to confer on any person any rights or remedies in respect of the chose in action; and neither a transfer of a negotiable instrument by or on behalf of an enemy, nor any subsequent transfer thereof, shall, except with the sanction of the Treasury, be effective so as to confer any rights or remedies against any party to the instrument.

(2) The preceding subsection shall apply in relation to any transfer of any coupon or other security transferable by delivery, not being a negotiable instrument, as it applies in relation to any assignment of a chose in action.

(3) If any person by payment or otherwise purports to discharge any liability from which he is relieved by this section, knowing the facts by virtue of which he is so relieved, he shall be deemed to have thereby traded with the enemy:

Provided that in any proceedings for an offence of trading with the enemy which are taken by virtue of this subsection it shall be a defence for the defendant to prove that at the time when he purported to discharge the liability in question he had reasonable grounds for believing that the liability was enforceable against him by order of a competent court, not being either a court having jurisdiction in the United Kingdom or a court of a State at war with His Majesty, and would be enforced against him by such an order.

(4) Where a claim in respect of a negotiable instrument or chose in action is made against any person who has reasonable cause to believe that, if he satisfied the claim, he would be thereby committing an offence of trading with the enemy, that person may pay into the High Court or Court of Session any sum which, but for the provisions of subsection (1) of this section, would be due in respect of the claim, and thereupon that sum shall, subject to rules of court, be dealt with according to any order of the court, and the payment shall for all purposes be a good discharge to that person.

(5) Nothing in this section shall apply to securities to which the next following section applies.

*Transfer and allotment of securities*

5. (1) If—

(a) any securities to which this section applies are transferred by or on behalf of an enemy, or

(b) any such securities, being securities issued by a company within the meaning of the Companies Act, 1929, or any corresponding enactment in force in Northern Ireland, are



allotted or transferred to, or for the benefit of, an enemy subject without the consent of the Board of Trade;

then, except with the sanction of the Board of Trade, the transferee or allottee shall not, by virtue of the transfer or allotment, have any rights or remedies in respect of the securities; and no body corporate by whom the securities were issued or are managed shall take any cognisance of, or otherwise act upon, any such transfer except under the authority of the Board.

(2) No share warrants, stock certificates or bonds, being warrants, certificates or bonds payable to bearer, shall be issued in respect of any securities to which this section applies, being securities registered or inscribed in the name of an enemy or of a person acting on behalf of, or for the benefit of, an enemy.

(3) Any person who contravenes the provisions of this section shall be liable, on summary conviction, to imprisonment for a term not exceeding six months or to a fine not exceeding one hundred pounds or to both such imprisonment and such fine.

(4) This section applies to the following securities, that is to say, annuities, stock, shares, bonds, debentures or debenture stock registered or inscribed in any register, branch register or other book kept in the United Kingdom.

#### *Purchase of enemy currency*

6. (1) Purchasing enemy currency shall be treated as trading with the enemy.

(2) In this section the expression 'enemy currency' means any such notes or coins as circulate as currency in any area under the sovereignty of a Power with whom His Majesty is at war, not being an area in the occupation of His Majesty or of a Power allied with His Majesty, or any such other notes or coins as are for the time being declared by an order of the Treasury to be enemy currency.

#### *Property of Enemies and Enemy Subjects*

##### *Collection of enemy debts and custody of enemy property.*

7. (1) With a view to preventing the payment of money to enemies and of preserving enemy property in contemplation of arrangements to be made at the conclusion of peace, the Board of Trade may appoint custodians of enemy property for England, Scotland and Northern Ireland respectively, and may by order—

(a) require the payment to the prescribed custodian of money which would, but for the existence of a state of war, be payable to or for the benefit of a person who is an enemy, or which would, but for the provisions of section four or section five of this Act, be payable to any other person;

(b) vest in the prescribed custodian such enemy property as may be prescribed, or provide for, and regulate, the vesting in that custodian of such enemy property as may be prescribed;

(c) vest in the prescribed custodian the right to transfer such other enemy property as may be prescribed, being enemy property which has not been, and is not required by the order to be, vested in the custodian;

(d) confer and impose on the custodians and on any other person such rights, powers, duties and liabilities as may be prescribed as respects—

(i) property which has been, or is required to be, vested in a custodian by or under the order,

(ii) property of which the right of transfer has been, or is required to be, so vested,

(iii) any other enemy property which has not been, and is not required to be, so vested, or

(iv) money which has been, or is by the order required to be, paid to a custodian;

(e) require the payment of the prescribed fees to the custodians in respect of such matters as may be prescribed and regulate the collection of and accounting for such fees;

(f) require any person to furnish to the custodian such returns, accounts and other information and to produce such documents, as the custodian considers necessary for the discharge of his functions under the order;

and any such order may contain such incidental and supplementary provisions as appear to the Board of Trade to be necessary or expedient for the purposes of the order.

(2) Where any requirement or direction with respect to any money or property is addressed to any person by a custodian and accompanied by a certificate of the custodian that the money or property is money or property to which an order under this section applies, the certificate shall be evidence of the facts stated therein, and if that person complies with the requirement or direction, he shall not be liable to any action or other legal proceeding by reason only of such compliance.

(3) Where, in pursuance of an order made under this section,—

(a) any money is paid to a custodian,

(b) any property, or the right to transfer any property, is vested in a custodian, or

(c) a direction is given to any person by a custodian in relation to any property which appears to the custodian to be property to which the order applies,

neither the payment, vesting or direction nor any proceedings in consequence thereof shall be invalidated or affected by reason only that at a material time—

(i) some person who was or might have been interested in the money or property, and who was an enemy or an enemy subject, had died or had ceased to be an enemy or an enemy subject,

or

(ii) some person who was so interested, and who was believed by the custodian to be an enemy or an enemy subject, was not an enemy or an enemy subject.

(4) Any order under this section shall have effect notwithstanding anything in any Act passed before this Act.

(5) If any person pays any debt, or deals with any property, to which any order under this section applies, otherwise than in accordance with the provisions of the order, he shall be liable on summary conviction to imprisonment for a term not exceeding six months or to a fine not exceeding one hundred pounds or to both such imprisonment and such fine; and the payment or dealing shall be void.

(6) If any person, without reasonable cause, fails to produce or furnish, in accordance with the requirements of an order under this section, any document or information which he is

required under the order to produce or furnish, he shall be liable on summary conviction to a fine not exceeding ten pounds for every day on which the default continues.

(7) All fees received by any custodian by virtue of an order under this section shall be paid into the Exchequer of the United Kingdom.

(8) In this section—

(a) the expression 'enemy property' means any property for the time being belonging to or held or managed on behalf of an enemy or an enemy subject;

(b) the expression 'property' means real or personal property, and includes any estate or interest in real or personal property, any negotiable instrument, debt or other chose in action, and any other right or interest, whether in possession or not; and

(c) the expression 'prescribed' means prescribed by an order made under this section.

## ANNEX I

### B

#### THE TRADING WITH THE ENEMY (CUSTODIAN) ORDER, 16 SEPTEMBER 1939

##### Custodian

The Board of Trade in exercise of the powers conferred upon them by Section 7 of the Trading with the Enemy Act, 1939, (herein called "the Act") and of all other powers, enabling them in that behalf do hereby make the following Order:—

1. (i) Any money which would, but for the existence of a state of war, be payable to or for the benefit of a person who is an enemy, and any money which is to be deemed for the purposes of the Act to be money which would, but for the existence of a state of war, be so payable, shall be paid to the Custodian.

(ii) Without prejudice to the generality of the foregoing paragraph, there shall be paid to the custodian in particular any money which would, but for the existence of a state of war, be payable to or for the benefit of a person who is an enemy, by war of:

(a) dividends, bonus or interest, in respect of any shares, stock, debentures, debenture stock, bonds or other securities, issued by any company or government, or any municipal or other authority;

(b) payment of any securities which have become payable on maturity or by being drawn for payment or otherwise;

(c) interest or other payment in respect of any loan or deposit whether secured or unsecured;

(d) profits or share of profits in any business, syndicate or other mercantile enterprise or adventure;

(e) debt, including money in the possession of any bankers, whether on deposit or current account or whether held in trust or in custody for or for the benefit of an enemy;

(f) money due under or in respect of any policy of assurance;

- (g) rent or other payment reserved out of or payable in respect of freehold or leasehold property or any interest in land or any manor;
- (h) payment in respect of any requisitioned property;
- (i) payment arising under any trust, will or settlement.

(iii) Any money which would, but for the provisions of Section 4 or Section 5 of the Act, be payable to any purported assignee, transferee or allottee, shall be paid to the Custodian.

(iv) Any money required to be paid under the foregoing paragraphs of this Article to the Custodian, shall be paid:

(a) within fourteen days after the coming into force of this Order, if the money has become payable or would, but for the existence of a state of war, have become payable before the coming into force of this Order;

or

(b) within fourteen days after the day on which a person becomes an enemy, if the money is required to be paid to the Custodian by reason of that person being an enemy and the money has become payable or would, but for the existence of a state of war, have become payable before the day on which that person becomes an enemy; or

(c) in any other case, within fourteen days after the day on which the money becomes payable or would, but for the existence of a state of war, become payable.

(v) Nothing in the foregoing provisions of this Article shall be taken to require payment to the Custodian of any money, the payment of which is authorised:

(a) to some other person, under an authority given generally or specially by, or by any person authorised in that behalf by, a Secretary of State, the Treasury or the Board of Trade; or

(b) to a Clearing Office, under any order made under Section I of the Debts Clearing Offices and Import Restrictions Act, 1934. Provided that the provisions of this paragraph shall not affect any obligation of the Clearing Office to make payment to the Custodian of any money which is to be deemed for the purposes of the Act to be money which would, but for the existence of a state of war, be payable to or for the benefit of a person who is an enemy.

2. (i) The Board of Trade, in any case where it appears to them to be expedient to do so, may by order vest in the Custodian such enemy property as may be prescribed or the right to transfer such other enemy property as may be prescribed. Any order so made by the Board of Trade is hereinafter referred to as 'Vesting Order'.

(ii) The Custodian shall, except in so far as may be otherwise prescribed by the Vesting Order, have such powers with regard to the enemy property or the right to transfer enemy property vested in him by a Vesting Order as are prescribed by this Order.

(iii) A Vesting Order as respects property of any description shall be of the like purport and effect as a vesting order as respects property of the same description made by the High Court under the Trustee Act, 1925, and shall be sufficient to vest in the Custodian any property or the right to transfer any property as provided by the Vesting Order without the necessity of any further conveyance, assurance or document.

(iv) If the benefit of an application made by or on behalf or for the benefit of an enemy or enemy subject for any patent is by an order made under the Act vested in the Custodian, the patent may be granted to the custodian as patentee and may, notwithstanding anything in Section 12 of the Patents and Designs Act, 1907, be sealed accordingly by the Comptroller General of Patents, Designs and Trade Marks, and any patent so granted to the Custodian shall be deemed to be property vested in him by such order as aforesaid.

3. (i) The Custodian shall, subject to the provisions of the next succeeding paragraph and except in so far as the Board of Trade either generally or in any specific case may otherwise direct or order, hold any money paid to him under this Order and any property or the right to transfer any property vested in him under any Vesting Order until the termination of the present war, and shall thereafter deal with the same in such manner as the Board of Trade shall direct.

(ii) The Custodian, acting under a general or special direction of the Board of Trade, may at any time pay over any particular money paid to him under this Order or transfer any particular property in respect of which a Vesting Order has been made to or for the benefit of the person who would have been entitled thereto but for the operation of the Act or any Order made thereunder or to any person appearing to the Custodian to be authorised by such person to receive the same.

(iii) Any money paid to the Custodian under this Order and any property in respect of which a Vesting Order has been made shall not be liable to be attached or otherwise taken in execution.

(iv) The receipt of the Custodian or any person duly authorised by him to sign receipts on his behalf for any money paid to him under this Order shall be a good discharge to the person paying the same.

4. No person shall, without the consent of the Board of Trade, save as directed by this Order transfer, part with or otherwise deal with the property of any enemy.

5. (i) Any person who holds or manages for or on behalf of an enemy any property shall, within fourteen days after the coming into force of this Order (or, if the property comes into his possession or under his control after the coming into force of this Order or the person for or on behalf of whom property is held or managed, becomes an enemy after that date, then within fourteen days after the time when the property comes into the possession or under the control of the first mentioned person or the person for or on behalf of whom the property is held or managed becomes an enemy, as the case may be), by notice in writing communicate the fact to the Custodian, and shall furnish the Custodian with such returns, accounts and other information, and produce for inspection such documents in relation thereto, as the Custodian may require.

(ii) Any enemy subject who holds or manages any property or any person who holds or manages any property for or on behalf of an enemy subject shall furnish the Custodian with such returns, accounts and other information, and produce for inspection, such documents in relation thereto, as the Custodian may require.

(iii) Every company incorporated in the United Kingdom and every company which though not incorporated in the United Kingdom has a share transfer or share registration office in the United Kingdom shall, within fourteen days after the coming into force of this Order, by notice in writing communicate to the Custodian full particulars of all shares, stock, debentures and debenture stock, bonds or other securities issued by the company which are held by or for the

benefit of an enemy; and, if any shares, stock, debentures or debenture stock, bonds or other securities issued by any such company as aforesaid are held by or for the benefit of any person who becomes an enemy after the coming into force of this Order, the company shall, within fourteen days after the day on which that person becomes an enemy, by like notice communicate to the Custodian the like particulars in regard to that person.

(iv) Every partner of every firm, any partner of which has, at any time before the coming into force of this Order, become an enemy, or to which money has been lent for the purpose of the business of the firm by a person who so became an enemy, shall, within fourteen days after the coming into force of this Order, by notice in writing communicate to the Custodian full particulars as to any share of profits or interest due to such enemy; and every partner of every firm, any partner of which becomes an enemy after the coming into force of this Order, or to which a person who becomes an enemy has lent money for the purpose aforesaid before the day on which that person becomes an enemy, shall, within fourteen days after the day on which the partner or person concerned becomes an enemy, by like notice communicate to the Custodian the like particulars in regard to that partner or person.

6. (i) Where, in exercise of the powers conferred upon him, the Custodian purposes to sell any shares or stock forming part of the capital of any company, or any securities issued by the company, in respect of which a Vesting Order has been made, then any law or any regulation of the company to the contrary notwithstanding, the company may, with the consent of the Board of Trade, purchase the shares, stock or securities, and any shares, stock or securities so purchased may from time to time be re-issued by the company.

(ii) Where the Custodian executes a transfer of any shares, stock or securities which he is empowered to transfer by a Vesting Order, the company or other body in whose books the shares, stock or securities are registered shall, upon the receipt of the transfer so executed by the Custodian and upon being required by him so to do, register the shares, stock or securities in the name of the Custodian or other transferee notwithstanding any regulation or stipulation of the company or other body, and notwithstanding that the Custodian is not in possession of the certificate, script or other document of title relating to the shares, stock or securities transferred; but such registration shall be without prejudice to any lien or charge in favour of the company or other body, or to any other lien or charge of which the Custodian has notice.

7. There shall be retained by the Custodian fees equal to 2 per centum of

(a) the amount of monies paid to him, and

(b) the value at the date of vesting of any property which is vested in him or of which the right of transfer is vested in him.

The value of any property for the purpose of assessing the fees shall be the price which in the opinion of the Board of Trade such property would fetch if sold in the open market. The fees in respect of such property may be retained out of any proceeds of the sale or transfer thereof or out of any income accrued therefrom.

8. (i) Any payment required to be made under this Order to the Custodian shall be made to the Custodian for that part of the United Kingdom in which the person making the payment resides or carries on business, and if in any case any doubt should arise, then to such Custodian as the Board of Trade shall direct.

(ii) Where any property or the right to transfer any property has been vested in the Custodian for any part of the United Kingdom, the Board of Trade may direct:

- (a) the transfer of the property to the Custodian of another part of the United Kingdom;
- (b) the payment to the Custodian of another part of the United Kingdom of the dividend or other income which has arisen or may thereafter arise from any such property.
- (iii) Where any money has been paid to the Custodian for any part of the United Kingdom, the Board of Trade may direct the payment over of such money to the Custodian for another part of the United Kingdom.

9. (i) The Interpretation Act, 1889, shall apply to this Order as if it were an Act of Parliament.

(ii) In this Order the expression 'enemy' has the same meaning as that assigned to it in the Act and the expressions 'enemy property', 'property' and 'Prescribed' have the same meanings as those assigned to them in Section 7 of the Act, and references to 'the Custodian' shall be construed as references to such Custodian of enemy property for any part of the United Kingdom as is prescribed by this Order or any Vesting Order.

10. (i) In the application of this Order to Scotland—

(a) any reference to rent or other payment reserved out of or payable in respect of freehold or leasehold property or any manor shall be construed as a reference to any rent or other payment payable under or stipulated for in a lease or any sum payable by virtue of any feu contract, disposition, contract of ground annual or other deed constituting a burden on heritable property;

(b) for any reference to a vesting order made by the High Court under the Trustee Act, 1925, there shall be substituted a reference to a warrant to complete title granted under section twenty-two of the Trusts (Scotland) Act, 1921; and

(c) 'attached or otherwise taken in execution' means arrested in execution or in security or otherwise affected by diligence.

(ii) In the application of this Order to Northern Ireland the reference to the Trustee Act, 1925, shall be construed as a reference to the Trustee Act, 1893.

11. This Order may be cited as the Trading with the Enemy (Custodian) Order, 1939, and shall come into force on the 18th day of September, 1939.

Dated the 16th day of September, 1939.

W.B. Brown

Secretary of the Board of Trade

## ANNEX I

### C

#### ORDER IN COUNCIL ADDING REGULATION 2A TO THE DEFENCE (FINANCE) REGULATIONS, 1939

At the Court at Buckingham Palace, the 24th day of July, 1940

PRESENT

The King's most Excellent Majesty in Council

His Majesty, in pursuance of the Emergency Powers (Defence) Acts, 1939 and 1940, and of all other powers enabling Him in that behalf, is pleased, by and with the advice of His Privy Council, to order, and it is hereby ordered that after Regulation two of the Defence (Finance) Regulations, 1939, there shall be inserted the following Regulation:-

*Power of Treasury to prohibit action on certain orders as to gold, &c*

2a. Where the Treasury are satisfied that any state is exposed to pressure from another state and in consequence action is being, or is likely to be, taken to the detriment of the economic position of the United Kingdom, the Treasury may give general or special directions prohibiting, either absolutely or to such extent as may be specified in the directions, the carrying out, except with permission granted by or on behalf of the Treasury, of any order given by or on behalf of—

(a) the first-mentioned state or the Sovereign thereof or any person resident therein, or  
(b) any body corporate which is incorporated under the laws of that state or is under the control of that state or the Sovereign thereof or any person resident therein, in so far as the order—

(i) requires the person to whom the order is given to make any payment or to part with any gold or securities; or

(ii) requires any change to be made in the persons to whose credit any sum is to stand or to whose order any gold or securities are to be held.



## ANNEX II COUNTRY SHEETS

### AUSTRIA

#### Enemy Status

- **3 September 1939** through declaration of war. Belligerent enemy
- **16 September 1947** state of war formally terminated

#### Key dates and legislation

- **1945** Austrian debts due to United Kingdom estimated at £8m, covered by £1m of Austrian property in the United Kingdom.
- **2 August 1945: Potsdam Conference:** Protocol containing reparations agreement (*DBPO*, Series I, Volume I, No. 603)  
⇒ No reparation to be exacted from Austria.
- **31 July 1946: Payments Agreement** (Cmd. 6891)

#### *Points relevant to Enemy Property*

- ⇒ Established an account for the Austrian Government at the Bank of England.
- ⇒ The proceeds from the resumption of trade and financial services (see below) were to be paid into the account.
- ⇒ Sterling could not be used without the agreement of the Bank of England and the Austrian Government were to use schillings to compensate Austrian creditors due money from British debtors.
- **13 August 1946: Trading with the Enemy amending orders** authorising resumption of normal trade and financial relations (SR&O 1373-5; further orders made in 1947, SR&O 2203, 2205)  
⇒ Austrian property in the UK and income arising from it unless authorised by these Orders continued to be subject to Board of Trade and Custodian control.

- **30 June 1952: Money and Property Agreement between Austria and UK** (Cmd. 8608 of 1952)

#### *Points relevant to Enemy Property*

- ⇒ Moneys paid to the Custodian to be transferred to an Austrian Government account and the original owner compensated in local currency (£0.5m).
- ⇒ Deceased estates, when legal formalities were completed, to be transferred to the Austrian Government (Article 5)
- ⇒ Only the money and property of persons with Austrian nationality on 1 March 1938 to be subject to the Agreement.
- ⇒ Property other than money to be released to the original owner on application through the Austrian National Bank (£1 m).
- ⇒ Austrian nationals resident outside Austria could apply to AEPD for the return of their money or property under control.

- ⇒ Austrian Government to facilitate the restitution of money and property in Austria to entitled United Kingdom persons.
- ⇒ Both governments undertook to assist creditors in tracing their debtors.
- ⇒ Uncollected debts to be settled between debtor and creditor.
  
- **5 November 1952: Cessation Order** (SI 1952, No. 1923)
  - ⇒ Austria no longer to be treated as enemy territory for TWE purposes
  
- **August 1954:** Details for implementation of Article 5 of the Money and Property Agreement agreed.
  - ⇒ See BT216/28 *History of the Administration of Enemy Property: Austria*, pp. 1623-1627 for details of release policy.
  
- **15 May 1955: Austrian State Treaty** (Cmnd. 214 of 1955)
 

***Points relevant to Enemy Property***

  - ⇒ *Article 27:* Austrian property in the territory of the Allied and Associated Powers to be returned.
  - ⇒ Of the £100,000 still held by the Custodian more than half represented deceased estates where releases were pending.
  - ⇒ All money and property held on Austrian account to be released under existing powers as soon as AEPD satisfied as to Austrian entitlement. Most Austrians would resume possession of their property without formality.
  
- **1987-1988** Efforts were made to trace the remaining unclaimed property held by the Custodian of Enemy Property. 177 estates valuing £4,461.08 were paid into the Consolidated Fund.
  
- Approximate value of property subject to the Custodian: £1,500,000

## THE BALTIC STATES

### Enemy Status

- **24 June 1941:** Lithuania through occupation by German forces.
- **21 July 1941:** Latvia through occupation by German forces.
- **29 August 1941:** Estonia through occupation by German forces.  
Technical enemies.

### Key dates and legislation

- **13 July 1940** after USSR troops had occupied the Baltic States but not yet incorporated them into the USSR, the Baltic Central Banks asked for their gold held at the Bank of England to be transferred to the Soviet Union. The Treasury asked the Bank of England not to follow these instructions.
- **24 July 1940** Regulation 2A of the Defence (Finance) Regulations (Annex I.C) came into force, applicable to the Baltic States.

### Points relevant to Enemy Property

- ⇒ Treasury empowered to prohibit payments or transfer of gold or securities when the instructions emanated from a state (eg the Baltic States) under pressure from another state or from any corporation controlled by such a state.
- ⇒ In retaliation for the blocking of the Baltic gold under this Regulation, the USSR suspended repayments to British holders of the Lena and Tetiuhe bonds which had been issued in 1934 as compensation for the nationalisation of the Lena gold mines and the Tetiuhe Mining Corporation after the 1917 revolution.
- **1946:** Baltic assets affected by Trading with the Enemy Legislation valued at £5Hm (£4m of which was gold held on behalf of the Baltic Central Banks). Assets of individual Balts in the UK were considered by HMG to be diminishing assets because of the number of releases that were being made to individual claimants.
- **1949:** The assets of a Baltic resident who left the Baltic states were released on application with the exception of those who had acquired German nationality.  
⇒ In which case the assets were considered German Enemy Property and the Federal Republic of Germany was liable to compensate the original owner.
- **1951:** In the absence of a Baltic settlement, releases were also authorised in the case of a grant of representation on a deceased estate.
- **16 February 1951:** Gold and securities of the Baltic states held on the Custodian's Baltic account were vested.

- **20 November 1959: Foreign Compensation (USSR)(Registration) Order, 1959** (SI 1959 No. 1968).

***Points relevant to Enemy Property***

⇒ This allowed for the registration of all British debts against the Baltic states and the ceded territories.

The difficulties in assessing the amounts of claims against assets held led to decision that the only possible form of settlement would be for the mutual waiver of claims which totalled about £10m each.

- **1960:** Further releases were allowed where, in the case of a deceased estate, a grant of representation was granted but the beneficiary was resident in the Baltic states.

- **January 1968: Agreement regarding Mutual Financial and Property Claims** (Cmd 3517).

***Points relevant to Enemy Property***

⇒ The UK and USSR waived the claims that had been under negotiation, (i.e. the Baltic States and ceded territories from World War II) and the UK agreed to pay to the Soviet Union a sum of £500,000.

⇒ The UK then sold the Baltic Gold and vested property and distributed the proceeds to creditors through the Foreign Compensation Commission.

- **1969: Foreign Compensation Act** amended section 7 of the Trading with the Enemy Act so that the Custodian could deal with the former property of a Baltic State.

⇒ Allowed the Custodian to pay the money of the former Baltic States to the Foreign Compensation Commission.

⇒ Prevented the Custodian from vesting any property which he had not already vested before the Act became law.

- **1970:** Money not claimed by the Soviet Union, having been held for two years, was surrendered to the Foreign Compensation Commission.

⇒ Money (£7,800) was still held by the Custodian for releases to entitled persons (i.e. those as defined by the release decisions in 1949, 1951 and 1960).

⇒ The remainder of this money was surrendered to the Consolidated Fund in 1986.

- **18 February 1975: Cessation Order**

Baltic territories to be no longer treated as enemy territory.

- **19 February 1975:** The DTI directed the Custodian to release to the appropriate bank for the account of the former holder any money held to his order.

⇒ This sum of £19,500 had not been vested in 1951 and had not been claimed by the Soviet Union in the 1968 Agreement.

- **1986-1988:** 12 Unclaimed balances were paid by the Custodian into the Consolidated Fund. These were worth £100,275.71.

- Approximate value of property subject to the Custodian: £5,500,000  
⇒ Central Banks' Gold £4,000,000

## BELGIUM

### Enemy Status

- **31 May 1940** through occupation by German forces. Technical enemy.

### Key dates and legislation

- **1940, 1942:** Belgian Government-in-Exile promulgated decrees allowing continuation of business with branches of companies outside Belgium.

- **6 October 1944: Property Agreement** (Cmd. 6665)

#### *Points relevant to Enemy Property*

- ⇒ Intention of agreement was to preserve property.
- ⇒ Agreement did not cover German property cloaked or masquerading as Belgian property.
- ⇒ Debts paid to the Custodian for Belgian persons were paid to a Belgian Government account at the Bank of England.
- ⇒ Bank balances retained in original bank. Interest paid at H% per annum.
- ⇒ Proceeds from sale of vested property to be paid to Belgian account.
- ⇒ Securities and other property remained in the names of the present owners unless, for preservation reasons and at the request of the Belgian Government, they were vested in the Custodian on behalf of the Belgian Government.
- ⇒ Custodian was not to collect fees.
- ⇒ Belgian property in the UK would be at disposal of the Belgian Government when they had resumed control of the whole of Belgium.
- ⇒ Custodian allowed Belgian Government to inspect his records and then released from controls any accounts requested by them.

- **1 February 1945: Trading with the Enemy amending orders** (S.R.&O. 1945 Nos. 91, 92, 93) authorising resumption of normal trade and financial relations.

- **1 May 1952: Exchange of Notes** terminating the 1944 Property Agreement (Cmnd. 8585)

- **1 May 1952: Cessation Order** (S.I. 1952, No. 880)

- ⇒ Belgium no longer to be treated as enemy territory.
- ⇒ Normal banker/client relationship restored.
- ⇒ Deceased estates were not released until legal formalities had been completed.

- **1966-1973:** 184 unclaimed accounts, worth £6,559.93, were paid by the Custodian into the Consolidated Fund.

- Approximate value of property subject to the Custodian: £54,188,000

- ⇒ Bank Accounts held to Custodian Order £8,612,000

## BRITISH DEPENDENT TERRITORIES

### Enemy Status

- **1 July 1940:** Channel Islands through occupation by German forces. (S.R.&O. 1940, No. 87). Technical Enemy
- **24 December 1941:** Hong Kong through occupation by Japanese forces. Technical Enemy
- **15 February 1942:** The Colony of the Straits Settlements, the Federated Malay States of Perak, Negri Sembilan, Selangor, Penang, the Unfederated Malay States of Johore, Kedah, Perlis, Kelantan, Trengganu and Brunei, the State of Sarawak and the State of North Borneo through occupation by Japanese forces. Technical Enemies.

### Key dates and legislation

- **26 November 1941: Trading with the Enemy (Custodian)(Amendment No. 3) Order 1941** (S.R.&O. 1941, No. 1882) Allowed banks to retain accounts belonging to a resident of the Channel Islands.
- **5 January 1942: Trading with the Enemy (Custodian)(No. 1) Order 1942** (S.R.&O. 1942, No. 10) Allowed banks to retain accounts belonging to a resident of Hong Kong.
- **15 February 1942** (S.R.&O. 1942, No. 542) Allowed banks to retain accounts belonging to a resident of the Straits Settlements including Singapore, Penang and Malacca, Malaya including the Federated and Unfederated Malay States and Borneo comprising the British dependencies in Borneo including North Borneo, Sarawak and Brunei.
- **25 May 1945: Cessation Order** Channel Islands (S.R.&O. 1945 No. 545)
  - ⇒ The Channel Islands were no longer to be treated as enemy territory.
  - ⇒ The Custodian made no further collection of debts due to persons resident in the Channel Islands.
  - ⇒ Any money still due to a creditor was to be paid directly to him.
  - ⇒ The normal banker/client relationship was restored.
- **19 November 1945: Cessation Order** British Territories (S.R.&O. 1945, No. 1446)
  - ⇒ British Territories were no longer to be treated as enemy territory.
- **1973:** Custodian paid 19 unclaimed balances, worth £424.60, into the Consolidated Fund.

## BULGARIA

### Enemy Status

- **5 March 1941** through specified area order (S.R.&O. 1941, No. 290).
- **13 December 1941** declaration of war. Belligerent enemy.

### Key dates and legislation

- **28 October 1944: Armistice Agreement** (Cmd. 6587)

#### *Points relevant to Enemy Property*

⇒ Reparation for loss or damage caused by the war to the United Nations was left for later determination.

⇒ Bulgaria to restore all property of the UN and their nationals.

⇒ Allied Control Commission established to regulate and supervise the execution of the armistice terms.

- **9 February 1947: Trading with the Enemy amending orders** authorising resumption of normal trade and financial relations (S.R.&O. 1945, No. 145)

- **10 February 1947: Treaty of Peace** (Cmd. 7483)

⇒ Article 25

'1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which at the coming into force of the present Treaty are within its territory and belong to Bulgaria or to Bulgarian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Bulgaria or Bulgarian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Bulgarian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Bulgarian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Bulgarian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Bulgarian Government undertakes to compensate Bulgarian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Bulgarian Government or Bulgarian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Bulgaria, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Bulgarian property which has been subject to control by reason of a state of war



existing between Bulgaria and the Allied or Associated Power having jurisdiction over the property, but shall not include:

- a) Property of the Bulgarian Government used for consular or diplomatic purposes;
- b) Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes;
- c) Property of natural persons who are Bulgarian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Bulgarian property which at any time during the war was subjected to measures not generally applicable to the property of Bulgarian nationals resident in the same territory;
- d) Property rights arising since the resumption of trade and financial relations between the Allied and Associated Powers and Bulgaria, or arising out of transactions between the Government of any Allied or Associated Power and Bulgaria since October 28, 1944;
- e) Literary and artistic property rights.'

- **15 September 1947** state of war formally terminated.
  
- **2 February 1948: Treaty of Peace Order** (S.I. 1948, No. 114)  
⇒ Appointed an Administrator for Bulgarian property.
  
- **3 February 1948: Cessation Order** (S.I. 1948, No. 158)  
⇒ Bulgarian territories to be no longer treated as enemy territory.  
⇒ Property in the hands of the Custodian was not affected.
  
- **14 September 1948: Treaty of Peace (Bulgaria) Vesting Order** (S.I. 1948 (No. 2092)  
⇒ Vested in the Administrator the right to sell and dispose of Bulgarian Enemy Property.
  
- **6 August 1954 Treasury Directions to the Administrator** (Cmd. 9238) to realise property and distribute proceeds to British creditors of Bulgaria.  
⇒ Applications to establish claims accepted until 30 June 1955.  
⇒ 2,339 British claims made to the Administrator, of which:
  - 38 Claims were withdrawn
  - 2,133 Claims were established
  - 168 Claims were dismissed  
⇒ February 1956 First and final dividend of 8d. in the £.  
(Figures from Final Account)

- **22 September 1955: Agreement Relating to the Settlement of Financial Matters** (Cmd. 9820)

***Points relevant to Enemy Property***

Bulgarian Government paid £400,000 to the UK as settlement for

- ⇒ commercial and banking transactions from before 28 October 1944 and due before 15 September 1947 and which had not been previously settled
- ⇒ bank balances held at banks in Bulgaria on 15 September 1947
- ⇒ debts arising out of contracts of insurance concluded on or before 28 October 1944 which were due to British nationals
- ⇒ obligations of Bulgarian Government and nationals arising out of Article 23 of the Treaty of Peace.
- ⇒ all British claims for compensation for property nationalised by the Bulgarian Government.
- ⇒ The Bulgarian government paid £400,000 taking into account debts arising out of contracts of insurance concluded on or before 28 October 1944 which were due from British nationals and considered that such debts were now discharged.

- **16 August 1976:** the Custodian and Administrators were directed to cease collecting and sequestrating Bulgarian property.

- **July 1978: Final Account of Bulgarian Administrator** presented to Parliament (Cmd. 7273)

***Points relevant to Enemy Property***

- ⇒ Of the £161,956 collected by the Administrator of Bulgarian Enemy Property, £52,000 was thought to belong to individuals.
- ⇒ Total distributed to creditors £122,053

- **1986:** The appointment of the Bulgarian Administrator was terminated.

- **1987:** 2 accounts worth £25.50 were paid by the Custodian into the Consolidated Fund.

- Approximate value of property subject to the Custodian: £161,956
  - ⇒ Seized from individuals £52,000
  - ⇒ Distributed to British creditors £122,053
  - ⇒ Released in ex gratia payments £5,649 (plus share of £70,000 from German Administrator)
  - ⇒ Paid into the Consolidated Fund by the Administrator/Custodian £11,082.50

## CZECHOSLOVAKIA

### Enemy Status

- **3 September 1939:** through occupation by Germany. Technical enemy.

### Key dates and legislation

- **15 March 1939:** German forces entered Prague and Czechoslovak bank accounts were frozen by the Czechoslovakia (Restrictions on Banking Accounts) Act, 1939.

⇒ The accounts of refugees were unblocked upon arrival in the United Kingdom.

- **17 January 1940: Financial Claims and Refugees Bill** (No. 10, 1939-40.) (Enacted, Chapter 4 of 1940)

### *Points relevant to Enemy Property*

⇒ In 1938, HMG had given the Czechoslovak Government a loan of £6 million and a gift of £4 million. By the terms of this Bill, £3 3/4 million was paid into a Czechoslovak Refugee Fund for the purpose of assisting the emigration and settlement of refugees from territory which before October 1938 had belonged to Czechoslovakia.

⇒ The balance of the loan account (£3Hm) was to be used to satisfy financial, not commercial, claims incurred before 15 March 1939. The details of which bonds were eligible for compensation can be found in BT216/9 *History of the Administration of Enemy Property: Czechoslovakia*, p. 168. £1Hm was paid out in this way.

- **December 1940: Financial Agreement** with Czechoslovak Government-in-exile.

### *Points relevant to Enemy Property*

⇒ United Kingdom provided credit of £7Hm for expenses of Czechoslovak armed forces.

⇒ Provided that the gold of the Czechoslovak National Bank should be sold by the Custodian and the sterling used for the prosecution of the Allied war effort.

⇒ The Czechoslovak Government-in-exile indemnified the United Kingdom against any claim in respect of this gold.

- **30 October 1945: Restrictions on Banking Accounts (Termination) Order, 1945** (SR&O 1945 No. 1354)

- **31 October 1945:** Letter from the Secretary of State stated that HMG would look favourably on any claims from Czechoslovaks who had lost property since 3 September 1939 solely because it was classed as German Enemy Property.

- **1 November 1945: Money and Property Agreement** (Cmd. 6695)

### *Points relevant to Enemy Property*

⇒ Agreement applied to money and property affected by the Czechoslovakia (Restriction on Banking Account) Act 1939 and the Custodian Order.

⇒ Bank balances and securities held in either country and belonging to Czechoslovak or British persons were to be placed at the disposal of the original account holders.

⇒ Czechoslovak Government undertook to help UK persons trace and recover their debts.

- ⇒ Sterling held by the Custodian in respect of commercial debts would be transferred to the Czechoslovak Government for the satisfaction of claims of creditors.
- ⇒ Property in the United Kingdom of Czechoslovak persons who had died since their property had become subject to the Custodian Order were only released when legal formalities were completed.
- ⇒ Unvested bank balances would be reconstituted upon receipt of a claim signed by the account-holder and approved by the National Bank of Czechoslovakia.
- ⇒ Vested accounts would be paid by the Custodian into the Czechoslovak Government's account with the Bank of England on production of a receipt signed by the account holder and approved by the National Bank.
- ⇒ Movable property would be released without reference to the Czechoslovak authorities. Applications for the release of other property had to be made through the National Bank of Czechoslovakia.
- ⇒ Unvested securities would be released to the original owner on an application through the National Bank of Czechoslovakia. Securities held in the name of Czechoslovak banks in the United Kingdom would only be released with proof that they were not beneficially owned by belligerent enemies.
- ⇒ The Custodian would transfer vested securities back into the name of the original owner.

- **1949:** Exchanges of Notes prolonging the Money and Property Agreement (Cmd. Nos. 7625, 7667, 7719, 7772)

- **28 September 1949: Agreement regarding Compensation for British Property Rights and Interests** (Cmd. 7797)

***Points relevant to Enemy Property***

- ⇒ The Czechoslovak Government agreed a series of compensation payments for British property affected by nationalisation decrees.
- ⇒ This included nationalised British property which had been seized by the enemy between 17 September 1938 and 9 May 1945 even if there had not yet been any restitution for the property or the Czechoslovak authorities had not yet recognised the British national's title to the property.

- **28 September 1949: Agreement relating to the settlement of certain Inter-Governmental Debts** (Cmd. 7798)

***Points relevant to Enemy Property***

- ⇒ The Czechoslovak Government agreed to pay debts arising from loans made by the UK including the 1938 loan and other loans made during the war.

- **2 February 1982: Agreement on the Settlement of Certain Outstanding Claims and Financial Issues** (Cmnd. 8557)
  - Points relevant to Enemy Property***
  - ⇒ Czechoslovak Government agreed to pay £24Gm to the British Government to satisfy British claims against Czechoslovakia or Czech persons.
  - ⇒ Czechoslovak Government waived its claims, and those of Czech persons, to the money and property held by the Custodian. It undertook to compensate any nationals for their losses. The British Government supplied the Czechoslovak Government with a list of those affected to aid the compensation programme.
  - ⇒ The Custodian collected the monies held to his order by banks (£108,872) and paid it to the Consolidated Fund and Foreign Compensation Commission.
  
- **31 May 1984: Cessation Order** (published by HMSO)
  - ⇒ Czechoslovakia no longer to be treated as enemy territory.
  
- **1986:** 26 accounts worth £3.72 paid by the Custodian into the Consolidated Fund.
  
- Approximate value of property subject to the Custodian: £9,704,000
  - ⇒ Gold belonging to National Bank £6,739,000.

## DENMARK

### Enemy Status

- **9 April 1940:** through occupation by German forces. Technical enemy.

### Key dates and legislation

- **6 December 1945: Anglo-Danish Money and Property Agreement** (Cmd. 6717)

#### *Points relevant to Enemy Property*

- ⇒ Danish persons defined as meaning persons whose money and property have been subject to the Custodian Order solely because they had been resident or carrying on business in Denmark.
  - ⇒ Bank balances placed at the disposal of the original account holders. The Danish Government provided a list of all bank accounts which were owned by belligerent enemies. Arrangements were made for the general release of all other Danish bank accounts.
  - ⇒ Moneys paid to the Custodian as due to Danish persons transferred to the Danish Government with a view to the satisfaction of the claims of creditors.
  - ⇒ Securities belonging to Danish or UK persons placed at the disposal of the original holders. Securities held in the name of Danish banks in the United Kingdom would only be released on proof that the beneficial owner was not a belligerent enemy.
  - ⇒ Money due to British creditors but paid to the Danish National Bank to be transferred in sterling to the Board of Trade for remittance to creditors.
  - ⇒ Property in Denmark of German and Japanese nationals resident in the United Kingdom would remain blocked by the Danish Government. Stateless Germans or refugees would be given favourable consideration in applying for the release of their property.
  - ⇒ Danish and United Kingdom persons were to be free to resume ownership and management of their property. Applications for release had to be made through the TWED.
  - ⇒ Property in the United Kingdom of Danish persons who had died since their property became subject to the Custodian Order would only be released when legal formalities were completed.
  - ⇒ Fees would not be taken in respect of money and property passing under this Agreement.
- **January 1952** By this date £12.6 million of Danish money and property had been applied for and released and transferred.
  - ⇒ Cash still held by the Custodian was £1,500.
- **21 November 1952: Exchange of Notes Terminating the Money and Property Agreement** (Cmd. 8715)

- **21 November 1952: Cessation Order** (S.I. 1952, No. 2012)

***Points relevant to Enemy Property***

- ⇒ Denmark no longer to be treated as enemy territory.
  - ⇒ Custodian control lifted on remaining property which became freely available to the Danish owner.
  - ⇒ Banker/client relationship restored.
  - ⇒ Deceased estates could not be released until legal formalities completed.
- 
- 1972: The Custodian paid 2 Danish unclaimed balances, worth £1,055.17.3, into the Consolidated Fund. The beneficial owners of the largest of these, worth £1,030, had been traced but had informed the Custodian that they did not want to claim the money.
- 
- Approximate value of property subject to the Custodian: £11,500,000

## FINLAND

### Enemy Status

- **2 August 1941** through specified area order.
- **7 December 1941** declaration of war. Belligerent Enemy.
- **15 September 1947** state of war formally terminated.

### Key dates and legislation

- **3 March 1944**: Finnish money and property in the UK amounted to £1.5 million
- **19 September 1944: Armistice** (Cmd. 6586)

#### *Points relevant to Enemy Property*

⇒ Signed by USSR on behalf of all the United Nations at war with Finland

- **2 August 1945: Agreement regarding Payments and Liquidation of Indebtedness** (Cmd. 6664)

#### *Points relevant to Enemy Property*

⇒ Two bank accounts were opened in the Bank of England in the name of the Finnish Government.

⇒ The British Government paid 12% of trade debts paid to the Custodian into the first account and used it to pay for essential timber supplies.

⇒ The remaining Custodian money was paid into the second account which was used for Finnish purchases in the sterling area.

⇒ Moneys paid to the Finnish Custodian due to persons resident or carrying on business in the UK would be transferred to the Board of Trade for settlement with British creditors.

⇒ Pre-war debts which had not been paid to the Finnish Custodian would be settled direct between debtor and creditor.

⇒ Finnish property other than money was released to the original owners.

⇒ Finnish property in UK would continue to be preserved to fullest extent possible and returned to persons entitled as soon as possible after conclusion of a Peace Treaty with Finland

⇒ Finnish Custodian would arrange for payment to be made to the Finnish creditors who, but for the war, would have been entitled to receive moneys which were paid to the Custodian.

⇒ Fees were retained by the Custodian on Finnish money and property.

- **20 August 1945: Orders** implemented Payments Agreement (S.I. 1945, No. 1030-2)

⇒ Freed current trade with Finland from Trading with the Enemy restrictions, but Finnish money and property already under control was not affected.



- **10 February 1947: Treaty of Peace** (Cmd. 7484)

***Points relevant to Enemy Property***

- ⇒ Finland waived all claims of any description against the Allied and Associated Powers on behalf of the Finnish Government or Finnish nationals arising directly out of the war.
- ⇒ The Finnish Government was to be responsible for the restoration in complete good order of the property of United Nations nationals. Where property could not be returned or where, as a result of the war a United Nations national had suffered a loss by reason of injury or damage to property in Finland, he was to receive from the Finnish Government compensation in Finnish marks to the extent of two-thirds of the sum necessary, at the date of payments, to purchase similar property or to make good the loss suffered.
- ⇒ Compensation was to be paid free of any levies, taxes or other charges.
- ⇒ All reasonable expenses incurred in Finland in establishing claims, including the assessment of loss or damage, was to be borne by the Finnish Government.

- **1 July 1947: Further Payments Agreement** (Cmd. 7166)

***Points relevant to Enemy Property***

- ⇒ Abrogated 1945 agreement. Closed bank accounts opened at the Bank of England in the 1945 agreement.
- ⇒ Any remaining balances in the Bank of England accounts transferred to Finnish Government.

- **3 February 1948: Cessation Order** (S.I. 1948, No. 157)

- ⇒ Finland no longer to be treated as enemy territory.

- **28 December 1949: Agreement on Insurance and Reinsurance Contracts**

***Points relevant to Enemy Property***

- ⇒ Insurance contracts (excluding life, marine and aviation) were not dissolved by the war if the contract had been signed before the war and if the premiums had been paid within six months from when they were due.
- ⇒ Marine and Aviation insurance contracts were not dissolved if the contract had been signed before the war and all the premiums had been paid before the date that the parties became enemies.
- ⇒ If the contract had become dissolved then the contract was considered not to have come into being and the premiums were returned.
- ⇒ Treaties of reinsurance were determined from the date that the parties became enemies.
- ⇒ Life insurance contracts were not broken by the war, except where both parties agreed.

- **1954 Insurance Contracts (War Settlement)(Finland) Order 1954** (SI 1954 No. 1464) gave legal force to the 1949 insurance agreement.

- **1986-1988:** 78 unclaimed accounts worth £998.92 paid by the Custodian into the Consolidated Fund.

- Approximate value of property subject to the Custodian: £1,500,000

## FRANCE

### Enemy Status

- **24 June 1940:** zone of France through occupation by German forces.
- **10 July 1940:** unoccupied zone under the control of the Vichy Government through specified area order (S.R.&O. 1940, No. 1219). Technical enemy.

### Key dates and legislation

- **29 March 1945: Trading with the Enemy amending orders** authorising resumption of normal trade (S.R. & O. 1945, Nos. 346-8)
- **29 August 1945: Money and Property Agreement** (Cmnd. 6675)

### *Points relevant to Enemy Property*

- ⇒ French persons defined as persons whose money and property had been subject to the Custodian Order solely because they were and had been resident or carrying on business in France.
  - ⇒ Bank balances of French and British persons were to be placed at the disposal of the original account holders.
  - ⇒ Sterling and other sums held by the Custodian in respect of debts due to French persons were to be transferred to the French Government with a view to the satisfaction of the claims of the creditors.
  - ⇒ Securities belonging to French or United Kingdom persons were to be placed at the disposal of the original holders.
  - ⇒ French and United Kingdom persons were to be free to resume ownership and management of their immovable property.
  - ⇒ The Contracting Governments were to use their best endeavours to assist in tracing and returning the movable property of French and United Kingdom persons.
  - ⇒ Fees would not be taken in respect of money and property passing under the agreement.
  - ⇒ French owners were to forward requests for release of their property to the French Government (Office des Changes), who would forward them to the Trading with the Enemy Department for approval. If approval was given, release would be made.
- **4 September 1945:** The Custodian directed the release of French bank balances not exceeding £500 back to the original account holders. This freed between 65-80% of the French bank accounts.
  - **31 August 1950** By this date the Custodian had released on 110,482 claims which amounted to £144,603,248. Over £40m of this had been in the form of released bank accounts.
  - **1951:** The Custodian supplied the French with a list of money still held on French account. The Office des Changes was then to try to contact the owners and supply the Custodian with a list of those who could be found.
- ⇒ Reduced the moneys held by the Custodian to £150,000.

- **6 May 1953: Termination of the Money and Property Agreement** through an exchange of notes.
  
- **6 May 1953: Cessation Order** (S.I. 1953, No. 780)
  - ⇒ France no longer to be treated as enemy territory.
  - ⇒ Normal banker/client relationship restored.
  - ⇒ Deceased Estates released when legal requirements completed.
  
- **1966-87:** 4,842 unclaimed accounts worth £43,246.63 paid by the Custodian into the Consolidated Fund.
  
- Approximate value of property subject to the Custodian: £150,000,000
  - ⇒ Bank Accounts £30,000,000

## GERMANY

### Enemy Status

- **3 September 1939** following issue of ultimatum by HMG. Belligerent enemy.
- **9 July 1951** state of war formally terminated.

### Key dates and legislation

- **August 1945 Potsdam Agreement:** (Final Protocol of the Potsdam Conference is reproduced in *DBPO* Series I Vol. I, No. 603.)

#### ***Points relevant to Enemy Property***

⇒ The reparation claims of the United States, the United Kingdom and other countries entitled to reparations were to be met from the western zones and from appropriate German external assets.

- **21 December 1945: Final Act of Paris Conference on Reparation** (Cmd. 6721 of 1946)

#### ***Points relevant to Enemy Property***

⇒ Allied countries with German assets in their jurisdiction should hold or dispose of them in manners designed to preclude their return to German ownership or control.

⇒ Member countries were given a quota for the percentage share of the reparations pool they would receive. The UK and Colonies were to receive 28%. The value of assets held by each country were to be used as part of this percentage share and any releases from the assets in the country were to be annually accounted to the IARA.

- **21 November 1947: IARA Accounting Rules** (Annex I of IARA/AS/Doc. 354)

- **16 December 1949: Distribution of German Enemy Property Act** (BFSP Vol. 153, 1949 pp. 1074-1081)

#### ***Points relevant to Enemy Property***

⇒ Allowed for the making of Orders in Council for the collection and realisation of 'German Enemy Property', and the appointment of an Administrator of German Enemy Property for the distribution of the property.

- **9 October 1950: The Distribution of German Enemy Property (No. 1) Order, 1950** (S.I. 1950, No. 1642)

⇒ Appointed the Administrator of German Enemy Property.

- **1 November 1951: Distribution of German Enemy Property (No. 2) Order, 1951** (S.I. 1951 No. 1899)

⇒ Gave effect to the recommendations of the Advisory Committee.

⇒ Announced that fees on successful claims would be charged at 3%.

⇒ Creditors had to submit claims by 1 May 1952 but this was extended to 1 November 1952.

- **29 September 1952: Cessation Order** (S.I. 1952, No. 1760)

⇒ Germany no longer to be treated as enemy territory.

- **1952/4 Bonn Conventions (in force May 1955)** (printed in Documents relating to the Termination of the Occupation Regime in the Federal Republic of Germany (Cmd. 9365))

***Points relevant to Enemy Property***

⇒ Chapter 6, Article 3 stated that the Federal Republic of Germany should, in future, raise no objections to the measures which had been taken by the USA, UK, France or other Allied countries with regard to German external assets or other property seized for the purpose of reparation or restitution.

⇒ Chapter 6, Article 5 The Federal Republic agreed to ensure that former owners of property seized for restitution or reparation would be compensated.

- **1953-56 Distribution of German Enemy Property**

⇒ 33,433 British claims made to the Administrator, of which:

942 Claims were withdrawn

26,810 Claims were established

5,681 Claims were dismissed

⇒ January 1953 First Dividend of 1/- in the £

⇒ March 1953 Second Dividend of 1/- in the £

⇒ March 1956 Third Dividend of 10 Id in the £

(Figures from Final Account)

- **23 August 1957: Distribution of German Enemy Property (No. 3) Order, 1957** (S.I. 1957 No. 1525)

⇒ Announced that of the remaining funds £250,000 would go to the newly established Nazi Victims' Relief Trust.

⇒ Any remaining funds would be paid to the Exchequer.

- **24 October 1961: Distribution of German Enemy Property (No. 4) Order, 1961** (S.I. 1961 No. 2030)

⇒ A final dividend of 2Gd. in the £ would be payable.

⇒ £70,000 was made available for distribution to satellite victims.

⇒ Any further money paid to the German Administrator would be paid into the Exchequer.

- **2 February 1973:** The Administrator was directed to cease collecting German Enemy Property and to restore any still held to the beneficial owners.

- **1986-88:** The Custodian sent a list of unclaimed balances to the German Government to try to trace the beneficial owners. The 42 accounts which remained unclaimed, worth £6,751.82, were paid to the Consolidated Fund.

- **8 July 1992: Final Account of the German Administrator** presented to Parliament.

⇒ The post of Administrator of German Enemy Property is extant for legal reasons.

- Approximate value of property subject to the Custodian: £19,981,091
- ⇒ Bank Accounts £1,500,000
- ⇒ Total distribution to British creditors £17,592,205
- ⇒ Released in ex gratia payments £125,153 (plus share of £70,000 from German Administrator)
- ⇒ Paid into Consolidated Fund by the Administrator/Custodian £899,066.82

## GREECE

### Enemy Status

- **31 April 1941** through occupation by German forces. Technical enemy.

### Key dates and legislation

- **21 March 1946: Money and Property Agreement** (Cmd. 6780)

#### *Points relevant to Enemy Property*

- ⇒ Bank balances placed at disposal of original account holders.
  - ⇒ Moneys paid to and held by the Custodian transferred to the Greek Government with a view to the satisfaction of the claims of creditors.
  - ⇒ The Greek Government undertook to assist British creditors in tracing and identifying their debtors.
  - ⇒ Securities to be placed at disposal of original holders.
  - ⇒ Greek and UK persons free to resume ownership and management of movable and immovable property.
  - ⇒ Estates in UK of Greek persons who had died since their property became subject to the Custodian Order would not be released until legal formalities were completed.
  - ⇒ Fees were not to be charged in respect of money or property passing under the agreement
  - ⇒ Department would release bank balances and securities on receipt of an application made through by the Bank of Greece acting for the Greek Ministry of Finance. Securities would only be released on proof that they were not beneficially owned by a belligerent enemy.
- **13 August 1954: Termination of Money and Property Agreement** through an exchange of notes.
- **13 August 1954: Cessation Order**
    - ⇒ Greek territories no longer to be treated as enemy territory.
- **1973:** 2 Unclaimed balances worth £179.87 were paid by the Custodian into the Consolidated Fund.



## HUNGARY

### Enemy Status

- **8 April 1941** specified enemy territory order. (S.R.&O. 1941 No. 495)
- **7 December 1941** declared war on United Kingdom. Belligerent enemy.
- **15 September 1947** state of war formally terminated.

### Key dates and legislation

- **20 January 1945: Armistice Agreement** (Cmd. 7280)

#### *Points relevant to Enemy Property*

- ⇒ Total reparation in kind to a value of US\$300 million: \$200 million payable to the Soviet Union and \$100 million to Czechoslovakia and Yugoslavia.
- ⇒ Compensation to be paid by Hungary for losses caused to property of other Allied States and their nationals in Hungary during the war, amount to be fixed later.
- ⇒ Hungarian Government undertook to restore all legal rights and interests of United Nationals and their nationals on Hungarian territory as they existed before the war and return their property in complete good order.
- ⇒ Allied Control Commission was established to supervise the execution of the terms of the Armistice.

- **23 August 1946: Trading with the Enemy amending orders** authorising resumption of normal trade and financial relations (S.R.&O. 1946, No. 1432-4)

- ⇒ Austrian property under the control of the Custodian was not affected by these orders.

- **10 February 1947: Treaty of Peace with Hungary** (Cmnd. 7485)

- ⇒ Article 27

‘1. Hungary undertakes that in all cases where the property, legal rights or interests in Hungary of persons under Hungarian jurisdiction have, since September 1, 1939, been the subject of measures of sequestration, confiscation or control on account of the racial origin or religion of such persons, the said property, legal rights and interests shall be restored together with their accessories or, if restoration is impossible, that fair compensation shall be made therefor.

2. All property, rights and interests in Hungary of persons, organisations or communities which, individually or as members of groups, were the object of racial, religious or other Fascist measures of persecution, and remaining heirless or unclaimed for six months after the coming into force of the present Treaty, shall be transferred by the Hungarian Government to organisations in Hungary representative of such persons, organisations or communities. The property transferred shall be used by such organisations for purposes of relief and rehabilitation of surviving members of such groups, organisations and communities in Hungary. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights and interests required to be restored under paragraph 1 of this Article.

- ⇒ Article 29

1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which at the coming into force of the present Treaty are within its territory and belong to Hungary or to Hungarian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Hungary or Hungarian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Hungarian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Hungarian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Hungarian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Hungarian Government undertakes to compensate Hungarian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Hungarian Government or Hungarian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Hungary, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Hungarian property which has been subject to control by reason of a state of war existing between Hungary and the Allied or Associated Power having jurisdiction over the property, but shall not include:

- a) Property of the Hungarian Government used for consular or diplomatic purposes;
- b) Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes;
- c) Property of natural persons who are Hungarian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Hungarian property which at any time during the war was subjected to measures not generally applicable to the property of Hungarian nationals resident in the same territory;
- d) Property rights arising since the resumption of trade and financial relations between the Allied and Associated Powers and Hungary, or arising out of transactions between the Government of any Allied or Associated Power and Hungary since January 20, 1945;
- e) Literary and artistic property rights.'

- **3 February 1948: Cessation Order** (S.I. 1948. No. 159)

⇒ Hungary no longer to be treated as enemy territory.

- **2 February 1948: Treaty of Peace Order (S.I. 1948, No. 116)**  
⇒ Established an Administrator for Hungarian property.
- **14 September 1948: Treaty of Peace (Hungary) Vesting Order (S.I. 1948 (No. 2093)**  
⇒ Vested in the Administrator the right to sell and dispose of Hungarian Enemy Property.
- **6 August 1954: Treasury Directions to the Administrator (Cmd. 9238)** to realise property and distribute proceeds to British creditors of Hungary.  
⇒ Applications to establish claims accepted until 30 June 1955.  
⇒ 11,542 British claims made to the Administrator, of which:
  - 701 Claims were withdrawn
  - 8,777 Claims were established
  - 2,064 Claims were dismissed
 ⇒ June 1957 First Dividend of 4 1/4d. in the £.  
 ⇒ March 1964 Second Dividend of 1 1/4d. in the £.  
 (Figures from Final Account)
- **27 June 1956: Agreement Relating to the Settlement of Financial Matters (Cmd. 9820)**  
***Points relevant to Enemy Property***  
 Hungarian Government paid £4,050,000 to the UK as settlement for
  - ⇒ commercial and banking transactions from before 8 April 1941 and due before 15 September 1947 and which had not been previously settled
  - ⇒ bank balances held at banks in Hungary on 15 September 1947
  - ⇒ debts arising out of contracts of insurance concluded on or before 8 April 1941 which were due from Hungarian nationals to British nationals on 8 April 1941 and 27 June 1956
  - ⇒ obligations of Hungarian Government and nationals arising out of Article 26 of the Treaty of Peace.
  - ⇒ all British claims for compensation for property nationalised by the Hungarian Government.
  - ⇒ The Hungarian government paid £4,050,000 taking into account debts arising out of contracts of insurance concluded on or before 8 April 1941 which were due from British nationals to Hungarian nationals on 8 April 1941 and 27 June 1956.
  - ⇒ Debts between insurance companies were deemed to have been extinguished.
- **16 August 1976:** the Custodian and Administrators were directed to cease collecting and sequestrating Hungarian property.
- **July 1978: Final Account (Cmnd. 7274)** presented before Parliament.  
Total distributed to creditors £488,297
- **1986:** The appointment of the Hungarian Administrator was terminated.

- **1987:** The Custodian paid 10 unclaimed accounts, worth £1,951.62, into the Consolidated Fund.
  
- Approximate value of property subject to the Custodian: £2,229,582
  - ⇒ Distributed to British creditors £488,297
  - ⇒ Ex Gratia payments £753,436 (plus share of £70,000 from German Administrator)
  - ⇒ Released from or found not to be subject to the Administrator's charge £2,224,570
  - ⇒ Paid into the Consolidated Fund by the Administrator/Custodian £48,578.65

## ITALY

### Enemy Status

- **11 June 1940** through declaration of war. Belligerent enemy.
- **15 September 1947** state of war formally terminated.

### Dates and key legislation

- **29 September 1943** Armistice signed.

- **10 February 1947: Treaty of Peace** (Cmd. 7481)

⇒ Article 79

'1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which on the coming into force of the present Treaty are within its territory and belong to Italy or to Italian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire within the limits of its claims and those of its nationals against Italy or Italian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Italian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Italian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Italian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Italian Government undertakes to compensate Italian nationals whose property is taken under this Article and not returned to them.'

- **17 April 1947: Financial Agreement** (Cmd. 7118)

#### ***Points relevant to Enemy Property***

⇒ The United Kingdom relinquished all rights under Article 79 of the Peace Treaty and its claims against Italian property, but not debts due from Italians to persons in the United Kingdom.

⇒ The British Government would transfer to the Italian Government all liquid assets then held as Italian property by the Custodian.

⇒ The Italian Govt would use the liquid assets to pay debts in the United Kingdom.

⇒ The Controller-General would give the representatives of the Italian Government lists of all the Italian properties held by the Custodian, with particulars of former ownership and the nature and value of each property.

⇒ The Italian Government would then, on the basis of the list, inform the Controller-General how the property should be treated. Properties were to be either realised to increase the amount of sterling available for the settlement of debts, released to their former owners or a decision on that property deferred.

⇒ The British Government would realise any property on the request of the Italian Government and pay the proceeds into the special Italian account.

⇒ The Italian Government would indemnify the British Government against claims by former owners where it was established that the property was wrongly vested by the Custodian.

- ⇒ The Italian Government undertook to grant compensation to the former owners whose property was transferred into the Italian Government's account.
- ⇒ The Italian Government undertook to pass to the United Kingdom information on all debts collected in Italy which were due to British persons.
- ⇒ The United Kingdom would pass to the Italian Government a list of claims from creditors to help trace the debtors.
- ⇒ The Italian Government undertook to assist creditors in tracing debtors.
- ⇒ When agreement had been reached on the amount to be paid, the Italian Government would authorise the Bank of Italy to make payment from the Special Account.
- ⇒ The Agreement came into force, after ratification by the Italian Government, on 15 September 1947.

- **26 January 1948: Treaty of Peace Order** (SI 1948, No. 117)

- **3 February 1948: Cessation Order** (S.I. 1948, No. 160)

- ⇒ Italy was no longer to be treated as enemy territory.

- **1 June 1954: Agreement on Insurance and Reinsurance Contracts**

***Points relevant to Enemy Property***

- ⇒ Insurance contracts (excluding life, marine and aviation) were not dissolved by the war if the contract had been signed before the war and if the premiums had been paid within six months from when they were due.
- ⇒ Marine and Aviation insurance contracts were not dissolved if the contract had been signed before the war and all the premiums had been paid before the date that the parties became enemies.
- ⇒ If the contract had become dissolved then the contract was considered not to have come into being and the premiums were returned.
- ⇒ Treaties of reinsurance were determined from the date that the parties became enemies.
- ⇒ Life insurance contracts were not broken by the war, except where both parties agreed.
- ⇒ The Agreement came into force following its ratification by the Italian Government on 9 May 1958.

- **1986:** The appointment of the Italian Administrator was terminated.

- **1987:** The Custodian paid 240 unclaimed accounts, worth £54,917.93, into the Consolidated Fund.

- Approximate value of property subject to the Custodian: £10,000,000

## JAPAN

### Enemy Status

- **8 December 1941** through declaration of war. Belligerent enemy.
- **28 April 1952** state of war formally terminated.

### Key dates and legislation

- **26 July 1941**: funds of the Empire of Japan and of the Republic of China (Manchuria) were frozen under Regulation 2A of the Defence (Finance) Regulations.
- **6 January 1950: Trading with the Enemy amending orders** (S.I. 1950 Nos. 28, 29,30) authorising resumption of normal trade and financial relations. Property under the control of the Custodian was not affected.
- **8 September 1951: Treaty of Peace with Japan** (Cmd. 8392)

### *Points relevant to Enemy Property*

⇒ Each of the Allied Powers had the right to seize, retain, liquidate or otherwise dispose of all property, rights and interests of Japan and Japanese nationals, persons acting for or on behalf of Japan and, Japanese nationals, and entities owned or controlled by Japan or Japanese nationals, which on the first coming into force of the present Treaty were subject to its jurisdiction.

⇒ This included any property, rights and interests which were now blocked, vested or in the possession or under the control of enemy property authorities of Allied Powers, which belonged to, or were held or managed on behalf of, any of the persons or entities mentioned above at the time such assets came under the control of such authorities.

- **7 December 1951**: since Japanese funds (£3 million) were insufficient to meet creditors' demands of (£43 million) money was paid to benevolent organisations to help the prisoners-of-war, or their dependants, who had been held in Japanese camps.

- **15 July 1952: Japanese Treaty of Peace Order** (S.I. 1952 No. 862)

⇒ Administrator of Japanese Property was appointed and started programme of selling property.

- **20 November 1952: Cessation Order** (S.I. No. 1989)

⇒ Japan no longer treated as enemy territory.

- **2 February 1973**: The Administrator was directed to cease collecting Japanese Enemy Property.

- **21 November 1973: Final Account** (House of Commons Paper No. 27 of 1973/74)

⇒ £3,005,321 to Ministry of Pensions and National Insurance

⇒ £41,853 to the Far East (Prisoners of War and Internees) Trust Fund

- **1987:** The Custodian paid 9 unclaimed balances, worth £1,036.11, into the Consolidated Fund.
- Approximate value of property subject to the Custodian: £3,123,142



## LUXEMBOURG

### Enemy Status

- **20 May 1940:** through occupation by Germany. Technical enemy.

### Key dates and legislation

- **11 December 1946: Money and Property Agreement** (Cmnd. 7023)

#### *Points relevant to Enemy Property*

- ⇒ Bank balances placed at the disposal of the original owner.
  - ⇒ Sterling held in UK as trade debts due to Luxembourg creditors to be paid to the Luxembourg Government with a view to the satisfaction of the claims of the creditors.
  - ⇒ The Luxembourg Government undertook to help UK creditors to trace and identify their debtors.
  - ⇒ Securities belonging to Luxembourg and UK persons placed at disposal of original holders but only released on proof that they were not beneficially owned by a belligerent enemy.
  - ⇒ Immovable property held by Custodian was to be released to original owners who were to be free to resume ownership and management of their property.
  - ⇒ Movable property released from Custodian control and the Governments were to assist in tracing and returning property to owners.
  - ⇒ The property in the United Kingdom of a Luxembourg person who had died since the property had become subject to the Custodian Order would not be released until legal formalities were completed.
  - ⇒ Representatives of the Luxembourg Government were allowed to inspect records of the Custodian.
  - ⇒ The agreement only covered property which belonged to Luxembourg persons and concerns. It did not cover belligerent enemy property masquerading as Luxembourg property.
  - ⇒ Debts already collected by the Custodian would be paid into an account in the Bank of England in the name of the Luxembourg Government.
  - ⇒ If the debt had not been collected the debtor would be in a position to deal with his creditor.
- **31 November 1951** by this time 1,829 claims from Luxembourg persons had been met by the Custodian. £13,549,370 had been released of which £1,966,245 comprised bank accounts.
  - **1 December 1952: Exchange of Notes** terminating the Money and Property Agreement.
  - **1 December 1952: Cessation Order** (S.I. 1952 No. 2067)
    - ⇒ Luxembourg no longer to be treated as enemy territory.
    - ⇒ Normal banker/client relationship was restored.
    - ⇒ Deceased estates could only be released once legal formalities had been completed.

- **1973:** The Custodian paid 2 unclaimed accounts, worth £1,575.92, into the Consolidated Fund.
- Approximate value of property subject to the Custodian: £12,300,000  
⇒ Bank Accounts £4,900,000

## THE NETHERLANDS

### Enemy Status

- **20 May 1940** through occupation by German forces. Technical enemy.

### Key dates and legislation

- **23 May 1940**: The Dutch Government-in-Exile in London passed legislation appointing a Dutch Custodian for the collection of all money in enemy territory due to Dutch persons.
- **2 October 1944: The Anglo-Dutch Property and Financial Agreement** (BFSP, Vol. 145, pp. 471-485)

### *Points relevant to Enemy Property*

- ⇒ Covering letters stated the intention of the Agreement and the Custodian was to preserve property.
- ⇒ Agreement applied only to Dutch property and excluded any German property masquerading as Dutch property.
- ⇒ An account would be opened in the name of the Royal Netherlands Government at the Bank of England. The Custodian would collect and pay into the account money received by him in respect of debts due to Dutch persons.
- ⇒ Bank balances would be left in the bank in the name of the Custodian on behalf of the Dutch Government.
- ⇒ The proceeds from the sale of vested Dutch property would be paid into the Dutch account.
- ⇒ Securities, real property and other property would remain in the hands of the present holders, unless at the request of the Dutch Government they were vested in the Custodian on behalf of the Dutch Government.
- ⇒ No Custodian fees would be charged.
- ⇒ The Dutch Government undertook to help British persons trace, identify and recover their property or trace their debtors.

- **24 November 1948/17 January 1949: Supplementary Agreement** (Cmd. No. 7644)

### *Points relevant to Enemy Property*

- ⇒ The Dutch Government indemnified HMG for any property mistakenly released to the Dutch Government.
- ⇒ All applications for release were to be prepared by the appropriate Dutch authority and would be covered by a certificate from the Dutch Embassy that the property belonged to a Dutch person.
- ⇒ The Custodian was released from collecting debts due to Dutch persons.

- **10 December 1953: Comprehensive Settlement** (Unpublished)

### *Points relevant to Enemy Property*

- ⇒ The Dutch Government undertook to buy out the German content of assets standing in Dutch names.
- ⇒ The 1944 Money and Property Agreement was terminated.
- ⇒ Remaining bank balances (£50,000) were called in by the Custodian and paid to the Dutch Government.

- **11 December 1953: Cessation Order** (Unnumbered Statutory Instrument)

- ⇒ The Netherlands no longer to be treated as enemy territory.

- **1973:** The Custodian paid 14 unclaimed accounts, worth £5,065.79 into the Consolidated Fund. 10 Dutch East Indies accounts, worth £780.31 were also paid into the Consolidated Fund.
- Approximate value of property subject to the Custodian: £50,000,000  
⇒ Bank Accounts £4,421,000

## NORWAY

### Enemy Status

- **9 April 1940** because of German occupation. Technical enemy.

### Key dates and legislation

- **22 April 1940** Norwegian Government in unoccupied zone of Norway passed legislation taking over all Norwegian credits in foreign countries.

- **28 September 1944: Money and Property Agreement** (Unpublished)

#### *Points relevant to Enemy Property*

- ⇒ Information regarding Norwegian property was to be exchanged between the Custodian and the Norwegian Government.
- ⇒ Amounts held by the Custodian, excluding bank balances, were to be paid into an account in the name of the Norwegian Government.
- ⇒ Bank balances were to be held in the name of the Custodian on behalf of the Norwegian Government. Wherever possible these accounts were to remain undisturbed and interest to be paid at H% per annum.
- ⇒ Moneys realised by the sale of Norwegian property or otherwise vested in the Custodian would be paid into the Norwegian account.
- ⇒ Moneys in the Norwegian account would be invested in Treasury bills.
- ⇒ Securities and other property was to remain in the names of the present owners unless they were vested in the Custodian for preservation purposes.
- ⇒ The Norwegian Government would indemnify the Custodian in respect of any liability attaching to property vested in him of investments made by him at the request of the Norwegian Government.
- ⇒ Fees were not to be collected by the Custodian.
- ⇒ The Norwegian Government would assist with UK persons to trace their debtors and recover their property.
- ⇒ The Exchange of Notes which accompanied the memorandum made it clear that the agreement was intended to reconcile the application of the Norwegian decree and the British Trading with the Enemy legislation and that the intention of both was to preserve the property with the intention of returning it to the persons who owned it or that compensation would be paid.

- **8 November 1945: Cessation Order** (S.I. 1945 No. 1411)

- ⇒ Norway no longer to be treated as enemy territory for TWE purposes.
- ⇒ Freed current trade with Norway, but did not affect moneys already paid to or held to the order of the Custodians.

- **21 February 1946**

- ⇒ The Norwegian Government gave HMG an indemnity in respect of bank balances which would be released immediately but subsequently found to belong to persons who were not Norwegian persons as defined in the agreement.

- ⇒ Securities vested in the Custodian would be released on a case by case basis as soon as it was proved that they had no 'enemy' taint.
- ⇒ Unvested securities were released immediately and were covered by the Norwegian indemnity.
  
- **September 1952: Termination of the Money and Property Agreement.**
  - ⇒ The Custodian had released £4,170,660 to 2,307 claimants.
  - ⇒ He held only £48 on Norwegian account.
  
- **1973:** The Custodian paid 3 unclaimed accounts, worth £106.98, into the Consolidated Fund.

## POLAND

### Enemy Status

- **1 January 1940:** Western areas through occupation by German forces.
- **19 July 1941:** Eastern areas through occupation by German forces. Technical enemy.

### Key dates and legislation

- **14 January 1949: Money and Property Agreement** (Cmd. 7627)

#### *Points relevant to Enemy Property*

- ⇒ Polish persons meant individuals and corporations of any nationality now resident or carrying on business in territory now under Polish authority.
- ⇒ Bank balances and securities were to be placed at the disposal of the original account holders.
- ⇒ Sterling and other sums held by the Custodian of Enemy Property in respect of commercial debts, interest and other moneys due to Polish persons to be transferred to the Polish Government for the satisfaction of the claims of the creditors.
- ⇒ Debts due to Polish persons which had not been paid to a Custodian were to be freed from any special measure preventing the Polish person from exercising his rights against the debtor. The Polish Government undertook to assist UK creditors in tracing and identifying their Polish debtors.
- ⇒ Poles should apply for the release of their money and property to the relevant Polish authority who would forward the application to TWED.
- ⇒ No fees would be charged in the UK in respect of the release or restoration of Polish property.
- ⇒ The Custodian was to collect in bank accounts held to his order but did not do so until 1974.

- **30 March 1976: Exchange of Notes concerning Settlement of Certain Residual Matters arising from the Termination of the Agreement of 14 January 1949** (Cmnd. 6520)

#### *Points relevant to Enemy Property*

- ⇒ The remaining sum of £68,000 held by the Custodian was returned to the Polish Government with a list of persons due the money who were thought still to be alive so that they could be traced and their money returned.
- ⇒ Bank accounts held to the Custodian's Order were collected and paid to the Polish Government. Accounts, where part of a deceased estate, were left in original bank.
- ⇒ The Polish Government would continue to assist UK persons who were creditors of persons in Poland trace and identify their debtors.

- **30 March 1976: Cessation Order** (Cmnd. 6520)

- ⇒ Poland no longer to be treated as enemy territory.

- **1986:** The Custodian paid 22 unclaimed accounts, worth £2,447.37, into the Consolidated Fund.

- Approximate value of property subject to the Custodian: £1,650,000

- ⇒ Bank Accounts £600,000

## ROUMANIA

### Enemy Status

- **15 February 1941** through specified area order (S.R.&O. 1941, No. 189)
- **7 December 1941** declared war on the UK. Belligerent enemy.
- **15 September 1947** state of war formally terminated.

### Key dates and legislation

- **12 September 1944: Armistice Agreement** (Cmd. 6585)

#### *Points relevant to Enemy Property*

- ⇒ Provided for partial reparation to be made to the Soviet Union by Roumania for losses caused to the Soviet Union by military operations and by the occupation by Roumania of Soviet territory, up to a total of US \$300 million payable in commodities.
  - ⇒ Compensation was to be paid by Roumania for losses caused to the property of other Allied States and their nationals in Roumania during the war, the amount to be fixed later.
  - ⇒ The Roumanian Government undertook to restore all legal rights and interests of the United Nations and their nationals on Roumanian territory as they existed before the war and to return their property in complete good order.
  - ⇒ An Allied Commission was to be established to supervise the execution of the terms of the Armistice.
- ⇒ **14 April 1947: Trading with the Enemy amending Orders** authorising the resumption of trade and financial relations (S.R.&O. 1945, No. 664-6)

- **10 February 1947 Treaty of Peace** (Cmd. 7486)

#### ⇒ Article 25

1. Roumania undertakes that in all cases where the property, legal rights or interests in Roumania of persons under Roumanian jurisdiction have, since September 1, 1939, been the subject of measures of sequestration, confiscation or control on account of the racial origin or religion of such persons, the said property, legal rights and interests shall be restored together with their accessories or, if restoration is impossible, that fair compensation shall be made therefor.

2. All property, rights and interests in Roumania of persons, organisations or communities which, individually or as members of groups, were the object of racial, religious or other Fascist measures of persecution, and remaining heirless or unclaimed for six months after the coming into force of the present Treaty, shall be transferred by the Roumanian Government to organisations in Roumania representative of such persons, organisations or communities. The property transferred shall be used by such organisations for purposes of relief and rehabilitation of surviving members of such groups, organisations and communities in Roumania. Such transfer shall be effected within twelve months from the coming into force of the Treaty, and shall include property, rights and interests required to be restored under paragraph 1 of this Article.



#### Article 27

‘1. Each of the Allied and Associated Powers shall have the right to seize, retain, liquidate or take any other action with respect to all property, rights and interests which at the coming into force of the present Treaty are within its territory and belong to Roumania or to Roumanian nationals, and to apply such property or the proceeds thereof to such purposes as it may desire, within the limits of its claims and those of its nationals against Roumania or Roumanian nationals, including debts, other than claims fully satisfied under other Articles of the present Treaty. All Roumanian property, or the proceeds thereof, in excess of the amount of such claims, shall be returned.

2. The liquidation and disposition of Roumanian property shall be carried out in accordance with the law of the Allied or Associated Power concerned. The Roumanian owner shall have no rights with respect to such property except those which may be given him by that law.

3. The Roumanian Government undertakes to compensate Roumanian nationals whose property is taken under this Article and not returned to them.

4. No obligation is created by this Article on any Allied or Associated Power to return industrial property to the Roumanian Government or Roumanian nationals, or to include such property in determining the amounts which may be retained under paragraph 1 of this Article. The Government of each of the Allied and Associated Powers shall have the right to impose such limitations, conditions and restrictions on rights or interests with respect to industrial property in the territory of that Allied or Associated Power, acquired prior to the coming into force of the present Treaty by the Government or nationals of Roumania, as may be deemed by the Government of the Allied or Associated Power to be necessary in the national interest.

5. The property covered by paragraph 1 of this Article shall be deemed to include Roumanian property which has been subject to control by reason of a state of war existing between Roumania and the Allied or Associated Power having jurisdiction over the property, but shall not include:

- a) Property of the Roumanian Government used for consular or diplomatic purposes;
- b) Property belonging to religious bodies or private charitable institutions and used for religious or charitable purposes;
- c) Property of natural persons who are Roumanian nationals permitted to reside within the territory of the country in which the property is located or to reside elsewhere in United Nations territory, other than Roumanian property which at any time during the war was subjected to measures not generally applicable to the property of Roumanian nationals resident in the same territory;
- d) Property rights arising since the resumption of trade and financial relations between the Allied and Associated Powers and Roumania, or arising out of transactions between the Government of any Allied or Associated Power and Roumania since September 12, 1944;
- e) Literary and artistic property rights.’

- **2 February 1948: Treaty of Peace Order** (S.I. 1948, No. 118)  
⇒ Established an Administrator for Roumanian property in the UK

- **3 February 1948: Cessation Order** (S.I. 1948, No. 161)
  - ⇒ Roumania no longer treated as enemy territory for TWE purposes. This did not affect property held by the Custodian.
  
- **14 September 1948: Treaty of Peace (Roumania) Vesting Order** (SI 1948 (No. 2094)
  - ⇒ Vested in the Administrator the right to sell and dispose of Roumanian Enemy Property.
  
- **26 July 1954 Treasury Directions to the Administrator** (Cmd. 9200) to realise property and distribute proceeds to British creditors of Roumania.
  - ⇒ Applications to establish claims accepted until 30 June 1955.
  - ⇒ 8,498 British claims made to the Administrator, of which:
    - 283 Claims were withdrawn
    - 6,989 Claims were established
    - 1,226 Claims were dismissed
  - ⇒ July 1955: Interim Dividend of 5s. in the £ made to creditors.
  - ⇒ January 1957: Final Dividend of 3s 8d. in the £ made to creditors.
  - (Figures from Final Account)
  
- **10 November 1960: Agreement relating to Settlement of Financial Matters** (Cmnd. 1232)
  - Points relevant to Enemy Property***
    - ⇒ Roumanian Government agreed to pay £1,250,000 to the UK as full and final settlement of claims arising out of Article 24 of the Treaty of Peace
    - ⇒ All debts between insurance companies, underwriters, brokers and agents were deemed to have been extinguished by the agreement.
    - ⇒ The Roumanian Government undertook to begin negotiations in 1966 on debts due to British persons arising out of Roumanian nationalisation policies.
  
- **12 January 1976: Agreement relating to Settlement of Certain Financial Matters** (Cmnd. 6376)
  - Points relevant to Enemy Property***
    - ⇒ The Roumanian Government agreed to pay £3,500,000 in final settlement of British claims arising from the 1947 Peace Treaty and British debts arising out of obligations before 15 September 1947.
  
- **16 August 1976:** the Custodian and Administrator were directed to cease collecting and sequestrating Roumanian Property.
  
- **July 1978: Final Account** (Cmnd. 7272) presented before Parliament.
  - ⇒ Distributed to British creditors £7,470,000
  
- **1986:** The Appointment of the Roumanian Administrator was terminated.

- **1987:** The Custodian paid 33 unclaimed accounts, worth £4,238.01, into the Consolidated Fund.
  
- Approximate value of property subject to the Custodian: £7,980,159
  - ⇒ Bank Accounts £960,000
  - ⇒ Distributed to British creditors £7,470,000
  - ⇒ *Ex Gratia* payments £860,795 (plus share of £70,000 from German Administrator)
  - ⇒ Paid into the Consolidated Fund by the Administrator/Custodian £50,134.01

## THAILAND

### Enemy Status

- **22 December 1941** through Thai agreement with the Japanese allowing the passage of Japanese troops across Thailand to attack Malaya and Burma.
- **25 January 1942** declaration of war. Belligerent enemy.
- **16 August 1945** state of war formally terminated.

### Key dates and legislation

- **1 January 1946: Peace Agreement** (Cmd. 8140)

#### *Points relevant to Enemy Property*

- ⇒ Thai Government assumed responsibility for safeguarding, maintaining and restoring unimpaired British and Commonwealth interests in Thailand.
- ⇒ Thai Government agreed to de-sequester British banking and commercial interests and to permit the resumption of business.
- ⇒ Accepted liability with the addition of interest in respect of payments in arrears for service of loans and payment of pensions in full.

- **5 March 1946: Trading with the Enemy amending orders** authorising resumption of normal trade and financial relations (S.R.&O. 1946, Nos. 292-4)

- **6 January 1947: Supplementary Agreement on Claims** (Cmd. 8140)

- ⇒ Established a Commonwealth-Siamese Claims Committee to formulate the arrangements to meet Commonwealth claims for compensation.

- **15 November 1948: Cessation Order** (S.I. 1948, No. 2484)

- ⇒ Thailand was no longer to be treated as enemy territory.

- **4 May 1950, 8 November 1950 and 3 January 1951: Settlement of Outstanding Commonwealth War Claims against Thailand** (Cmd. 8163)

#### *Points relevant to Enemy Property*

- ⇒ Thai Government paid lump sum settlement of £5,224,220 to Governments of the UK, Australia and India, which they distributed to claimants.
- ⇒ All cash and properties held by Thai Custodial authorities should lapse to the Thai Government.
- ⇒ After payment of the lump sum, no further claims should be made against the Thai Government under the Agreements of 1946 and the Memorandum of Understanding 1947.

- **19 February 1951:** Custodian released to the Thai Government moneys paid to him and assets vested in him.

- **1987:** The Custodian paid 143 unclaimed balances, worth £2,928.30, into the Consolidated Fund. These represented unvested assets.

- Approximate value of property subject to the Custodian: £15,600,000

## YUGOSLAVIA

### Enemy Status

- **18 April 1941** through occupation by Axis forces. Technical enemy.

### Key dates and legislation

- **23 December 1948: Money and Property Agreement and Exchange of Notes** (Cmd. 7601)

#### *Points relevant to Enemy Property*

- ⇒ Agreement applied only to money and property of Yugoslav persons which had been dealt with under the Custodian Order.
- ⇒ Bank balances were placed at the disposal of the original account holders. Securities were released to original holders once they had proved that they were not beneficially owned by belligerent enemies.
- ⇒ Sterling and other sums held by the Custodian in respect of commercial debts were transmitted to the Yugoslav Government with a view to the satisfaction of the claims of the creditors.
- ⇒ The property of Yugoslav persons who had died since their property became subject to the Custodian Order would be released once legal formalities were completed.
- ⇒ No fees would be charged in the UK in respect of the release or restoration of property as provided in the Agreement.

- **19 June 1962: Termination of Money and Property Agreement** (Cmnd. 1810)

#### *Points relevant to Enemy Property*

- ⇒ The Custodian collected all the remaining bank balances due to Yugoslavs still alive and resident in Yugoslavia.
- ⇒ The UK Government transferred £12,958. 17s. 1d to the Yugoslav Government which represented the total moneys held by the Custodian.
- ⇒ Yugoslav Government would make payments to relevant Yugoslav persons if traced; UK would provide Yugoslavia with a list of persons believed resident in Yugoslavia for whose account the moneys were reported due.

- **19 June 1962 Cessation Order**

- ⇒ Yugoslavia no longer to be treated as enemy territory.
- ⇒ Moneys of non-Yugoslav persons and persons no longer resident in Yugoslavia were released by the Custodian to the banks who were holding them.

- **1986:** The Custodian paid 20 unclaimed accounts, worth £264.54, into the Consolidated Fund.

- Approximate value of property subject to the Custodian: £6,300,000

⇒ Bank Accounts £1,400,000

⇒ National Bank Gold £3,000,000

**ANNEX III, A**  
**ENEMY TERRITORY, TABLE OF RELEVANT DATES**

Country or Territory	Becoming enemy territory		State of War with UK		Ceasing to be enemy territory	
	Date	Cause	Date of beginning	Date of end	Date	Year and number of Order
Albania	11.6.40	Occupation	-	-	31.5.48	1948/1177
Algeria	10.7.40	SR & O 1941/1219	-	-	9.12.43	1943/1684
Andaman and Nicobar Islands	23.3.42	Occupation	-	-	19.11.45	1945/1446
Austria	3.9.39	War	3.9.39	16.9.47	5.11.52	1952/1923
Belgium	31.5.40	Occupation	-	-	1.5.52	1952/880
Bulgaria	5.3.41	SR & O 1941/290	13.12.41	15.9.47	3.2.48	1948/158
Channel Islands	1.7.40	Occupation	-	-	25.5.45	1945/545

China (Japanese-occupied, including Manchuria, the Coast of China and the International Settlement and the French Concession at Shanghai but excluding Macao).	8.12.41	Occupation	-	-	9.1.46	1946/11
Corsica	10.7.40	SR & O 1940/1219	-	-	9.12.43	1943/1684
Crete	1.6.41	Occupation	-	-	-	-
Cyrenaica	11.6.40	Occupation	11.6.40	15.9.47	20.12.44	1944/1416
Czechoslovakia	8.9.39	Occupation	-	-	31.5.84	1984
Danzig	8.9.39	Occupation	-	-	8.11.84	1984
Denmark (excluding Greenland and Faroe Islands)	12.4.40	Occupation	-	-	21.11.52	1952/2012
Dodecanese Islands	11.6.40	Occupation	11.6.40	15.9.47	14.3.47	1947/461
Eritrea	11.6.40	War	11.6.40	15.9.47	20.12.44	1944/1416
Estonia	28.10.41	Occupation	-	-	18.2.75	1975
Ethiopia	11.6.40	Occupation	-	-	28.11.41	1941



Finland	2.8.41	SR & O 1941/1117	7.12.41	15.9.47	3.2.48	1948/157
Foochow (China) and dependent areas	4.10.44	Occupation	-	-	9.1.46	1946/11
France. Occupied Zone according to provisions of Franco-German Armistice Convention of 22.6.40.	24.6.40	Occupation	-	-	6.5.53	1953/780
France. Unoccupied Zone	10.7.40	SR & O 1940/1219	-	-	6.5.53	1953/780
Germany	3.9.39	War	3.9.39	9.7.51	6.10.52	1952/1760
Greece (mainland of)	30.4.41	SR & O 1941/598, 613	-	-	13.8.54	1954
Hong Kong	25.12.41	Occupation	-	-	19.11.45	1945/1446
Hungary	8.4.41	SR & O 1941/495	7.12.41	15.9.47	3.2.48	1948/159
Indo-China (French)	8.12.41	Occupation	-	-	6.5.53	1953/780
Indonesia	7.3.42	Occupation	-	-	26.6.52	1952/1246
Italy	11.6.40	War	11.6.40	15.9.47	3.2.48	1948/160

Kweilin (China) and dependent areas	10.11.44	Occupation	-	-	9.1.46	1946/11
Latvia	4.7.41	Occupation	-	-	18.2.75	1975
Lithuania	29.6.41	Occupation	-	-	18.2.75	1975
Luxembourg	20.5.40	Occupation	-	-	1.12.52	1952/2067
Monaco	13.8.40	SR & O 1940/1476	-	-	6.5.53	1953/780
Morocco (French Zone)	10.7.40	SR & O 1940/1219	-	-	9.12.43	1943/1684
Netherlands	20.5.40	Occupation	-	-	11.12.53	45
Netherlands (New Guinea)	8.3.42	Occupation	-	-	11.12.53	45
Norway (excluding Nordland, Troms, Finmark and Svalbard (Spitzbergen))	20.5.40	Occupation	-	-	8.11.45	1945/1411
Norwegian Provinces of Nordland, Troms and Finmark	10.7.40	Occupation	-	-	8.11.45	1945/1411
Philippines	9.5.42	Occupation	-	-	19.11.45	1945/1445
Poland <sup>1</sup>	1.1.40	Occupation	-	-	30.3.76	1976
Poland <sup>2</sup>	19.7.41	Occupation	-	-		

Roumania	15.2.41	SR & O 1941/189	7.12.41	15.9.47	3.2.48	1948/161
Somaliland (French)	4.9.40	SR & O 1940.1625	-	-	9.12.43	1943/1684
Somaliland (Italian)	11.6.40	War	11.6.40	15.9.47	20.12.44	1944/1416
Straits Settlements	15.2.42	Occupation	-	-	19.11.45	1945/1446
Syria and the Lebanon	27.5.41	SR & O 1941/731	-	-	9.12.43	1943/1684
Thailand	12.12.41	War	25.1.42	16.8.45	15.11.48	1948/2484
Timor (Portuguese)	7.3.42	Occupation	-	-	25.9.46	1946/1562
Trieste	11.6.40	War	11.6.40	15.9.47	3.2.48	1948/162
Tripolitania	11.6.40	War	11.6.40	15.9.47	20.12.44	1944/1416
Tunisia	10.7.40	SR & O 1940/1219	-	-	9.12.43	1943/1684
Union of Soviet Socialist Republics <sup>3</sup>		Occupation	-	-	25.9.46	1946/1563
Yugoslavia	18.4.41	SR & O 1941/543	-	-	19.6.62	1962

<sup>1</sup> The region of Suwalki and areas of Poland west of the line Kolno—Lomza—Ostroleka—Malkinia—River—Bug (up to the south of Sokal), and north of the line Rava—Russkaya—Jaroslav, and west of the River San to its source.

<sup>2</sup> Areas of Poland east of the region of Suwalki and of the line Kolno—Lomza—Ostroleka—Malkinia—River—Bug (up to the south of Sokal), south of the line Rava—Russkaya—Jaroslav, and east of the River San to its source.

<sup>3</sup> It is impossible to give any one date when the enemy-occupied parts of the USSR became enemy territory.

**ANNEX III, B**  
**PAYMENTS BY THE CUSTODIAN INTO CONSOLIDATED FUND**

<b>DATE</b>	<b>SOURCE</b>	<b>No. AND AMOUNT OF ACCOUNTS</b>	<b>TOTAL</b>
1966	Technical Enemies less than 5s. Unclaimed French and Channel Island balances	160 (£24.12.6) c. 1350 (£324.18.2)	£349.10.8
1968	French unclaimed balances Belgian unclaimed balances Technical enemies less than £10.	4,601 (£27,262) 157 (£1,792) 1353 (£3856)	£32, 798.11.2 <sup>143</sup>
1972	Hong Kong Albania Denmark Dutch Pacific Islands Philippines Malaya	1 (£29.3.5) 1 (£48.5.0) 2 (£1055.17.3) 9 (£745.11.7) 1 (£12.10.6) 2 (£362.8.1) 2 (£122.12.4)	£2376.8.2
1973	China and Manchuria <sup>144</sup> .	11	£1,952.86
1973	Belgium	27	£4767.93
1973	Channel Islands Norway Luxembourg Dutch East India China	12 (£272.30) 3 (£106.98) 2 (£1575.92) 1 (34.73) 1 (£46.27)	£2,036.20
1973	Holland Greece	13 (£5034.39) 2 (£179.87)	£5214.26
1973	Yugoslavia	5	£188.10
1973	France	236	£14,552.12
1973	The Netherlands France	1 (£31.40) 1 (25.75)	£57.15
1974	Albania Ethiopia France	21 (£3,133.79) 2 (£107.88) 1 (£4.00)	£3,245.67
1986	Accounts for less than £10 Danzig Poland Baltic States Yugoslavia China Ceded Countries	66 (£181.54) 2 (£9.32) 6 (£7.00) 10 (£34.18) 1 (£8.94) 8 (£5.13)	£246.11
<b>DATE</b>	<b>SOURCE</b>	<b>No. AND AMOUNT</b>	<b>TOTAL</b>

<sup>143</sup> The figures for the French, Belgian and Technical Enemy accounts were all rounded up in the files but the total figure in the final column is the amount that was paid into the CF.

<sup>144</sup> In respect of property under British jurisdiction only.

		<b>OF ACCOUNTS</b>	
1986	Baltic States	4 (£4,149.89)	£4,149.89
1986	Danzig Commercial Accounts Private Accounts less than £ 100 France	7 (£11031.43) 40 (£1,533.62) 1 (£30.00)	£12,595.05
1986	Poland	10 (£2,432.78)	£2,432.78
1986	Czechoslovakia Poland Yugoslavia	26 (£3.72) 10 (£5.27) 4 (£20.35)	£29.34
1986	France Yugoslavia	2 (£1,372.76) 1 (£21.91)	£1394.67
1986	Danzig	22 (£10,711.36)	£10,711.36
1987	Accounts of Belligerents less than £ 10. Austria Bulgaria Dodecanese Is. Hungary Neutral Finland Roumania Thailand Germany Italy China	54 (£116.11) 1 (£0.87) 10 (£25.85) 2 (£5.27) 1 (£3.54) 56 (£143.78) 13 (£42.29) 117 (£219.27) 10 (£53.68) 114 (£372.50) 36 (£139.96)	£1,123.12
1987	Accounts over £ 10 but not exceeding £ 100 China	51 (£1,950.20)	£1,950.20
1987	Accounts over £ 10 but not exceeding £ 100 Austria Bulgaria Dodecanese Finland Germany Hungary Japan Italy Neutral Roumania Thailand Unknown	26 (£766.66) 1 (£24.63) 2 (£58.80) 20 (£559.47) 15 (£594.04) 5 (£183.93) 6 (£233.05) 76 (£2,693.20) 7 (£184.84) 12 (£429.12) 22 (£557.31) 52 (£1739.28)	£8,024.33
1987	Proceeds from sale of securities not exceeding £ 100 Austria Italy	83 (£245.29) 12 (£439.12)	£684.41
1987	Italy	8 (£153.72)	£153.72

<b>DATE</b>	<b>SOURCE</b>	<b>No. AND AMOUNT OF ACCOUNTS</b>	<b>TOTAL</b>
1987	Germany Austria Danzig Finland Hungary Italy Japan Neutrals Roumania Thailand Unknown	11 (£5,474.54) 12 (£3,031.32) 5 (£1,650.28) 1 (£180.55) 2 (£1211.62) 22 (£7,607.62) 3 (£803.06) 2 (£338.52) 8 (£3,766.60) 4 (£2,151.72) 16 (£3,815.15)	£30,030.98
1987	Austria Baltic States Finland Germany Hungary Italy	2 (£301.70) 2 (£96,118.82) 1 (£115.12) 1 (£533.07) 1 (£550.80) 8 (£43,651.77)	£141,271.28
1987	China	23 (£8,230.36)	£8,230.36
1987	Germany	5 (£96.49)	£96.49
1988	China Various	9 (£12,142.36) 11 (£15,593.75)	£27,736.11
			<b>Total</b> £318,399.00

## ANNEX IV

### Guide to Sources

Relevant British official records may be found in the files of the Foreign Office, the Treasury and the Board of Trade deposited at the Public Record Office, Kew. Bank of England files are not deposited at the PRO but can be consulted at the Bank of England Archive.

The following files have been consulted in the preparation of this memorandum and are listed here as an aid to further research.

Although not listed below, files from all departments not yet transferred to the Public Record Office under the 30-year rule have also been consulted.

### LIST OF FILES

<b>BT 15</b>		<b>Board of Trade: Finance Department</b>
462	1961-1962	Payments to out of time victims who have already been granted relief
473	1961-1968	Payment of out of time satellite victims following Distribution of German Enemy Property (No 4) Order 1961: policy
474	1962-1966	Payment of out of time satellite victims following Distribution of German Enemy Property (No 4) Order 1961: payments
479	1965	Unvested securities held by the Custodian of Enemy Property: query by Exchequer and Audit regarding continuing Board of Trade control
<b>BT 216</b>		<b>History of the Administration of Enemy Property 1939-1964</b>
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113	1944-1946	Treatment of assets of repatriated persons
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129	1949-1950	Ditto
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150	1948-1950	UK-Netherlands intercustodial agreement: negotiations
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155	1948-1962	Baltic States: policy on release of assets
160	1948-1951	Questions raised by termination of state of war with Germany
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167	1948-1949	Vesting and sale of physical property in UK of German nationals resident in Germany: procedure
169	1948-1949	Co-ordination of policy on implementation of peace treaties with Italy and the satellites: notes of Paris talks 25-30 June 1948
170	1949-1950	Custodians conference: Brussels March 1949
171	1949-1950	Custodians conference: April 1950. Folder containing Sir Henry Gregory's papers, attached
194	1949-1953	Bulgaria: disposal of Bulgarian property under article 25 of the Treaty, including negotiations with Bulgaria
195	1949-1957	Release applications from Roumanian, Hungarian and Bulgarian nationals claiming special treatment
196	1948-1960	Securities held under liens by British nationals
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211	1949-1951	Anglo-Czechoslovak money and property agreement
212	1951-1952	Anglo-Czechoslovak money and property agreement
213	1952-1953	Anglo-Czechoslovak money and property agreement
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222	1949-1954	Release of applications for release of assets for German firms by individuals claiming to be the former owners
224	1949-1951	Proposal and discussion of omnibus vesting order
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232	1940-1949	Netherlands decree, 24 May 1940, and similar decrees of other allies
233	1949-1952	Distribution of compensation received for expropriated British property: papers on setting up of the Foreign Compensation Commission

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243	1949-1950	Time limit for proceedings against the Administrator of Enemy Property under the Peace Treaty orders
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249	1949	Treaty of Peace (Bulgaria) Order 1948: Administrator's certificate
251	1949-1954	Inspection and vesting orders
252	1950-1953	Forced residence in labour camps: deprivation of liberty
253	1945-1954	UK-Canada intercustodial agreement: questions arising and discussion of new agreement
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256	1954-1956	Ditto: questions arising
257	1956-1960	Ditto: questions arising
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262	1950	USA
263	1951-1954	USA: specific cases
264	1950-1954	USA: general
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266	1953-1954	USA: notes for negotiations 1954
267	1954-1957	USA: general
268	1954	USA: negotiations
269	1954-1964	USA: consideration of future policy
270	1954-1959	USA: consideration of action on enemy owned securities in the absence of intercustodial agreement
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292	1949-1951	Closure of money and property agreements
293	1950-1955	Ditto: Belgium
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296	1952	Ditto: Denmark
297	1951-1964	Ditto: Greece
298	1949-1952	Ditto: Norway
299	1952-1959	Ditto: France
300	1950-1951	Distribution of German Enemy Property Act, 1949 s.8: definition of German enemy property
303	1950-1967	Safes and sealed packets: administrator's position on inspections
304	1950	German owned securities in UK available for disposal: list

305	1950-1953	Ditto: progress report
309	1950	Classification of countries as enemy territory: comparison with Canada
323	1950-1952	Distribution of German Enemy Property Act 1949: advice given by Board of Trade solicitor on interpretation, etc.
324	1950-1961	Powers of Custodian of Enemy Property to destroy property vested in him, or in which the power to sell is vested in him
325	1950-1951	Belligerent enemy property: suspension of disposal action pending result of release applications
326	1950-1951	Status of Jews in Roumania
328	1950-1954	British interests nationalised in Hungary, Roumania and Bulgaria: representations to Foreign Office about confusion likely to be caused by compensation agreements
330	1950-1951	Roumania: discussion of arrangements and drafts of Treasury Direction
331	1951-1954	Roumania: discussion of arrangements and drafts of Treasury Direction
332	1952-1953	Roumania: discussion of arrangements and drafts of Treasury Direction
333	1953-1954	Roumania: discussion of arrangements and drafts of Treasury Direction
334	1954-1969	Roumania: discussion of arrangements and drafts of Treasury Direction
335	1955-1956	Roumania: discussion of arrangements and drafts of Treasury Direction
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338	1950-1951	Germany: proposed general vesting order of rights or interests in estates of deceased persons
339	1949	Ex-gratia releases of UK property to victims of discriminatory laws in enemy territory: memorandum from John Foster, MP and draft reply
341	1950	Satellite peace treaties: insurance moneys
342	1951	Satellite peace treaties: money on property falling due between the signing of treaties and orders
350	1950	UK legislation on administration and liquidation of enemy property and system of paying compensation for war damage
355	1950-1951	Disposal of unvested property of deceased persons
357	1950-1965	Procedure for dealing with Roumanian, Hungarian and Bulgarian assets held by Custodian of Enemy Property (Scotland)
358	1950-1952	Requests to Custodian for transfer to his own name of certain securities held on Roumanian, Hungarian and Bulgarian account
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363	1950	Property of German or other enemy nationals resident outside their country of nationality
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367	1951-1975	Baltic States Securities: vesting
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395	1951-1962	Roumanian, Hungarian and Bulgarian banks: treatment of assets reported
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397	1951-1956	Roumania, Hungary and Bulgaria: treatment of assets of nationals who have taken up residence in a neutral country
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411	1948-1951	Release applications: practice notes for use when dealing with satellite accounts
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418	1951-1970	Bulgaria: administrator's certificates
420	1952-1965	Treatment of assets reported for institutions of a religious or charitable character in Roumania, Hungary and Bulgaria
422	1951-1964	German enemy property: policy on divulging information to owners about the disposal of their property; arrangements for supply of information to German Embassy; correspondence with owners
441	1951-1956	Enquiries from ex-enemies about property in Colonies: disclosure of information on German enemy property; note on preparation and audit of German account summaries
447	1951-1961	Property vesting in Palestine Custodian of Enemy Property: enquiries
454	1951-1952	Insurance contracts (War Settlement) Bill 1952
456	1951-1955	Victims: policy for dealing with outstanding release applications from Roumanian, Hungarian and Bulgarian nationals
457	1952-1953	Distribution of German Enemy Property Acts 1949 and 1952 and Distribution of German Enemy Property (No 2) Order 1951: forms for making claims and extending the time for making claims.
461	1952-1953	Distribution of German Enemy Property Act 1949: disposal of

		Custodian's holdings of bonds which might be the subject of claims
462	1952	Distribution of German Enemy Property Act 1949: drafting of stock letters to be used in connection with claims
463	1951-1956	Disposal of "ZED" cases applicable to Roumania and Hungary
467	1952-1958	Bulgarian, Hungarian and Roumanian nationals: sale of non-liquid assets
468	1951-1953	Distribution of German Enemy Property (No 2) Order 1951: advice as to meaning of the word 'resident'
471	1952-1956	Deceased estates: procedure for Roumania, Hungary and Bulgaria
474	1952-1954	Deceased persons' estates application of article 9 of the Distribution of German Enemy Property (No 1) Order 1950
475	1952-1954	Unclaimed Italian and French assets
476	1952	Investment and realisation of German enemy property: interest on investments
479	1952	Germany: Enemy Territory Cessation Order
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486	1952	Distribution of German Enemy Property (No 2) Order: extension of time for claims under Article 4(2)
487	1952-1962	Distribution of German Enemy Property Act 1949: effect of lifting regulation 7 on definition of German enemy property; post war credits
489	1952-1958	Channel Islands: application of trading with the enemy legislation
498	1953	UK-Netherlands intercustodial agreement: negotiations
499	1953-1963	UK-Netherlands intercustodial agreement: negotiations
501	1953-1954	Treasury directions to Administrator of Roumanian Property
502	1953	Progress in earmarking satellite assets: review of Branch 2 work
503	1953-1954	Residuary German foreign assets: negotiations for return
505	1945-1957	UK-USA intercustodial negotiations in respect of satellite assets
506	1954	Representation for release of assets of Roumanian, Bulgarian and Hungarian nationals of Jewish origin who have taken up residence in Israel
512	1954-1957	General policy and practice concerning specific vesting orders and varying and revoking orders: practice note on 'late arising' German enemy property
515	1948	Roumania, Hungary and Bulgaria: vesting orders
517	1954	Distribution of assets: preparation of claim forms and notices
523	1954-1955	Treasury directions for distribution of assets: amendments
525	1954-1956	Ditto: press notices and other announcements; explanatory notes
535	1953-1955	Enemy Property Act 1953 s.4(3): payment of interest on money held by Custodian for person who was never an enemy
536	1953-1954	Deceased persons property which is likely to become bona vacantia: the ultimate disposal of 'hard core' of property held by Custodian

537-8	1955-1977	Administrator of Roumanian Property: accounts
539	1954	Out of time claims to deceased persons estates: review of policy on article 24 of the Distribution of German Enemy Property Act 1949
541	1954-1955	Victim claims: procedure for removal of 'stops'
545	1954-1955	Release procedure for property where Custodian or Administrator do not want to maintain an interest
546	1955-1957	Treasury directions to Administrators of Roumanian, Bulgarian and Hungarian Property
552	1955	Distribution of satellite property: announcement in House of Commons
553	1948-1958	Trading with the Enemy Legislation: proposed amendments
554	1942-1943	German property in UK: UK claims against enemies; papers of Sir Henry Gregory
555	1955	Bulgarian assets in UK taken by Administrator of Bulgarian property
557	1956	Distribution of German enemy property: allocation of £250,000 from residual assets to charity; establishment of Nazi Victims Relief Trust
560	1958-1960	Nazi Victims Relief Trust: annual reports to President of the Board of Trade
561	1958-1961	Nazi victims ex-gratia release policy: question of extension subsequent to the satellite countries distribution
563	1961-1966	Hungary: consideration of possible further Hungarian dividend
567	1949-1955	British born woman now of Japanese nationality
569	1949-1951	Dividends on securities which have been released: Netherlands Embassy on behalf of concerns on Netherlands reserve list
572	1950-1954	Rejection of offer to release assets: Contessa Paola Thurn
575	1950	Definition of residence when deciding whether person is an enemy within the meaning of Trading with the Enemy Act 1939
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577	1950-1963	Dr Henrick Silberman
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579	1950-1956	Henri Schapira
580	1950-1951	Marcu Goldstein
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585	1950	Dr Fritz Thyssen
586	1950	Refusal to release proceeds of insurance policy due to a Roumanian: J Katz
587	1950-1951	Consent to release estate of deceased Czech: K Gruenwald
588	1950-1962	Refusal to release assets of Bulgarian firm: S B Aftalion
589	1950-1958	Refusal to release property of German: Baroness Marie von Frankenstein
590	1950-1953	Agreement to release assets of Estonian forced to acquire



		German nationality: H and E Stading
591	1950-1952	Claim for reimbursement of legal costs in action of habeas corpus: Marsh and Feriman on behalf of C W Kuchenmeister
592	1950	Refusal to release assets covered by Anglo-Yugoslav Money and Property Agreement 1948: Olex Nafta
593	1950-1953	Release of gold watch, only property declared to Custodian, to the heirs of a German: H Hirschfeld
596	1950-1957	Settlement with Pelzer Stiftung on £1,075,955 3s.4d. proceeds of sale of 318 gold bars: claim by Pelzer Stiftung for interest
625	1951-1956	Contracts of insurance and re-insurance: action to implement recommendations of Advisory Committee on the Distribution of German Enemy Property
629	1951	Proposal that UK assets of sick and needy victims of persecution who are unable to leave Germany should be released to them by monthly instalments
630	1951	Enquiry from Dr F R Bienenfeld as to whether imprisonment for infringing restrictive legislation on Jews can be regarded as deprivation of liberty
636	1952	Ex-gratia release of property belonging to victims of persecution: reply to representations by Mrs M Lane
639	1952-1963	German enemy property: Administrator's general instructions for sales of securities
664	1954-1957	Shares available for sale: Hungarian owned
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666	1954-1961	Shares available for sale: Bulgarian owned
670	1954-1964	Omnibus vesting orders: Administrator of Hungarian Property
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672	1954-1963	Omnibus vesting order: Administrator of Bulgarian Property
687	1943-1963	Specimen account folders
688	1939-1964	Stock forms TE1-3 TE 5-7
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706	1951-1964	Ex-King Carol of Roumania
709	1952-1957	Release of assets of company: Drogueria Royal M Rozsa SA Cluj
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725	1955-1956	Custodian of Enemy Property
728	1955-1957	Administrator of German Enemy Property: contains discussion as to whether one Administrator can claim against another
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749	1955-1966	Distribution accounts at Bank of England
752	1957	Sale of jewellery: M Svenfinberg
754	1957-1958	Sale of securities: beneficiaries of J P Wexler
790	1954-1955	Prince Paul Esterhazy and Dr Gabriel Horvath
794	1956-1961	Hungarian dividend
795	1956	Sale of jewellery: A S Kormoczy
797	1958	Sale of one unset aquamarine and ten silver spoons: Baroness Gabriella Bogyo or Ljubicic
798	1963-1964	Further Hungarian dividend: working papers
800	1939-1953	Administration of enemy property, trading with the enemy, peace treaty, distribution of enemy property and sundry related legislation in force in the UK on 1 March 1954
801	[1971]	Custodian of Enemy Property: general instructions, draft
802	1957	British assets of Hungarian victims of Nazi persecution: reply to request from Sir Keith Joseph
803	1955-1964	Administrator of German Enemy Property : cases listed by file number
804	1952-1987	Disposal of seized enemy property where ownership is disputed: application for release of contents of a safe rented by Nora E Schoss
806	1942-1976	Notice to Banks
807-15	1939- c 1960	"George books": numerical list of individual Trading with the Enemy cases

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1-79		Vesting Orders
<b>BT 273</b>		<b>Board of Trade: Trading with the Enemy and Administration of Enemy Property: Account Cards</b>
1 - 189		Germany: Numerical
190 - 200		Germany: Alphabetical
201		Germany: Alphabetical (Northern Ireland Property)
202 - 4		Belgium: Numerical
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254		Hungary: Alphabetical
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<b>BT 279</b>		<b>Board of Trade and Department of Trade and Industry Finance and Economic Appraisal Division</b>
119	1960-1961	Disposal of German enemy property
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2561	1940	Incorporation of "British War Relief Society"; Treatment of Prisoners of War Convention 1929; Religious services for British internees; Control and administration of enemy property
2562	1940	Prisoner of war camps in Germany; Postal communications with enemy territory; Properties of British Missionary Societies in enemy territory; Distraint on enemy property
2991-2	1944	Protection of British property in belligerent Europe
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22946-8	1939	War aims
23913	1939	Completion of commercial obligation with the enemy
23931-3	1939	Trading with the Enemy
24378	1940	Proposal for a Joint Allied Council; Enlistment of Aliens in the Home Guard; Collection of Allied debts; Taxation problems of Netherlands subjects; Charge of Belgian interests in Yugoslavia; Collation of press in Morocco, Algeria and Tunisia; Conscriptioin of Czechs in the UK; Status of Belgian Government in London
25055-63	1940	Black List: war trade reporting: trading with the enemy; patents held in enemy-occupied territory: war trade lists: debts to and from Norway: Black List policy in South America
25157	1940	Communications with various countries; Functions of Custodian of Enemy Property; Air Services in war time
28738-54	1941	Trading with the Enemy

30704	1942	Position of British subjects and concerns in regard to trading with the enemy
30822	1942	Czechoslovak financial claims
32409	1942	Financial arrangements for transfer of funds between Allied Governments and enemy territory
32445	1942	War trade list policy
32447	1942	Statutory List -post war proposals
32448	1942	Memorandum facilitating agreement on the control of "enemy" property
32449	1942	Territories to be regarded as "enemy" for the purposes of the Trading with the Enemy Act
32618	1942	Foreign organisations in the UK
32659-60	1942	Post-war refugee problems
36087-90	1943	Lease-Lend shipments to Fighting French Empire
36363-72	1943	Inter-Allied Declaration against Axis plundering of occupied territory
36523-31	1943	Application of Trading with the Enemy Regulations
36778	1943	Feinbergiene v. Bank of England and Lietuvos Bankas
37358-9	1943	Italian financial position abroad
37967	1943	Italians in Guatemala
40966	1944	Economic disbursement of Germany
40977	1944	Protection of British property in belligerent Europe
42282-6	1944	Allied Property Agreements
42336-48	1944	Exchange control questions: transfers of funds
42382-7	1944	Trading with the Enemy Legislation and Statutory List matters
42868	1944	Establishment of Search Bureau for Stateless Persons
43082	1944	Letters for transmission
43591	1944	Bulgarian armistice terms
45657-61	1945	Austria: financial and property directive: currency schemes: treatment of banking deposits: Austrian and German currency
45745	1945	British property in enemy and enemy-occupied territory: compensation for British subjects in liberated allied territories
45772	1945	Allied property in enemy and enemy-occupied territories
45773	1945	Assistance for Jews
45799	1945	Inter-Allied Reparations Agency: Paris Conference on reparations; reparations claims: interim restitution programme
45800-04	1945	Paris Reparation Conference: definition of restitution: reparation for stateless persons: reparation claims
45805	1945	Paris Reparation Conference: definition of restitution: reparation claims and quotas: minutes of 14th meeting of Control Council held in Berlin
45807	1945	Custodianship of enemy property in the Middle East
46703-07	1945	Compensation for German victims of Nazi persecution: war damage compensation in Germany: reform of German judicial system

47044	1945	Transfer of Baltic funds from the UK to European countries for the assistance of refugees
47058	1945	British property and interests in the Baltic States
47068	1945	Baltic assets in the UK
47111-14	1945	Anglo-Czechoslovak financial relations: protection of British interests in Czechoslovakia
47199	1945	Anglo-Czechoslovak commercial relations: Anglo-Czechoslovak Monetary and Property Agreements of 1 November 1945
47230-1	1945	Civil Affairs Denmark: financial arrangements: Anglo-Danish Monetary Agreement
47252	1945	Anglo-Danish commercial relations: Anglo-Danish Property Agreement
47284	1945	Bank account of Mrs J C Fensmark, wife of the Danish Charge d'Affaires in Tehran
47391-3	1945	Financial assistance for Finland: claims against the Finnish Government: Anglo-Finnish Payments relations
47416	1945	Conclusion of Peace Treaty with Finland
47444	1945	British property and interests in Poland and Czechoslovakia
47713-4	1945	British property and interests in Poland
47808-10	1945	Anglo-Polish commercial relations
48174	1945	Resumption of Anglo-Bulgarian banking relations
48211	1945	Resumption of relations between Bank of England and National Bank of Roumania and Bulgaria
48219-20	1945	British policy towards Bulgaria, Roumania and other liberated countries: policy towards ex-Satellites: Balkan peace treaties
48348	1945	Trading with the Enemy in Greece
48453	1945	Proposed Anglo-Greek Property Agreement
48636	1945	Classification and liquidation of enemy-owned assets
48648	1945	Compensation for losses inflicted upon British and Allied interests in Roumania
49059-60	1945	Position of French property and assets in the UK: Anglo-French property agreement: Trading with the Enemy regulations
49431	1945	Enemy property agreement with Netherlands Government
49947	1945	Financial situation in the Netherlands: text of Anglo-Netherlands Monetary Agreement
50779-86	1945	Peace Treaty with Italy
51157-59	1945	Protection of interests of German and Austrian refugees: status of ex-enemy refugees: claims for losses suffered through Nazi persecution
51713	1946	Application for release of property held by the Alien Property Custodian
52974	1946	Drafting of economic clauses of peace treaties with the satellites: financing the rehabilitation of German export trade
53090	1946	Board of Trade policy of helping "war-shattered" economies
53150	1946	Reparation for stateless persons

55237	1946	Relaxation of Trading with the Enemy restrictions
55634-5	1946	Claims in respect of property in Germany by victims of Nazi persecution
55704	1946	Compensation and restitution to victims of Nazi persecution
57152-60	1946	Peace treaties with Axis satellites (Roumania, Bulgaria, Hungary, Finland)
57334-65	1946	Paris Conference, July-October 1946: drafting of treaties with Italy, Hungary, Roumania, Finland and Bulgaria
57366	1946	Proceedings of Council of Foreign Ministers June - July 1946)
57367-71	1946	Paris Peace Conference, July-October 1946
57372-94	1946	Paris Peace Conference, July-October 1946: drafting of treaties with Italy, Hungary, Roumania, Finland and Bulgaria
57420	1946	Jewish views on peace treaties
57684-98	1946	Jewish emigration: exodus from Poland and elsewhere: illegal entry into Palestine
58602	1946	Complaint by Trading with the Enemy Department regarding copies of telegrams
58633-43	1946	Peace treaties with the Balkans, Italy and Finland
59038-43	1946	Drafting of the Peace Treaty with Hungary: Paris Treaty Conference
59113-17	1946	Roumanian foreign trade: resumption of trade with UK
59137	1946	Disposal of enemy property in Roumania
59191 - 9	1946	Drafting of Peace Treaty with Roumania by Council of Foreign Ministers
154231-7	1960	Compensation for victims of Nazi persecution
154243	1960	Disposal of pre-war assets of Germany
154244	1960	Frozen pre-war assets in UK of persons formerly belonging to Sudetenland
160637-8	1961	Agreement with UK High Commissioner for Refugees on compensation for victims of Nazi persecution
160644	1961	Disposal of German assets in UK
160833	1961	Yugoslavia: Internal political situation
161160	1961	Compensation for victims of Nazi persecution
163926	1962	Foreign policy of UK and US towards Yugoslavia
163927	1962	Yugoslavia: Political relations - UK
163933	1962	Yugoslavia: Government and commercial debt
163934	1962	Yugoslavia: Finance
163935	1962	Yugoslavia: Foreign Trade
<b>C40</b>		<b>Bank of England: Chief Cashier's Policy Files: Trading with the Enemy</b>
1000	October 1935 - 1939	Bank Whitehall papers on proposed Trading with the Enemy legislation. Contacts with British Bankers Association and Accepting Houses Committee. Implementation of legislation.
1002-3	1940 - 1961	Baltic Gold

1004	1940 - 1954	Treatment of assets held in the UK by persons resident in enemy or enemy-occupied territory
1005	1940 - 1952	Treatment of assets held in the UK by persons resident in enemy territory or enemy occupied territory
1006	1940 - 1952	Treatment of assets held in the UK by persons resident in enemy or enemy occupied territory
1007	1940 - 1946	Regulations government flow of funds between occupied France and her territories.
1008	1940 - 1941	Bank of France Gold: Bank HMG correspondence on transfer of title to Custodian of Enemy Property
1280	1964 - 1967	Baltic Claims
<b>C48</b>		<b>Bank of England: Discount Office (Banking Supervision) Files: Intelligence Function</b>
191	1939	Trading with the Enemy
192	1940- 1941	Trading with the Enemy
193	1941- 1947	Trading with the Enemy
194	1947-1954	Trading with the Enemy
195	1947- 1952	Trading with the Enemy - Administration of Enemy Property
<b>AC 13</b>		<b>Bank of England: Box Files: Miscellaneous</b>
486	1948	French Vesting Operation
<b>OV 6</b>		<b>Bank of England: Trade and Payments Files</b>
23 - 31	-	Financial Relations: Czechoslovakia
194-7	-	Anglo-Danish Payments Agreements
203		Anglo-Hungarian Payment Agreement
<b>OV 31</b>		<b>Bank of England: United States of America</b>
35	1941- 1942	Lease-Lend Act. US trading with the enemy regulations.
<b>OV 34</b>		<b>Bank of England: Germany</b>
210 - 217		Custodian of Enemy Property
<b>OV 45</b>		<b>Bank of England: France</b>
117-9		Custodian of Enemy Property and Trading with the Enemy Department

<b>EC 4</b>		<b>Bank of England: Defence (Finance) Regulations Files: Trading with the Enemy</b>
370	1940- 1945	Payments to the Vatican during the war and the status of the Vatican's assets in the Sterling Area
375	1943 - 1945	Bank's role in negotiations resulting in the commercial banks agreeing to pay interest on the balances of "involuntary" enemies
376	1940 - 1941	Trading with the Enemy (a) British and allied persons who became "enemies" as a result of German and Japanese occupation (b) conflicts between UK and allied Custodians of Enemy Property
377	1941- 1942	Trading with the Enemy (a) British and allied persons who became "enemies" as a result of German and Japanese occupation (b) conflicts between UK and allied Custodians of Enemy Property
378	1942-1942	Trading with the Enemy (a) British and allied persons who became "enemies" as a result of German and Japanese occupation (b) conflicts between UK and allied Custodians of Enemy Property
379	1943	Trading with the Enemy (a) British and allied persons who became "enemies" as a result of German and Japanese occupation (b) conflicts between UK and allied Custodians of Enemy Property
380	1943- 1944	Trading with the Enemy (a) British and allied persons who became "enemies" as a result of German and Japanese occupation (b) conflicts between UK and allied Custodians of Enemy Property
381	1941- 1944	Details of the Bank's involvement in agreement with Dutch Government in Exile to reconcile differences due to "Allies" being "enemies" for Trading with the Enemy purposes. Removal of enemy status at end of war (an example of similar problems arising with various countries)
382	1945- 1946	Details of the Bank's involvement in agreement with Dutch Government in Exile to reconcile differences due to "Allies" being "enemies" for Trading with the Enemy purposes. Removal of enemy status at end of war (an example of similar problems arising with various countries)
386	1944- 1946	Removal of Trading with the Enemy restrictions on Czechoslovakia
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