German reinsurer wants Holocaust claim settlement

NEW YORK, July 2 (Reuters) - German reinsurer Munich Re said on Friday that it wanted a global resolution of claims by Holocaust survivors who say they were blocked from collecting on life and property insurance policies after World War II ended.

"We are ready and interested in a global solution along the lines that the German and the U.S. governments are trying to find," a Munich Re spokesman said.

At least 16 other German firms plan to launch a new compensation fund, initially estimated at up to $1.7 billion, that is being negotiated under the auspices of the U.S. and German governments.

The negotiators are trying to resolve claims that Germany's banks and industrial companies profited from Nazi war crimes, from looting Jewish assets to using slave labor.

In return for paying compensation, the German banks and industrial companies want a so-called global settlement, which means they would be protected from any further liability for their conduct under the Nazi regime.

The World Jewish Congress (WJC) is pressing several European countries and their companies to get what it calls moral and economic justice for Holocaust victims.

Munich Re was responding to a WJC campaign to get European insurers to answer charges that after the war ended, Holocaust survivors were forced to rebuild their lives without insurance policies that their families took out before the war.

However, the reinsurer has said that it did not write any direct insurance policies, and thus was the wrong target for a probe into unresolved Holocaust-era claims. Reinsurance is defined as the sharing of risk among insurance companies.

Munich Re also has not joined the five insurers who belong to the International Commission on Holocaust Era Claims, which is led by former U.S. Secretary of State Lawrence Eagleburger.

By joining the Holocaust insurance commission, an insurer can shield itself from punitive actions threatened by state insurance commissioners. That program is completely separate from the plans by
German banks and industrial concerns to create the new compensation fund.

Asked whether Munich Re would join the international insurance commission, the reinsurance's spokesman replied: "We want to work toward a global solution. We don't want to seek partial solutions for individual cases."

Elan Steinberg, the WJC's executive director, has charged that Munich Re's decision not to join Eagleburger's insurance commission means it is trying to evade its responsibility.

Munich Re holds a 60 percent stake in the ERGO group, says the WJC. That company in turn owned Victoria Versicherung AG, which the WJC says accounted for 80 percent of all life insurance premiums German firms received from foreign markets.

Related News Categories: politics, US Market News
Winterthur finds only two Holocaust victim policies

ZURICH, July 3 (Reuters) - Swiss insurer Winterthur Group has found only two unpaid policies directly linked to Holocaust victims but has offered payments in 20 cases where it thought it might owe something, its chairman told a Swiss newspaper. In an interview with the Tages-Anzeiger published on Saturday, Peter Spaelti rejected as "completely over the top" demands from some groups that European insurers give $2.5 billion to heirs of Holocaust victims with unpaid policies.

Winterthur, part of the Credit Suisse Group, is one of five insurers that agreed last month to start fast-track interim payments on pre-war life insurance policies that critics say were never honoured.

Insurance industry analysts say the insurers could face claims of $1 billion to $4 billion.

Asked how many unpaid policies Winterthur's research had found, Spaelti said: "All of two connected to Holocaust victims."

The company had received more than 3,000 queries so far and had determined some sort of business relationship in 43 of these cases, he said. "And for 20 so far we have offered to do something, although we do not know for sure if we owe anything."

Winterthur is prepared to make payments even if there is not clear evidence that it should do so, Spaelti said.

"A basic tenet of our business activity is: We will make a payment whenever there is a high probability that a business relationship existed that is not yet fulfilled."

In one case, he said, Winterthur made a payment to a seaman who came forward after 40 years sailing the world to request it make good on a life insurance policy his mother has taken out on him even though it was unclear whether it had already been paid.

Spaelti said the situation of insurers could not be compared with that of Swiss banks, which faced accusations that they hoarded the dormant bank accounts of Holocaust victims.

"A life insurer actively searches for the beneficiary when a policy expires. That is part of the
contract. In addition, it also has an interest in finding the customer to perhaps conclude a new contract. A bank account, in contrast, does not expire.’’

Spaelti said Winterthur’s life insurance business had had a market share of only 0.03 percent in Germany in 1938 and only 8,000 to 9,000 contracts there in all its businesses combined.

‘‘Only a small part of these had to do with Jewish people, given they made up around six percent of the population.’’

Spaelti dismissed out of hand the $2.5 billion Holocaust compensation figure floated by some Jewish groups and said Lawrence Eagleburger -- the former U.S. Secretary of State chairing a panel looking into the Holocaust issue -- agreed.

‘‘This sum is completely over the top. This is primarily a political figure, and even Commission President Eagleburger is of this opinion. He puts the total at well under $1 billion,’’ Spaelti said.

By joining Eagleburger’s insurance commission, an insurer can shield itself from punitive actions threatened by U.S. state insurance commissioners.

The five European insurers decided on June 10 to make interim payments before reaching a final accord that will settle charges that insurers failed to pay out on prewar life and property policies bought by Holocaust victims.

In addition to Winterthur, they include Germany’s Allianz (quote from Yahoo! UK & Ireland: ALVG.F), France’s AXA , Italy’s Generali and Swiss-British Zurich Allied (quote from Yahoo! UK & Ireland: ADZ.L).

Related News Categories: politics, US Market News

http://biz.yahoo.com/rf/990703/k.html
Allianz says Holocaust claim estimates overblown

MUNICH, July 7 (Reuters) - German insurer Allianz AG (quote from Yahoo! UK & Ireland: ALVG.F) reiterated on Wednesday that it considered as highly exaggerated estimates that European insurance firms could owe billions of dollars in claims from Holocaust survivors.

"The estimates given by various parties remain in no relationship to reality," management board member Herbert Hansmeyer told a general shareholder meeting when asked about the possible financial impact of the Holocaust-era claims.

He said that the company's own research and findings of independent experts produced nothing that would justify such estimates.

Allianz, working within an international commission to settle outstanding claims on insurance policies of Holocaust victims, has repeatedly questioned estimates that unresolved claims from the Nazi era could run into billions of dollars.

The commission currently comprises Allianz, AXA of France, DBV Winterthur of Germany, Zurich Allied and Italy's Generali.
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WASHINGTON JEWISH WEEK, July 8, 1999

NATIONAL
The head of a leading American yeshiva died last Thursday at the age of 76. Rabbi Yaakov Weinberg had been the head of the Ner Israel Rabbinical College in Baltimore since 1987, and before that headed the Ner Israel Yeshiva College in Toronto. — JTA

INTERNATIONAL
Romaia's government agreed to propose a bill that would return property taken during and after World War II. Among its provisions, the bill calls for reparations for the seized assets of companies owned by Romanian Jews during the fascist regime of Marshal Ion Antonescu. — JTA

A Jewish cemetery in Toronto refused to bury a Jewish-born Canadian man who accepted Jesus some 40 years ago. Malvern Jacobson, 68, said his father remained a Jew even though he became a Christian minister and is a deacon in the Anglican church. Toronto's rabbinical associations said they supported the cemetery's move. — JTA

An Austrian commission refused to return to Jewish families in North America five paintings by Gustav Klimt that were looted by the Nazis. But the commission, which ruled earlier this week, did agree to return 16 drawings by Klimt and 19 porcelain settings. Lawyers for the family said they would sue if necessary to regain the five artworks, which are estimated to be worth tens of millions of dollars. Meanwhile, Austria's Jewish community recently opened an office in Vienna to help survivors regain money and property looted during the Nazi era. The office will help victims or their descendants with claims to accounts, real estate and art objects, as well as help with claims against companies that used slave labor during World War II. — JTA

ISRAEL
Three alert Israeli military policemen last Tuesday apparently thwarted an attempted kidnapping by members of the Palestinian Hamas terrorist group. The MPs spotted the bearded, old, silver Subaru, with Israeli plates, overhead in stickers about being newly religious near a hitchhiking post. The uniforms of the two airmen feigning sleep in the back seat seemed too new for their ranks. But the real give away was the driver. Bearded and wearing a kippah, he could not pronounce "debeitsnay." The MPs prevented any troops from getting into the vehicle.

The car sped off and the MPs called for backup and alerted hitchhiking posts further down the road. The Israel Police put a helicopter in the air, but the car vanished. — by Arieh O'Sullivan, Jerusalem Post Foreign Service

Close to 100 Jews from northern Ethiopia arrived in Israel last Tuesday as part of stepped-up efforts to bring over the more than 3,000 Jews living in the Kwara region. Israel was criticized during the past year by advocates for Ethiopian Jews for failing to expedite the immigration of the Kwara Jews, who were left behind in the airlifts of Operation Solomon in 1991, which brought some 14,000 Ethiopian Jews to Israel. — JTA

Samuel Sheinbein, the Maryland teenager facing murder charges in Israel, pleaded innocent to the main charge stemming from the 1997 killing. At a hearing Monday, Sheinbein pleaded guilty only to helping dispose of lars. Meanwhile, Austria's Jewish community recently opened an office in Vienna to help survivors regain money and property looted during the Nazi era. The office will help victims or their descendants with claims to accounts, real estate and art objects, as well as help with claims against companies that used slave labor during World War II. — JTA

RETURN TO A FORMER LIFE — Fifty Jews, who were forced to leave their home city of Malvern some 60 years ago during the Nazi rule of Germany, were invited to return last month by the city's mayor for a week of activities commemorating the Jews of Malvern. Three people from the Jewish community were among the guests: Anita Mitchell of Bethesda, Barry Nathanson of Arlington and Maria Espinoza (above), whose late husband, Harry, fled Germany in 1939. — JTA

Samuel Sheinbein, the Maryland teenager facing murder charges in Israel, pleaded innocent to the main charge stemming from the 1997 killing. At a hearing Monday, Sheinbein pleaded guilty only to helping dispose of lars. Meanwhile, Austria's Jewish community recently opened an office in Vienna to help survivors regain money and property looted during the Nazi era. The office will help victims or their descendants with claims to accounts, real estate and art objects, as well as help with claims against companies that used slave labor during World War II. — JTA

— compiled by Aaron Leibel
Now the challenge becomes allocating Holocaust assets

by Michael Shapiro
Staff Writer

Nearly a year after lawyers for the two largest Swiss banks and representatives of Holocaust survivors reached a $1.25 billion settlement in a Brooklyn state Supreme Court case, Holocaust survivors and heirs around the world are being asked for their thoughts on how the money should be divided.

A four-month advertising and outreach campaign to notify Holocaust survivors and heirs in 105 countries about the settlement was launched last Tuesday with news conferences in Tel Aviv, New York, Berlin, Moscow, Budapest and Paris.

The campaign, which will include advertisements in 500 newspapers worldwide detailing the steps people need to take to make claims, was ordered by U.S. District Judge Edward Korman, who has overseen the class-action suit against the Swiss banks and urged the sides to settle outside the courts.

The input being sought by the court from individual Holocaust survivors and and heirs themselves have the opportunity to suggest how the settlement can be allocated

The court in this case felt strongly that Holocaust survivors and heirs themselves should have the opportunity to suggest how the settlement can be allocated

"We need a better answer as to what it is we are trying to do here," said Undersecretary of State Stuart Eizenstat, who is the Clinton administration's point man on Holocaust-restitution issues.

Eizenstat said he hopes the work of the panel could help people recognize the importance of the issue and not be seen as just an "academic exercise."

"Survivors and heirs can receive information about how to make claims by writing to Information, Holocaust Victims Assets Litigation, P.O. Box 8500, San Francisco, CA 94128-8500, by calling a special toll-free telephone number 1-888-635-6483, or by downloading information from http://www.usafrica-bank.claim.com. To present your views on the allocation and distribution of the $1.25 billion fund, write to Special Master/1 Distribution, Holocaust Victims Assets Litigation, P.O. Box 8539, San Francisco, CA 94129-8539"
Dutch Government to Give Holocaust Survivors, Jewish Organizations $9.9 Mln

By Ilamar Levin

The Dutch Ministry of Social Services yesterday announced that the Dutch government will give $10.45 million to survivors of Nazi persecution in the Netherlands. Ninety-five percent of the sum ($9.9 million) will be given to Jewish survivors, and the remaining sum to other survivors.

The money comes from the sale of plundered gold, which was returned to the Netherlands after World War II by the tripartite gold committee (comprising US, Britain and France). All in all, the Netherlands received 336.5 tons of gold, at a value of $2.8 billion in real terms.

The donation, which equals the present value of more than a ton of gold, was motivated by the assessment that a small part of the gold originally belonged to private citizens, notably Jews. The Netherlands received the money last year, following the sale of the remaining gold by the tripartite committee. The bulk of the gold was robbed from the central bank at the Hague and transferred to Switzerland. Some of it has never been handed back.

Financial assistance will be accorded 122 organizations and individuals engaged in commemorative and cultural activities and in assistance to Holocaust survivors. A substantial part will be offered to the Jewish...
Museum in Amsterdam, for an exhibition on children in the Holocaust. Between September 1998 and March 1999, the government received 300 applications in this connection. The list of assistance recipients is subject to parliamentary approval, and the Dutch government hopes to start paying out the sums in September 1999.

Published by Israel’s Business Arena July 8, 1999
NEW YORK, July 8 (Reuters) - An international commission that has paved the way for insurers to make quick interim payments to Holocaust survivors has spurned a bid by one of the biggest Dutch insurers to join as a partial member, saying that would be unfair to the firms that already have signed on.

AEGON NV, the huge Dutch insurer that is in the midst of taking over California-based Transamerica Corp. (NYSE:TA - news) for over $9.7 billion, on June 21 wrote to the International Commission of Holocaust Era Claims. AEGON proposed that a separate class of members be created for it and any like-minded firms that already were working with governments to settle the issues.

The commission is resolving claims that Europe’s insurers failed to honor policies purchased by Holocaust victims. The members agree to make quick interim payments to Holocaust survivors, many of them elderly. Those initial payments can later be raised if the commission, led by former U.S. Secretary of State Lawrence Eagleburger, determines they were too small.

By joining the Holocaust insurance commission, an insurer can shield itself from punitive actions threatened by state insurance commissioners.

The Dutch insurer, in its letter to Eagleburger, offered to make a one-time payment of $500,000 for administrative, outreach or humanitarian needs. AEGON also stressed that for the past 50 years it had been actively involved in settling insurance claims made by Holocaust victims, and did not wish to interfere with the efforts of the Dutch government.

"AEGON seeks to protect the integrity of the existing Dutch governmental process for investigating and resolving the claims of Holocaust victims and to continue to investigate and pay claims through the existing Dutch governmental process," it wrote.

But Eagleburger replied in a July 6 letter to AEGON: "To establish a separate category of participant companies, as you have proposed, would be fundamentally unfair to the companies presently involved in the International Commission of Holocaust Era Claims."
Copies of AEGON's and Eagleburger's letters were provided to Reuters by a commission member, who declined to be identified. Eagleburger, who has said more European insurers who sold prewar life and property insurance policies should join the commission, was not immediately available to comment.

An AEGON spokeswoman said that the company, which will become the second largest U.S. insurer after it completes its purchase of Transamerica in late July, was not giving up.

"I guess the only thing I could say is that we're continuing to discuss the matter," said Liz Carroll, an AEGON spokeswoman who is based at the Cedar Rapids, Iowa, office.

Though the California insurance commissioner, Charles Quackenbush, did not include AEGON in his probe of four European insurers on suspicion of not paying Holocaust-era claims, he has taken a keen interest in seeing that the state's 20,000 Holocaust survivors are able to collect on their prewar insurance policies and other assets.

Only the insurers that join the commission gain the so-called safe harbor protection, which means state insurance commissioners will drop punitive measures that some of them have threatened.

A spokesman for Quackenbush, who also serves on a steering committee led by New York City Comptroller Alan Hevesi, which monitors how European companies are dealing with Holocaust claims, was not immediately available to comment.

AEGON accounted for 1.5 percent of the market share in territories controlled by the Third Reich according to the World Jewish Congress, which is pursuing European companies and countries over charges that they made money from their dealings with the Nazis at the expense of Holocaust victims.

The five firms that belong to the insurance commission are: Allianz (quote from Yahoo! UK & Ireland: ALVG.PA), AXA, Generali Winterthur and Zurich Allied.

More Quotes and News: Transamerica Corp (NYSE:TA - news)  
Related News Categories: options, politics, US Market News
NEW YORK — New York City has urged the German government to get going on a billion-dollar Holocaust fund for slave laborers and other victims of the Nazis, reminding Bonn that it was in danger of missing an important deadline.

When the compensation fund was proposed in February, U.S. and German officials said it could begin making payments by September 1, a symbolically important deadline because it is the 60th anniversary of the start of World War II.

"I am becoming increasingly concerned that the effort to create a corporate umbrella restitution fund for victims of the Holocaust is grinding to a halt," New York City Comptroller Alan Hevesi wrote Germany's Chancellor Gerhard Schroder.

A copy of Hevesi's July 2 letter was provided to Reuters by a source close to the issues. The source declined to be named.

Hevesi's spokesman, David Neustadt, confirmed the letter had been sent but declined further comment.

German companies and banks are being sued by U.S. class-action attorneys who have charged that the firms made money from a wide range of war crimes, including slave and forced labor and the looting of Jewish assets.

In return for paying compensation to as many as 1.5 million survivors of Nazi concentration camps, the German firms want a guarantee that they will not face any further liabilities.

There is considerable pressure on Germany's companies to start paying money quickly so that Holocaust survivors, many of whom are elderly, and not their heirs, reap the benefit.

But more uncertainty was created when Germany's top official in the compensation talks, Chancellery Minister Bodo Hombach, was named to a new post: European Union coordinator for Balkan reconstruction aid. Germany has yet to say whether Hombach still will take part in the compensation talks.

The compensation negotiations next resume in Washington on July 15, and Hevesi is not the only one who will be looking for progress. "We share

Comptroller Hevesi’s concern and plan to raise it at the July 15 meeting. We expect the September 1 deadline to be met,” said Elan Steinberg, executive director of the World Jewish Congress, an advocacy group.

Hevesi, a top official in a global financial center, has carved out a big role in a battle to get Europe and its firms to answer charges about their conduct during World War II.

In 1998 Hevesi organized a network of 900 state and local finance officials whose boycott threat against Swiss banks helped persuade them to spend $1.25 billion on Holocaust victims who claimed the banks still held their bank accounts.

German banks already have felt the sting of Hevesi’s displeasure: he at first threatened to try to block Deutsche Bank’s $9 billion purchase of Bankers Trust, the eighth-largest U.S. bank, though in April he dropped his objections, saying enough progress had been made in setting up a restitution fund for Holocaust victims.

The city comptroller has positioned himself to take punitive steps if the Sept. 1 deadline for a German fund is not met. While the meeting initially was planned to review what French banks have done to settle charges they looted Jewish assets during the war, the committee also can weigh what has been done to create the new German compensation fund.
Russia catalogs artwork lost by Nazi looting during war years

By Douglas Davis

LONDON, July 8 (JTA) -- Officials in Russia and Scotland are confronting the issue of Nazi-looted art.

Moscow has responded to demands by Jews and by Germany for the return of looted wartime artworks by producing an initial three-volume catalog of its own looted treasures.

This is the first Russian attempt to quantify the extent of their cultural losses from museums, galleries and palaces during the Nazi invasion.

When it is completed the catalog of looted Russian artworks -- including icons, paintings and other objets d’art-- is expected to fill some 50 volumes.

In a foreword to the catalog, the Russian authorities tell claimants that “the West, and particularly Germany, prefers to keep silent about Russia’s cultural losses. They would not acknowledge our rights of compensation for the irreplaceable losses.

“Without a catalog it is impossible to discuss the problems of restitution on just and civilized grounds.”

Even with the catalog, however, the Russian authorities admit they will be unable to make a full account of their plundered art because the Germans not only emptied their museums but were also careful to removed inventories.

The foreword notes that “a whole stratum of Russian national culture has disappeared forever, without leaving a trace.”

After sending the catalogs to museums, libraries and auction houses abroad -- and also to Interpol -- Russian officials say they hope that some of their
treasures may eventually be restored.

In Scotland, meanwhile, the nation’s galleries are concerned about the provenance of 133 works, according to researchers who are attempting to determine whether any works in the Scottish collections were looted by the Nazis.

The galleries -- Scotland’s National Gallery, its National Portrait Gallery and the National Gallery of Modern Art -- have not established that any of the works were stolen.

But they are contacting dealers to discover more about the history of 133 works that have been acquired since 1933.

A spokeswoman for the galleries said almost 50,000 works have been examined.

"The number we are concerned about is a preliminary figure," she said. "The problems with them may merely reflect the fact that a file has been lost or that an owner died suddenly, breaking the provenance."

The spokeswoman rejected criticism from the Holocaust Educational Trust that the galleries have been slow to publish the list of works and she insisted they are working as fast as possible.

"The national galleries of Scotland fully recognize the sensitivity and urgency of the issue of Nazi-looted art which is precisely why this research is being undertaken," she said.

Earlier this year, the National Gallery in London concluded that 120 of its 2,400 paintings were of doubtful provenance. There are strong suspicions that about 10 of these, including two Monets, may be looted.

Sir Nicholas Serota, director of London’s Tate Gallery and chairman of a panel looking for Nazi-looted art, plans to convene a meeting later this month of more than 20 museums and galleries to assess how many suspect artworks are held in Britain.

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EUROPE

NORTHERN IRELAND: DUBLIN PLEA TO I.R.A. Prime Minister Bertie Ahern of Ireland urged the I.R.A. to make a "clear, unambiguous statement" that it intends to disarm under the terms of the Northern Ireland peace accord. This, he said, could ease the entry of members of the I.R.A.'s political wing, Sinn Fein, into a new Protestant-Catholic cabinet by next Thursday's deadline for establishment of the new body. The I.R.A., which has observed a cease-fire for two years, has repeatedly said it has no plans to disarm.  

James F. Clarity (NYT)

BRITAIN: PINOCHET'S COST TO TAXPAYERS The Law Lords, England's highest court, ruled that Gen. Augusto Pinochet would have to pay little of the costs stemming from the legal actions since his arrest in London last October on a Spanish request to extradite him to Madrid to face charges of crimes against humanity. The seven-judge panel did not speak of money amounts, but its breakdown of the 83-year-old former Chilean dictator's responsibility for legal fees meant that most of the estimated $10 million the case has cost so far would be borne by British taxpayers.  

Warren Hoge (NYT)

FRANCE: PREMIER'S AIDE TO TESTIFY IN CORSICA Clotilde Valter, an aide to Prime Minister Lionel Jospin, will testify in Corsica today about whether authorities on the island ordered the police to set fire to an illegally built beachfront restaurant last April. After the police were caught, authorities in Paris blamed the chief Government administrative official in Corsica, Bernard Bonnet. Recently released from jail, he denied ordering the firebombing and said he kept Mr. Valter fully informed of his actions.  

Craig R. Whitney (NYT)

TURKEY: FINED BY RIGHTS COURT The European Court of Human Rights found Turkey guilty of curtailing freedom of speech in 11 cases involving Kurds. The court acted on complaints by 11 journalists, lawyers, labor leaders, writers and teachers who had been jailed and fined for "separatist propaganda" after having published or been linked to pro-Kurdish statements. The court, in Strasbourg, ordered Turkey to pay each of them $4,600 to $6,210 in damages.  

(Reuters)

SWITZERLAND: NEW DATE ON HOLOCAUST REPORT A twice-delayed report on Switzerland's treatment of Jewish refugees fleeing the Holocaust is to be made public in November, an independent historical commission announced. The report has been more than two years in the making. Switzerland did accept a number of Jews who fled Germany, but has been accused of sending thousands more back over the border.  

Elizabeth Olson (NYT)
At $90 Million, Rothschild Sale Exceeds Goals

By CAROL VOGEL

LONDON, July 8 — Records were broken one after another for Old Master paintings, medieval manuscripts and antiques of every variety at Christie's today as more than three and a half hours of feverish bidding erupted over a trove of treasures looted by the Nazis and returned to the Rothschild family this year by the Austrian Government.

Printed along the house's portico was a prayer book, a medieval illuminated manuscript containing 67 full-page miniatures. Five people tried to buy the work, which was estimated to sell for $2.3 million to $4.9 million. It sold to an unidentified telephone bidder for $3.3 million.

The highest priced work in the sale was a prayer book, a medieval illuminated manuscript containing 67 full-page miniatures. Five people tried to buy the work, which was estimated to sell for $2.3 million to $4.9 million. It sold to an unidentified telephone bidder for $3.3 million.

The previous record for a Hats was set on July 3, 1987, at Sotheby's in London when "St. John the Evangelist" sold for $2.9 million.

Two other Hats paintings were sold tonight. One, a "Portrait of a Lady," also dressed in black, which estimated to sell for $1.3 million to $2.7 million, was bought for $2.5 million by a private collector. The other, a "Portrait of a Gentleman," also in black, which estimated to sell for $1.3 million to $2.7 million, was bought for $2.5 million by a private collector.

The Austrian branch of the Rothschilds is auctioning a collection of art, furnishings and musical instruments in London, where a lute made by Joachim Tieike in the 17th century went for $3,116,000 yesterday.

The sale jammed Christie's Great Hall to overflowing, with many members of other branches of the Rothschild family present and bidding, officials at the auction house said. Virtually every item sold, most for more than their estimated prices.

Expected to bring in $40 million, the sale totaled $60.9 million as it reached its exhausting end.

A collection of 200 objects, looted by the Nazis and returned to the family.

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An evening landscape by Wynans, estimated to sell for $190,000 to $490,000, sold to an unidentified telephone bidder for $3.8 million.

"(Final prices include the auction house's commission, 15 percent of the first $50,000 and 10 percent of the rest. Estimates do not reflect commissions.)"

Of the many works that sold for far more than their estimates were a Louis XVI ormolu-mounted long-case clock made for the Duc de Choiseul, expected to bring $200,000 to $1.3 million. It sold to an unidentified telephone bidder for $3 million.

Sheik Al-Thani bought a 16th-century Tahrit medallion carpet for $2.4 million, far above its $100,000 high estimate. A 104-inch Louis XV microscope, estimated to sell for $100,000 to $200,000, was snapped up on the telephone for $1.5 million.

Leaving the sale, Peter Louram, the Baroness's son, said he was speechless at the results. "I had no idea it would do this well," he said. "Who wouldn't be shocked?"
Rothschild art auction smashes records

LONDON, July 9 - An auction of works of art looted by the Nazis from the Rothschild family has fetched 56.7 million pounds ($88.2 million), almost three times its estimated value.

The sale on Thursday of the collection belonging to the 19th century Barons Nathaniel and Albert von Rothschild was the biggest ever in Europe, according to auctioneers Christie’s.

A 16th century prayer book sold for 8.6 million pounds, making it the most expensive illuminated manuscript ever sold. It had been expected to sell for no more than three million pounds.

A Louis XVI clock sold for a world auction record of 1.93 million pounds and a commode from the same period fetched seven million pounds, a record for a piece of French furniture.

Christie’s said 60 percent of the lots went to European buyers. It had been estimated the collection would fetch about 20 million pounds.

"It does show the considerable strength of the European market, particularly in France, Germany and in this country," Christie’s chairman Lord Hindlip said.

Last month, rival auction house Sotheby’s sold a pastel by French impressionist Edgar Degas for a record 17.6 million pounds in its most successful ever sale.

Last February, Austria agreed to return to the Rothschild family about 250 art treasures looted by the Nazis and absorbed into state museums after World War Two.

Austria set up a commission of experts last year to trace the origins of art looted during Adolf Hitler’s Third Reich.

The extensive collection owned by the Austrian branch of the Rothschild banking family was confiscated during Nazi rule between 1938 and 1945.

Like many other Austrian Jews who fled abroad to escape the Holocaust, the Rothschilds lost
valuable artworks for the second time after the collapse of the Third Reich when the new Austrian state imposed an export ban on the items.

The art treasures include paintings, drawings, antique furniture, carpets, weapons and coins.

($1=.6427 Pound)

**Category : European**

Previous Story: Prodi to announce new EU team on Friday (Reuters)

Next Story: WRAPUP-Shots fired at anti-Milosevic protest (Reuters)
Details Emerge of German Fund To Compensate Holocaust Victims

By VANESSA FUHRMANS
Staff Reporter of THE WALL STREET JOURNAL

German industrial leaders want to compensate former slave laborers from World War II to varying degrees, based on the cost of living in the countries where they now live, according to a document outlining the draft proposal.

The model, which officials from DaimlerChrysler AG, Dresdner Bank AG, Siemens AG and other German industrial companies plan to present today at a news conference in Berlin, fleshes out criteria for a German fund to cover claims of slave laborers and other victims of the Third Reich. Participating companies and the German government, which proposed the fund earlier this year, want its establishment to cover all legal claims as well as prohibit any future lawsuits regarding their use of slave labor during the war.

While the German government declined to comment on the industry proposal, people close to the plan say it has the support of German Chancellor Gerhard Schroeder's chief of staff, Bodo Hombach, who is spearheading efforts with U.S. Undersecretary of State Stuart Eizenstat to resolve the slave-labor claims. But U.S. government and Jewish group officials have yet to sign off on the proposal. The next step is a June 22 meeting in Bonn, where the parties will discuss the plan.

The size of the fund hasn't been established, though participants in the talks have estimated it will amount to at least $1 billion, depending on how many companies join the charitable foundation to be set up to administer the fund. While it isn't known exactly how many former slave laborers are still alive, those involved with the issue estimate there are between 500,000 and 600,000 survivors.

According to a copy of the German industry proposal, payments to former slave laborers would be based on the average pension received in the country where they live. That means a survivor living in the U.S. probably would receive more compensation than a former slave laborer living in Eastern Europe.

The plan calls for compensating people deported by the Nazis and forced to work in concentration camps or other types of forced-labor arrangements. But it also stipulates that slave laborers must have been forced to work at least six months to qualify for compensation. People forced to work on farms and prisoners of war wouldn't be eligible to receive funds.

The fund would be run by a registered charitable association, to be called the Remembrance, Responsibility and Future Foundation. An international board comprising representatives of companies, groups representing Holocaust survivors and other victims of the Third Reich, as well as other prominent people, would run the foundation and oversee the funds.

In addition to the compensation fund, German companies plan to establish a sister fund, to be called the Remembrance and Future Fund, for humanitarian and education projects related to the Holocaust. According to the proposal, the charitable foundation will provide equal amounts of money for both funds.

Three Thai Men Charged In Deloitte Auditor's Death

BANGKOK, Thailand (AP)—Prosecutors here charged three men with the March 10 murder of Australian corporate-insolvency specialist Michael Wansley, a crime that stained Thailand's reputation in the international business community.

Prosecutors accused Pradit Siriviriyacl, managing director of Kaset Thai Sugar Co., with orchestrating the killing. They also charged Boonphan Suheevirawan, a former employee of the sugar company and his younger brother, Somchok. All three pleaded not guilty to the charge, which carries a maximum sentence of death.

Mr. Wansley, who led a debt-restructuring team from international auditors Deloitte Touche Tohmatsu, had acted as a court-appointed planner to restructure Kaset Thai and two other sugar mills owned by the Siriviriyacl family.
Swiss, Americans debate "Nazi Gold" affair

OVERLAND PARK, Kans., June 10 (Media Central) - The diplomat who led the task force investigating the deposit of Nazi gold in Swiss banks will participate in a debate with journalists and news executives next week over press coverage of the affair.

Ambassador Thomas Borer, chief of the task force created to deal with the controversy over wartime gold transactions between Swiss banks and Nazi Germany and the handling of bank accounts set up by Jews who later perished in the Holocaust, will join U.S. and Swiss journalists during a special session of the World Newspaper Congress and World Editors Forum. The events are being organized by the World Association of Newspapers (WAN).

Other participants include Jim Ottaway, senior VP of Dow Jones & Co.; Alan Cowell, a foreign correspondent for the New York Times who wrote frequently about the affair; Esther Girsberge, editor in chief of Switzerland's Tages Anzeiger newspaper; and Max Frenkel of the Swiss newspaper Neue Zürcher Zeitung.

Earlier this year, two major Swiss banks, Credit Suisse and Union Bank of Switzerland, formally signed an agreement negotiated last summer that calls for $1.2 billion in payments to resolve all outstanding claims against Switzerland.

Many Swiss feel they were unfairly portrayed by the media, while many people elsewhere were unhappy because neither the Swiss government nor the central bank joined in the $1.2 billion settlement. "Rightly or wrongly, the Swiss journalists included feel aggrieved about how US media covered the story," said WAN director general Timothy Balding. "It is rare for newspapers to agree to defend their coverage on a conference platform and the New York Times and Wall Street Journal deserve credit for taking on the challenge."

The Paris-based WAN, the global organization for the newspaper industry, represents 15,000 newspapers; its membership includes 58 national newspaper associations, individual newspaper executives in more than 90 countries, 17 news agencies and seven regional press groups.
Jewish Group, Lawyers Reject German Holocaust Fund

NEW YORK — A Jewish group and U.S. private attorneys suing German companies to get compensation for World War II slave laborers Wednesday said they rejected any fund the firms set up that bypassed current negotiations.

The warning came one day before three of the largest firms involved, electronics giant Siemens, insurer Allianz, and chemicals and metals trading group Degussa-Huels, scheduled a news conference for Thursday in Berlin.

The precise nature of the announcement was not immediately available, but sources close to the issue said they believed the German firms planned to announce a $1.7 billion fund whose terms would be unacceptable. The sources declined to be named.

While the fund might have been modified at the last minute, an early plan would only compensate slave laborers who had been held in concentration camps for as long as six months or two years.

But that would overly restrict the number of victims who would qualify, the sources said. The Nazis calculated that on average the slaves died in three months, and unlike forced labor, slave labor, along with gassings and shootings, was part of the Nazi's plan to exterminate the Jewish people.

The draft for the new fund, which also was expected to compensate other Holocaust victims, including forced laborers and people whose assets were looted, was rejected by the sources because the payments were too small, and because only the firms would have a say in distribution.

Both the Claims Conference, a Jewish group negotiating Holocaust charges with Germany and Austria, and U.S. lawyers suing a dozen German firms and four German and Austrian banks, said 50-year-old questions about whether the companies profited from Nazi war crimes should be resolved by continuing talks that started on May 20 at the State Department.

"We have an outstanding relationship with (German Chancellery) Minister Bodo Hombach, and we expect to continue to negotiate in good faith through his good offices," said Israel Singer, who heads the Conference's negotiating group.

Singer added he expected a meeting planned for later this month in Bonn, under the auspices of the German government, to take place regardless of
what the companies announced.

"Unilateral pronouncements will have no bearing on the discussions on June 22," he added.

But Thursday's announcement by the German firms might prevent working groups from reaching any preliminary understandings before the Bonn summit. Such delays could cause the planned new fund to miss a deadline for beginning payments by Sept. 1, the 60th anniversary of World War II's start.

One Holocaust lawyer, Mel Weiss of New York-based Milberg Weiss, said he will walk out of a Thursday meeting at the State Department that planned to discuss how German firms could be shielded from future claims in return for paying compensation.

"I am not going to go forward in what is nothing but a charade. I'm going to Washington to announce that tomorrow," Weiss said.

Weiss was not the only class-action attorney to reject any fund the German companies set up without negotiations.

Michael Hausfeld of Washington-based Cohen, Milstein Hausfeld & Toll, said: "Whatever is disclosed tomorrow is unacceptable in both the tone and terms which preceded it."

The tough negotiating stand the German firms took in the Washington negotiations already has backfired, he said, adding it has led Holocaust victims in Poland, the Czech Republic and Slovakia to plan their own suits against German companies.
U.S.-German Holocaust group to meet June 10-sources

NEW YORK (Reuters) - A task force trying to settle what restitution German firms may owe for using slave labor during the Nazi era plans to meet Thursday to thrash out some of the issues ahead of a summit to be held later this month in Bonn, sources close to the issue said on Tuesday.

Different working groups were set up in late May after the first gathering in Washington between U.S. and German Holocaust negotiators, who want to resolve charges that German banks and industrial companies made money from a range of Nazi atrocities, including buying Jewish assets at big discounts.

Representatives of German and Eastern European governments and the U.S. State Department, German company officials, Jewish restitution groups, and U.S. lawyers who filed class-action suits on behalf of Holocaust victims all are trying to draft an accord that would protect German banks and industrial firms from any future Holocaust claims in return for a new compensation fund, initially estimated at $1.7 billion.

The next full summit is scheduled for June 22, and the negotiators are under the gun to meet a Sept. 1 deadline. That is the 60th anniversary of
the start of World War II, and the negotiators want to begin compensating victims by that date.

At its meeting on Thursday, which was expected to be in Washington, the slave labor task force will examine a number of questions, including who is eligible for restitution, how it should be paid out and specific levels of payment for different kinds of victims, the sources said. They declined to be named.

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German firms fine-tune deal on Holocaust fund

09:24 a.m. Jun 09, 1999 Eastern

By Clifford Coonan

BONN (Reuters) - With multibillion dollar lawsuits dangling over their heads, 16 of Germany's top firms Wednesday sought to clinch a deal on a compensation fund for surviving Nazi-era slave workers and other Holocaust victims.

"We are still in negotiations. We are optimistic we will soon find a solution, but we haven't reached agreement yet," said a spokesman for Bavarian carmaker BMW AG.

A separate source close to the talks said negotiations "could continue for a while."

Bonn confirmed late Tuesday that the firms had worked out a blueprint for a fund to compensate Holocaust victims, such as those used as slaves in the 1933-45 Nazi era, but pivotal aspects of a settlement still had to be worked out.

In return for protection from any future Holocaust class-action suits, the companies plan to set up a fund, which is estimated to be worth up to $1.7 billion.

"The main question still open is that of legal security. We need to make sure that setting up
the fund will rule out the possibility of further legal action," the BMW spokesman said of talks including U.S. and German government officials, Jewish groups and survivors' lawyers.

Some of Germany's biggest and most successful firms are taking part, such as Dresdner Bank AG, Deutsche Bank AG, carmakers BMW, DaimlerChrysler AG and VW AG and electronics giant Siemens AG.

A report in Wednesday's Sueddeutsche Zeitung said amounts to be paid out from the fund, which it said would be called "Memory, Responsibility and Future," would be linked to pension payments in the home countries of the surviving victims.

U.S. lawyer Ed Fagan has launched an $18 billion class-action claim by about 10,000 Holocaust victims, targeting 12 German firms and four Austrian and German banks.

Legal action alleging that Deutsche Bank profited from its ties with the Nazi government also cast a cloud over the recent $9 billion takeover of U.S. bank Bankers Trust by Deutsche.

A task force dealing with the legal aspects plans to meet in Washington Thursday, while a second working group aimed at detailing the cost structure of the fund would meet in Bonn June 16, the report said.

A full summit, bringing together all sides, is scheduled to take place in Washington June 22, and the pressure is on to come up with a settlement by Sept. 1, the 60th anniversary of the start of World War II.

The summit will seek to work out how to compensate fairly the various categories of victims, from slave laborers to people forced to sell their assets at steep discounts under Adolf Hitler's government.

The vast majority of people who died in Nazi death camps were Jewish, and they also made up
most of the slave labor pool, which was used as another form of genocide.

Forced and slave laborers -- some 12 million people -- were rounded up in Nazi-occupied lands that stretched from Norway to North Africa, and deported to Germany.

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Accused Nazi Guard Leaves U.S.

A 74-year-old Sullivan County man accused of concealing his wartime past as a guard at three Nazi death camps in Poland renounced his American citizenship and is now living in Germany, putting an end to a Federal court case that sought to deport him, the United States Attorney's office in Manhattan announced yesterday.

The man, Dmytro Sawchuk of Glen Spey, appeared at the United States Consulate in Frankfurt on March 23 to relinquish his American citizenship, the United States Attorney's office said in a statement. Mr. Sawchuk had been accused by the Justice Department last year of having lied to the Immigration and Naturalization Service about his past. Rather than face a trial that was set to begin on Sept. 30, officials said, he fled the country.

PAUL ZIELBAUER
German Firms Unveil Controversial Slave Labor Fund

12:11 a.m. Jun 11, 1999 Eastern

By Deborah Cole

BERLIN (Reuters) - Sixteen of Germany's largest firms Thursday unveiled a plan aimed at settling outstanding claims against them by Nazi-era slave laborers.

But lawyers for the claimants slammed the draft and threatened fresh law suits if a better deal was not offered.

Representatives of the foundation set up to settle the claims told a news conference in Berlin that compensation to surviving victims would depend on money they had already received and the pension level in their home country.

They declined to detail the size of the fund, estimated to be worth up to $1.7 billion, in part because the foundation was still in talks with other companies which planned to join.

But New York-based Holocaust lawyer Ed Fagan told reporters in Munich that the survivors were aiming for settlements in the double-digit billions of dollars, and negotiations would go on.

"If they continue the way they are and think that we don't have the documents to crucify them,"
they’re crazy,’’ he said.

‘‘We have done damage assessments on the banks which make the Deutsche Bank/Bankers Trust deal look like a down-payment,’’ Fagan said. Deutsche Bank AG and BT are undergoing a $9 billion merger to form the world’s biggest bank.

Fagan insisted any pay-outs should be linked to how many forced workers a firm had employed and how much it had gained from their employment.

He has begun an $18 billion class-action claim by around 10,000 alleged Holocaust victims, targeting 12 German firms and four Austrian and German banks. Fagan and Michael Witti, a Munich lawyer, represent some 300,000 former forced laborers.

Foundation spokesman and DaimlerChrysler executive Manfred Gentz said Fagan’s comments were ‘‘not helpful’’ but that multilateral talks between Jewish groups, German industry representatives, Washington and Bonn would continue this month.

Bernd Fahrholz, a Dresdner Bank AG and foundation board member, noted that the initiative’s aim was to prevent future class action suits. ‘‘Industry cannot be forced to pay twice,’’ he told the Berlin news conference.

Some of Germany’s biggest and most successful firms, such as carmakers BMW AG, DaimlerChrysler AG and Volkswagen AG and electronics giant Siemens AG, have already pledged to participate in the fund.

Heinz-Joachim Neubuerger of Siemens said up to 700,000 industrial laborers and an unclear number of former farm workers would benefit from the fund, which will also include money to promote cultural tolerance.

The World Jewish Congress in New York said many elements of the fund were unacceptable but talks would resume on June 22 in Bonn.
German firms offer fund for those forced into slave labor

LOS ANGELES TIMES

More than a dozen large German corporations, including DaimlerChrysler and BMW, announced yesterday in Berlin the creation of a $1.7 billion fund for hundreds of thousands of people forced into slave labor during World War II.

However, attorneys representing Holocaust survivors and leaders of Jewish organizations in the United States denounced the plan as financially inadequate. They expressed outrage that the companies presented it publicly without engaging in negotiations, something that they had agreed to do at a meeting in Washington last month.

A State Department spokesman said that Undersecretary of State Stuart Eizenstat, who has been trying to broker a deal between the parties, told representatives of the German companies at a Washington meeting yesterday that their move had not been helpful to the process and that aspects of the proposal were unacceptable.

However, the spokesman said Eizenstat remained optimistic that an accord could be reached. Eizenstat has hoped for a resolution by Sept. 1 - the 60th anniversary of the start of World War II.

At their news conference, the German-based companies said they had "moral responsibility" because of their cooperation with Adolf Hitler's Nazi regime. "We will make it clear to the world that there is a historic and moral obligation that we want to stand up for," said Manfred Gentz, chief financial officer of DaimlerChrysler.

Gentz and two other German corporate executives also said the plan was a "voluntary initiative," rather than payments that they could be legally obliged to make as compensation to individuals.

The executives emphasized that the companies would finance the fund only
if they received long-term protection from lawsuits related to Nazi government actions.

Among companies in the consortium are Allianz, one of the world's biggest insurance companies; BASF, the large petrochemical company; Bayer, the pharmaceutical giant; DeGussa, which worked with the German government on production of Zyklon B gas used in gas chambers; Deutsche Bank; Dresdner Bank; Siemens, the electronics manufacturer; and Thyssen-Krupp, a major arms manufacturer in World War II.

Many of the companies have been sued in a massive class action filed last year in New Jersey.
Pope praises Poland’s religious martyrs

John Paul II paid tribute to slain Catholics and Jews. He also reached out to the country’s Orthodox Christians.

By Victor L. Simpson
ASSOCIATED PRESS

SIEDLCE, Poland - Pope John Paul II paid tribute yesterday to Catholics slain for resisting conversion under the Russian czar and to Jews sent to Nazi death camps "from this martyred Polish soil."

The pontiff also reached out to Orthodox Christians, preaching a message of tolerance in eastern Poland, a region that has suffered war and religious conflict. And as the sun set, he welcomed Muslims attending a multi-faith prayer service.

Christian unity and religious pluralism are major themes of John Paul’s 13-day pilgrimage to his homeland, which reached the halfway point yesterday with the Pope drawing huge crowds of faithful from across Eastern Europe.

The Pope, 79, appeared to be bearing up well after a day of rest, although his speech was slurred - a possible symptom of Parkinson’s disease. But he sang prayers and switched languages easily to greet people from former Soviet territories.

At his first stop in Siedlce, midway between Warsaw and the border with Belarus, John Paul shared a stage with bishops from Belarus, Kazakhstan, Russia and Ukraine to celebrate Mass before 400,000 faithful.

Thousands of Roman Catholics and Eastern Rite Catholics were in the crowd as the pontiff urged people to follow the example of 13 Catholic martyrs slain in Pratulin in 1874 for resisting conversion to Orthodox Christianity. Eastern Rite Catholics follow an Orthodox-style liturgy but are loyal to the Pope instead of Orthodox Christian patriarchs.

"These simple people, fathers of families, chose at the critical moment to suffer death rather than yield to pressure in a way untrue to their
conscience," John Paul said. "'How sweet it is to die for the faith.' These were their last words."

Such devotion was needed today, he said, citing "problems and violent changes" facing humanity.

Then, in remarks not in his prepared text, he said: "On this martyred Polish soil, I cannot fail to mention the martyrdom of the Jewish nation... in Siedlce."

More than 12,000 Jews - the city's entire Jewish population - were deported by the Nazis to the Treblinka death camp and slain. The Pope plans to further honor Jewish victims of the Holocaust during a stop today at the Umschlagplatz monument in Warsaw.

John Paul later traveled north across the Bug River to Drohiczyn, an Orthodox Christian stronghold, for a service on Christian unity.
Holocaust lawyers depart State Department talks
06:34 p.m Jun 10, 1999 Eastern

By Deborah Zabarenko

WASHINGTON, June 10 (Reuters) - Lawyers for Nazi-era slave workers walked out of a State Department meeting on Thursday to protest against an attempt by German industrial companies to pre-empt their talks and vowed to push ahead with lawsuits against the companies.

Stung by the announcement of a German reparations fund, made in Berlin by some of Germany's biggest firms just as the State Department meeting was starting, the lawyers said the German government and German companies were working behind the scenes to discredit them.

"Far from quiet diplomacy, far from quiet negotiation ... this is an attempt to shove something down the victims' throats," Mel Weiss, an attorney for the former slave workers, said at a news conference after the walkout.

Weiss said the German representatives appeared to be following a strategy that would paint the claimants' attorneys as "Shylocks and money-hungry lawyers who are only out to make a buck -- it's obnoxious."

Weiss was among four lawyers who left the
State Department meetings, which focused on how German companies could be shielded from future claims in return for paying compensation to Holocaust-era slave labourers.

Some 600,000 people may be eligible to collect from the German fund, estimated to have a total value of $1.7 billion, a sum Weiss and other claimants' lawyers said was inadequate.

After Weiss and three of his colleagues left, the State Department meeting continued with U.S. legal experts and representatives of other claimants and of German companies. Undersecretary of State Stuart Eizenstat led the meeting, which the State Department later characterised as "productive," though it called the lawyers' walkout "regrettable."

In Berlin 16 German companies stressed in a statement that their fund was not designed to address specific legal claims against them but showed "the companies recognise that German businesses that operated under the Nazi regime were part of Nazi Germany's system and wartime economy."

The German companies backing the fund, including electronics giant Siemens and insurer Allianz, want to take "moral responsibility" but argue that lawsuits pending against them in several countries "have no factual basis ... because there can be no legal claims made against private German companies for actions taken by Hitler's government during the Nazi era," the statement said.

The statement noted that the fund was "in part" intended to protect the companies from such lawsuits.

Weiss said lawyers for the claimants would continue to go ahead with their litigation.

"We told them (the German companies and government) that we need a very public statement this (unilateral) conduct would no longer take place and that they truly will engage in arms-length negotiation and it will be a true
negotiation,” Weiss said in a telephone interview.

The lawyers wrote a letter to Eizenstat and Gerd Westdickenberg, a legal adviser to Germany, stating their position.

Meanwhile, five European insurers facing billions of dollars of claims from Holocaust survivors agreed on Thursday to make interim payments so victims, many of them elderly, can start getting their money quickly, a Jewish group said.

“That's the urgency here. That's why we need a fast track,” Elan Steinberg, executive director of the World Jewish Congress, told Reuters in a telephone interview.

Thursday's pact lets the insurers -- Allianz, AXA, Generali, Winterthur and Zurich Allied -- determine which of the claims on the pre-war life insurance policies are valid, Steinberg said.

The exact size of the outstanding claims is unknown, but insurance industry analysts have said it could total from $1 billion to $4 billion.

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FOCUS-Europe to speed Holocaust insurance claims
07:56 p.m Jun 10, 1999 Eastern

By Joan Gralla

NEW YORK, June 10 (Reuters) - Five European insurers facing billions of dollars of claims from Holocaust survivors on Thursday agreed to make interim payments, whose size can be adjusted later, so that the victims, many of whom are elderly, can start getting their money quickly, a Jewish group said.

"That's the urgency here; that's why we need a fast track," Elan Steinberg, executive director of the World Jewish Congress, told Reuters in a telephone interview.

Thursday's pact lets the insurers -- Allianz, AXA, Generali, Winterthur and Zurich Allied -- determine which of the claims on the pre-war life insurance policies are valid, Steinberg said.

The exact size of the outstanding claims is unknown, but insurance industry analysts have said it could total from $1 billion to $4 billion.

The fast-track agreement was reached at a meeting in New York of members of the International Commission of Holocaust Era Claims. The gathering was attended by Jewish restitution groups, the five insurers, Commission Chairman and former U.S. Secretary of State
Lawrence Eagleburger, and state insurance commissioners, including New York State's Neil Levin.

How generous the initial payments will prove was not immediately known, but the payouts were expected to be closely scrutinised even before the insurance commission finalises guidelines.

"We're all of us, whether it's the insurance companies or the survivors, operating in the public domain. This is a transparent process so in a sense, this is regulated by public opinion," Steinberg said. He took part in the talks.

The fast-track procedures, which would include a toll-free telephone number for claimants, were expected to be announced after the commission meets on June 24 in Jerusalem.

At a London meeting on May 6, the commission decided the "real" value of policies would be paid, meaning payments will take currency devaluations and inflation into account.

Because the exact valuation formula has yet to be set, the insurers will use their own methods for the interim payments. Those payments later will be checked against the commission's formula, and this could cause them to be raised.

Under the fast-track process, insurers that had refused to pay policies as they, and in some cases the firms' assets, were nationalised by post-war Communist regimes, now will do so.

Another issue, whether to give equal treatment to claims made by survivors and heirs -- and which close family members qualify for payments -- also must be settled, another participant in the talks said. He declined to be named.

By accepting the interim payments, the Holocaust victims will not give up any rights to collect additional sums, Steinberg said, explaining the companies will only be able to close off their liability after the insurance
commission reviews how they have handled, assessed and paid claims.

Other European insurers that face charges that they withheld payments due on life insurance policies purchased by Holocaust victims before World War II are free to adopt the commission's guidelines, and the WJC said that is the only way for the firms to shield themselves from future Holocaust claims.

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“We expect to move forward despite this very heavy-handed action on the part of the companies,” WJC Executive Director Elan Steinberg told Reuters.

The Jewish Claims Conference, a group negotiating Holocaust-related claims with Germany and Austria, attacked the foundation for failing to secure the agreement of victims’ representatives before unveiling its proposal.

“The companies’ ideas concerning the groups of victims are in no way acceptable,” it said in a statement. “The slave laborers were subjected to extermination through work. This has not been sufficiently taken into consideration.”

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Nazi slave labourer lawyers threaten new claims

10:55 a.m. Jun 10, 1999 Eastern

MUNICH, June 10 (Reuters) - Lawyers representing Nazi-era slave labourers on Thursday attacked a compensation settlement about to be proposed by German firms and threatened new class action suits if a better deal was not offered.

"If they continue the way they are and think that we don't have the documents to crucify them, then they're crazy," New York-based Holocaust lawyer Ed Fagan told a news conference in the southern German city of Munich.

He said the survivors were looking for settlements in double-digit billions of dollars and were prepared to continue negotiations with the firms involved.

"We have done damage assessments on the banks which make the Deutsche Bank/Bankers Trust deal look like a down-payment," Fagan said, referring to the $9 billion merger between Deutsche Bank and BT to form the world's biggest bank.

Legal action alleging that Deutsche profited from its ties with the Nazi government also cast a cloud over the recent takeover of BT.

Fagan, and his Munich-based colleague Michael...
Witti, represent around 300,000 former forced labourers. German firms were expected to make a statement on the details of a proposed settlement at a news conference on Thursday afternoon.

Bonn confirmed late on Tuesday that the 16 firms in question had worked out a blueprint for a fund to compensate Holocaust victims, such as those used as slaves in the 1933-45 Nazi era, but pivotal aspects of a settlement still had to be worked out.

A report on Wednesday in the Sueddeutsche Zeitung said that amounts paid out from the fund would be linked to pension payments in the home countries of the surviving victims.

Fagan insisted that any pay-outs should be linked to how many forced workers a firm employed and how much the company gained from their employment.

In return for protection from any future Holocaust class-action suits, the companies plan to set up a fund, which is estimated to be worth up to $1.7 billion.

Some of Germany's biggest and most successful firms are taking part, such as Dresdner Bank AG, Deutsche Bank AG, carmakers BMW, DaimlerChrysler AG and VW AG and electronics giant Siemens AG.

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To victims of Nazi persecution and their heirs who may have claims against Swiss Banks or other Swiss entities relating to the Holocaust:

Swiss banks agreed to pay $1.25 billion U.S. dollars to settle legal claims relating to the World War II era conduct of Swiss banks, Swiss businesses, and the Swiss government ("Swiss Entities").

The United States District Court for the Eastern District of New York (the "Court") will hold a hearing on November 29, 1999, to decide whether the Settlement should be given final approval.

Who Is Affected by the Settlement
You are affected by the Settlement if you fit into one of the following five Settlement Classes. Four Classes consist of "Victims or Targets of Nazi Persecution" (any individual, business or group persecuted or targeted for persecution by the Nazi Regime or its agents, because they were or were believed to be Jewish, Romani, Jehovah's Witness, homosexual, or physically or mentally disabled or handicapped), AND who:

1. Had assets on deposit with any Swiss bank, investment fund, or other custodian, prior to May 9, 1945, OR
2. May have claims against Swiss Entities relating to assets looted or taken by the Nazi Regime, OR
3. Performed slave labor for entities that may have deposited the revenues or proceeds of that labor with or transacted that profit through Swiss Entities, OR
4. Unsuccessfully sought entry into Switzerland to avoid Nazi persecution, or after gaining entry, were mistreated, and may have related claims against any Swiss Entity.

The fifth Settlement Class includes any individual, whether or not a Victim or Target of Nazi Persecution, who performed slave labor in a work site, wherever located, owned or controlled by a Swiss Entity.

All Settlement Classes include heirs and successors of the persons and entities described above. Even if you're not sure whether you are a member of one of the Settlement Classes, you should request a Mailed Notice and Initial Questionnaire. For example, if you performed slave labor, you may not know whether revenue or proceeds of that labor were deposited with Swiss Entities; you may still be a Settlement Class member.

How and When Claims will be Paid
No claims process or Plan of Allocation has yet been established. The Mailed Notice explains how you can make suggestions.

To receive further notice of a claims process, and ensure that you are able to file a claim, you must either mail a request for such notice to the address below, or complete and return the Initial Questionnaire attached to the Mailed Notice.

If the Court gives final approval of the Settlement, a Plan of Allocation will be adopted and the Fund will be disbursed. Not all Settlement Class members will apply will be eligible to receive payments.

If You Do Not Want to Participate
If you do not wish to participate in or be bound by the Settlement, you must exclude yourself by writing a letter so indicating, to the address given in the Mailed Notice, by October 22, 1999. You will not be able to claim a portion of the Fund.

How to Comment or Object
You may comment on the terms of the Settlement by October 22, 1999. The Mailed Notice describes how to submit comments or objections. You have the right to appear at the November 29, 1999 hearing in person or through counsel, although you do not have to.

Who Represents You
The Court appointed attorneys as Settlement Class Counsel, and appointed Settlement Class Representatives, including Holocaust survivors, the World Jewish Restitution Organization ("WJRO"), and the World Council of Orthodox Jewish Communities. You do not have to personally pay the Court appointed attorneys. Certain attorneys will apply to the Court for reimbursement of their costs, up to about 2% of the Fund. Certain Plaintiffs' attorneys will also apply for fees, up to at most 1.8% of the Fund. The Court may award a lower amount. Most attorneys will not apply for fees, and counsel for the WJRO will not apply for fees or costs.

Getting More Information
To learn more, fill out the request form below, call toll free 0-800-917-4424, or visit the website http://www.swissbankclaims.com

Send me the Mailed Notice and Initial Questionnaire.

Name

Address

City

County

Postal Code

Country

Preferred Language

This is NOT a Claim Form. Please mail this to:
Information
Holocaust Victim Assets litigation
FO Box 8300
San Francisco, CA 94125-8300
USA

0-800-917-4424 in U.K.

www.swissbankclaims.com

Scope of Release
The Settlement of this case (in Holocaust Victim Assets Litigation, Master Case No. CV96-6484) concludes all legal claims and disputes against Swiss Entities relating to the Holocaust, World War II, Victims or "Persons of Nazi Persecution," the Nazi Regime, treatment of Nazis, or any related thing. The term "Swiss Entities" (or "Entities") includes Credit Suisse and UBS AG ( Increase to Union Bank of Switzerland and Swiss Bank Corporation), and their former and current corporate parents, subsidiaries, affiliates, and branches; the Swiss National Bank; the Swiss Banks Association; the Swiss Confederation (including the Swiss government); all businesses conglomerates, organized or incorporated in Switzerland as of October 3, 1996, and certain other affiliated Swiss entities described in the Mailed Notice. Certain claims against various Swiss insurance companies listed in the Mailed Notice are not included in this Settlement.

The second Settlement Class also includes claims against Swiss Entities relating to "Unlinked Assets," which are assets designated by a Swiss Entity for the benefit of an Asian company or person associated with the Nazi Regime, between 1933 and 1945.
Jewish groups step up campaign against WWII pope

BEHIND THE HEADLINES
Newly released statements add to evidence against wartime pope

By Daniel Kurtzman

WASHINGTON, July 11 (JTA) -- Jewish groups are stepping up their criticism of Pope Pius XII's role during the Holocaust as the Vatican continues to consider the World War II-era pontiff for sainthood.

Documents newly released by Jewish groups show that Pius' representative warned President Franklin D. Roosevelt against the creation of a state for the "Hebrew Race" in Palestine and said he had no complaints about the Nazi occupation of Rome.

The documents raise new questions about a pope widely criticized by Jews for his failure to speak out against Nazi atrocities during World War II. The discovery also comes as Jewish groups continue to pressure the Vatican to open its archives for a full examination of its actions during the war.

In one document found by the Simon Wiesenthal Center, a Vatican representative sought to make clear to the Roosevelt administration that the pope's help in rescuing 4,000 Slovakian Jews and transporting them to Palestine should not be taken as a sign that he favored setting up a Jewish homeland there.

"It is true that at one time Palestine was inhabited by the Hebrew Race, but there is no axiom in history to substantiate the necessity of a people returning to a country they left nineteen centuries before," the apostolic delegate to Washington Archbishop A.G. Cicognani wrote in a June 22, 1943, letter to Roosevelt's special envoy to the Vatican, Ambassador Myron Taylor.

The letter continues: "If a Hebrew home is desired, it would not be too difficult to find a more fitting territory than Palestine. With an increase in the Jewish
population there, grave, new international problems would arise. Catholics the world over would be aroused. The Holy See would be saddened and justly so, by such a move."

Rabbi Marvin Hier, dean of the center, said the pronouncement by the Vatican was particularly troubling because it came at the height of the Holocaust.

He contrasted the pope’s “unequivocal and blunt” opposition to the creation of a Jewish state with his silence on the persecution of Jews.

“If only he had spoken with such clarity when it came to rescuing European Jewry,” Hier said.

“What’s critical for Jews to remember,” he added, “is that when the chips were down and when the Jews were dying, the pope didn’t hesitate to write to Roosevelt to tell them that we shouldn’t recognize a Jewish majority in Palestine.”

Hier said his organization found the letter in the course of researching Pius and that it released the document in hopes of urging Vatican officials “to rethink their strategy and at the very least postpone this discussion” of sainthood “for another two or three decades."

Bestowing sainthood on such a controversial figure, he added, would do “tremendous harm to Jewish-Catholic relations."

Eugene Fischer, associate director for ecumenical and interreligious affairs for the National Conference of Catholic Bishops, said the letter provided no new information and that it is consistent with the Vatican’s long-standing policy “against the idea that the Jewish homeland exclusively be a homeland solely for the Jews.”

He said Hier was trying to create a “myth” that Pius opposed Zionism outright when in fact he played an important role in saving the Jews of Rome and in giving tacit approval to Latin American Catholic countries who voted in support of the creation of the state of Israel.
"If one looks at the whole historic record, one might consider putting up a statue of Pius XII along with the founders of Israel," Fischer said, adding, "He was a very influential, quiet voice" behind the creation of the Jewish state.

Dismissing Fischer’s remarks as "preposterous," Hier said, "When Pius finally recognized that the state of Israel would become a reality, he jumped on the bandwagon.

"In 1943, when there was no state of Israel and Jews were fighting for their physical existence," he added, "the pope was nowhere to be found."

Although Hier acknowledged the pope’s role in saving some 8,000 Jews in Rome by allowing them to hide in monasteries toward the end of the war, he said, "By the time he lifted a hand for the Jews of Rome, the majority of the 6 million Jews were already murdered."

The World Jewish Congress, meanwhile, said it discovered a Nov. 1, 1943 memo written by Britain’s ambassador to the Holy See following a one-hour meeting with the pope just prior to the Allied liberation of Rome.

Francis D’Arcy Osborne wrote that the pope said he had "no complaints" about the German occupation of Rome and that Germany had "behaved correctly" in respecting the neutrality of the Vatican.

Osborne said he told the pope that the Germans "were systematically stripping (Rome) of all its supplies, transport and labor, were arresting Italian officers" and children and were "applying their usual merciless methods of persecution of the Jews." He also said a number of people shared the opinion that the pope had "underestimated his own moral authority and the high respect" in which it was held by German Catholics.

Fischer, upon examining the document, said it appeared the British ambassador was "trying to get the pope to say bad things about the Germans" for British "propaganda" purposes.

But the pope had to have been aware that criticizing
the Germans would have been "foolish" in light of the fact that thousands of Jews were hiding in Catholic monasteries, he added.

Elan Steinberg, executive director of the WJC, said, however, that the memo "speaks right to the question of the documented silence of Pius XII.

"He never did publicly speak out against the persecution of the Jews, and he's urged to speak out against Nazi atrocities by the British ambassador here. It does not reflect well on Pius XII," Steinberg said.

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Bonn to seek dismissal of one US Holocaust case

By Joan Gralla

NEW YORK, July 9 (Reuters) - Germany plans on Monday to ask a U.S. judge to dismiss one of the lawsuits brought by ex-slave laborers against a leading German chemicals company, arguing that the case interferes with plans for a new compensation fund for Holocaust victims, a lawyer for the plaintiffs said.

The case in question is a class action lawsuit against German specialty chemicals group Degussa Huels AG (quote from Yahoo! UK & Ireland: DHAG.F) in the U.S. District Court of New Jersey. "The German government is actually going to come in and try to stop the case because of the negotiations that are going on," Ed Fagan of the firm Fagan & D'Avino, said on Friday.

The State Department on Thursday will host another round of talks between U.S. class-action lawyers, who have filed billion-dollar lawsuits against leading German firms on behalf of Holocaust victims and their heirs, and the companies' representatives on a compensation fund. Jewish restitution groups also will attend.

The Bonn government plans to file a friend-of-the-court brief and was also was expected to argue that the lawsuit interfered with its sovereignty, Fagan said.

At least two other European nations, who have seen their Nazi-era conduct and that of some of their biggest companies dragged back into the spotlight by lawsuits brought in U.S. courts by Holocaust survivors, have used a similar strategy.

Switzerland tried to get a U.S. judge to dismiss a case brought by Holocaust victims against the country's leading banks, which allegedly failed to hand over bank accounts after the war ended, before a big settlement was reached last year.

France in March asked a U.S. court to dismiss two lawsuits brought against French banks by Holocaust survivors who say they were not compensated for assets seized from Jews during the four
years that the Nazis occupied France.

The U.S and German negotiators who will be meeting in Washington next week will try reach an accord that will allow the German companies to pay compensation to a range of Holocaust victims, from slave and forced laborers to people whose assets were looted. In return, the firms want "legal closure," a guarantee they will not face any new claims.

Thursday’s meeting will be preceded by two days of working group meetings on slave labor and legal closure, Fagan said.

Complicated questions about whether European countries and their firms profited from the misery of Holocaust victims also will be the subject of next week’s annual meeting of the Claims Conference in New York. The organization is an advocacy group that is leading compensation talks with Germany and Austria.

Gideon Taylor, executive vice president of the Claims Conference, said: “We feel this board meeting comes at a critical time as we are negotiating on a number of major fronts, including slave labor, German industry and banks, as well as European insurance companies.”

Related News Categories: politics, US Market News

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Quackenbush Aide Accused of Conflict of Interest

By VIRGINIA ELLIS, Times Staff Writer

ACRAMENTO--For years, Insurance Commissioner Chuck Quackenbush has allowed his chief of staff to operate a lucrative private legal practice representing clients against a conglomerate that owns insurance interests the department regulates.

The outside legal activity of William W. Palmer has prompted scrutiny from two legislative committees and a decision by Assembly Insurance Committee Chairman Jack Scott (D-Altadena) to file a complaint with the state's ethical watchdog, the Fair Political Practices Commission.

"I just know this is a conflict of interest," Scott said in an interview. "It just doesn't pass the smell test."

Court records show that Palmer, who holds two top jobs in the Department of Insurance with an annual salary of more than $200,000, represents shareholders in a lawsuit against Berkshire Hathaway Inc., the conglomerate headed by investor Warren Buffett. Among the subsidiaries of Berkshire Hathaway are GEICO Corp., the nation's sixth-largest auto insurer, Cypress Insurance Co. and Berkshire Hathaway Life Insurance.

Quackenbush and Palmer said through a spokeswoman that they believe there is no conflict of interest in Palmer's outside activity and that the accusations against him are an attempt by Democrats to discredit the commissioner. Quackenbush is one of only two Republicans holding statewide office.

"I have been told that ... Bill Palmer's client work on the side was approved and met all conflict-of-interest codes that apply," said Dana Spurrier, Quackenbush's deputy for press and publications.

She said both Quackenbush and Palmer declined to be interviewed, contending that all they intend to say is in an 11-
Quackenbush Aide Accused of Conflict of Interest

The statement does not address the conflict-of-interest issue; it focuses on Speier's concern about Palmer's dual job functions. Besides being chief of staff, Palmer heads the Conservation and Liquidation Office, the arm of the insurance department that handles the affairs of companies seized by the commissioner.

Quackenbush also has put Palmer in charge of recovering insurance benefits for Holocaust victims and has asked him to be the commissioner's legal advisor.

Palmer's salary, which exceeds the governor's and is one of the highest in state government, is paid out of the assets of seized insurance companies. Speier said she therefore believes he should not be involved in both the Conservation and Liquidation Office and the other functions.

"The whole thing is really very peculiar," she said. "I think it calls into question the public trust that is expected to be held by both the commissioner and by Mr. Palmer as head of the Conservation and Liquidation Office."

The public interest group Consumers Union, in a memorandum supporting a bill by Scott that would require Senate confirmation of the head of the liquidation office, wrote that Palmer is in effect his own boss.

"CLO head Palmer reports to the head of the enforcement branch. In turn, the head of the enforcement branch reports to chief of staff Palmer," the memo said.

In his statement to Speier, Quackenbush described Palmer as a "uniquely talented individual" who works 80 to 90 hours a week fulfilling numerous functions even though he is paid only a single salary.

"I routinely make strenuous demands on Mr. Palmer and, without exception, he has performed beyond my expectation," Quackenbush wrote.

Spurrier said Palmer is a man of exceptional energy who could handle the workload of four people. "He doesn't sleep; he's an incredible state employee," she said.

Scott said he finds it difficult to imagine that someone could perform four jobs and still run a private law practice.

Palmer's law practice, according to state records, revolves around his efforts to recover assets for former stockholders of Blue Chip Stamp Co., which was a profitable venture in the heyday of the trading stamp craze. In 1983, Blue Chip merged with Berkshire Hathaway, and stockholders were directed to turn in the Blue Chip holdings in exchange for shares in Berkshire Hathaway.

The holdings of stockholders who could not be found eventually were turned over to the unclaimed property division of the state controller's office. In the years since the merger, the value of stock in the spectacularly successful Berkshire...
company has skyrocketed. At the time of the merger, it sold for $962.50 a share. Today it sells for about $72,000 a share.

Under California law, property owners have the right to reclaim their assets from the state at any time without charge.

Palmer said in a 1997 interview with The Times that he tracked down the names and addresses of many of the former Blue Chip stockholders and offered to recover their assets from the state for a percentage of their value. At that time, he was also general counsel to the Department of Insurance.

In statements of economic interest required each year, Palmer showed that in 1996 he earned at least $200,000 in outside legal income, primarily from his share of the reclaimed assets of Blue Chip stockholders. Stockholders told The Times then that they paid a 10% finder's fee plus 30% to cover legal expenses.

Byron Tucker, a spokesman for the controller, said state law caps at 10% the amount that can be charged by private interests as a fee for recovering unclaimed property. He said the department received information that Palmer was exceeding that maximum.

"We refused at that point to make any more payments [to Palmer]," he said.

If the stockholders had appealed directly to the state without using Palmer as their intermediary, Tucker said, they could have received the assets and avoided paying any fee.

In 1997, Palmer participated in the filing of a class action lawsuit in Los Angeles against Berkshire accusing the company of breach of fiduciary duty, fraud and negligence for failing to adequately notify hundreds of Blue Chip stockholders of their new holdings in Berkshire.

In its answer to the lawsuit, Berkshire said the soaring value of its stock had attracted what it called "bounty hunters" who sought former Blue Chip holders whose assets had been turned over to the state.

"One person attracted to this remunerative bounty hunter role was . . . William W. Palmer, then and now a talented full-time, high-ranking employee of the state of California--namely general counsel to the Department of Insurance who . . . has a private law practice for selected clients on the side," the court documents said.

The company complained to the court that, before filing the lawsuit, Palmer had "gotten through to" Charles T. Munger, vice president of Berkshire, by identifying himself as the general counsel for the department of insurance. But then when he spoke to Munger, the document said, he wanted to talk about the Blue Chip matter.

The document said that when told about the large number of "lost" shareholders, Munger offered to hire experts to track them down and help them recover their shares. But, the
document said, he informed Palmer that the company would not pay the attorney any fee.

"Mr. Palmer responded to Mr. Munger that he had hoped to get a reasonable fee and that Berkshire's reaction 'took the matter out of his hands,' " the documents said.

The lawsuit was eventually dismissed by a lower court. Palmer has appealed that decision to a higher court.

Spurrier said she was not aware of the court documents but said that Palmer had regularly kept Quackenbush apprised of his outside activities.

"That is only what Berkshire is alleging," she said. "The clear fact here is that Mr. Palmer has no conflict."

Several people who worked with Palmer on the Holocaust issue contacted The Times and described him as a dedicated worker who had spent countless hours of his own time trying to secure assets for victims.

"He has gone way beyond what is required of any public official," said Frank Caplan, a private attorney who has worked on the issue.

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For Swiss, Some Soul Searching After Losing a Bid for Olympics

By The New York Times

GENEVA, July 3 — Like chocolate, cheese, precision watches, the Red Cross, skiing and banking, the Olympic movement has been linked for decades with Switzerland. The city of Lausanne has long been headquarters for the International Olympic Committee and home to its spectacular lakeside museum.

So it has been doubly infuriating for the Swiss to endure what is widely perceived as the latest blow to their national pride: the decision to award the 2006 Winter Olympics not to the front-running Alpine resort of Sion, but to an upstart Italian rival, the Industrial city of Turin.

The unexpected and very public blow came when Switzerland was climbing out of a lengthy economic downturn and beginning to come to their own games, going to an upstart Italian rival!

terms with the painful revelations of recent years that Swiss actions during World War II may well have been less concerned with self-preservation than with profit.

Sion's loss to Turin sparked street protests and nationwide accusations that the vote was an act of revenge for the Swiss member of the International Olympic Committee who blew the whistle late last year on widespread corrupt practices within the Olympic movement. That led to resignations and expulsions of members of its clubby committee.

Sion's bid for the Winter Games enjoyed widespread popular support and Olympic rings in the red and white Swiss national colors adorned everything from toilet paper to trains. So the rebuff was felt nationwide, and the fury enhanced by knowledge that the committee's formal evaluation gave the edge to Sion, while the 52-to-36 vote went heavily against the Swiss resort.

The rejection prompted a wave of self-examination. One mass circulation daily, Blick, published a survey of foreigners' views of the Swiss, ranging from what it described as the Israeli view that the Swiss are anti-Semitic, to the French observation that they are racist and the American perception of the Swiss as colorless and out for themselves.

"We are pedantic and humorless," Blick concluded. "We are bad losers — that's how the world sees us."

Switzerland has long prided itself on what is nationally seen as self-sufficiency, which in foreign affairs translated into neutrality and choos-
Portugal Spared Payments

LISBON, Portugal, July 2 (AP) — An official inquiry has concluded that Portugal did not knowingly handle gold looted from Holocaust victims by Nazi Germany and has no obligation to compensate survivors, a paper reported today.

The inquiry found "no legal, political or moral reasons" for Portugal to make any payments, the daily Publico reported.

In 1953, Portugal returned almost four tons of Nazi gold, then worth $7.2 million. The Allies had initially demanded that it return 44 tons.

After the United States said last year that the Third Reich paid for much of its trade with Portugal in gold plundered from occupied countries, a panel began sifting Portuguese records.
Committee to vote on doubling tax credit

by J.M. Lawrence

Monday, July 12, 1999

The Legislature's Taxation Committee is scheduled to vote today on whether to more than double the earned income tax credit - a measure benefiting the state's poorest workers.

"It's going to be lively," said Sen. Marian Walsh (D-West Roxbury), co-chairman of the joint committee.

One bill calls for increasing the credit from 10 percent to 25 percent.

Walsh supports the increase but said she will work against House efforts to make the incremental increase nonrefundable.

"It ought to be refundable," she said. "You tell people please go to work... pay them marginally and when it comes to tax policy, we have had this refundable policy for 25 years and then we're going to say we're not going to do it? It's going to be a paper increase then."

Policymakers cite the federal earned-income tax credit as an incentive to choose work over welfare.

One of every seven kids in the nation would be deemed poor if their families did not have the tax benefit, according to the Center on Budget and Policy Priorities, a Washington think tank.

The proposed state tax break is a byproduct of the state's multimillion-dollar revenue surplus produced by the current economic boom.

Legislators have been wrangling for months over other tax relief measures aimed at sharing the wealth with the state's lower income brackets.
Those proposals include an increase in the rental deduction and the child care deduction.

Today the committee also takes up a bill that would waive state taxes on money paid from Swiss banks to Holocaust victims.

"I feel very strongly this is not a windfall," Walsh said. "This is not lottery money."

The committee begins its session at 10 a.m. in State House Room B-1.
Rabbi takes plea to pope

June 12, 1999

ASSOCIATED PRESS

WARSAW--Poland's chief rabbi--a Holocaust survivor--pressed Pope John Paul II on Friday to remove a large cross on land bordering the former Auschwitz Nazi death camp.

The controversy over the Auschwitz cross has been the biggest strain in recent years on relations between Poland and world Jewry.

Jews say the 26-foot cross, visible from inside the camp, harms the memory of more than 1 million Jews killed at Auschwitz and nearby Birkenau camp in southern Poland.

The cross was the backdrop at a mass celebrated by John Paul at Birkenau in 1979. It was moved to the lot adjoining Auschwitz in 1988 to commemorate 152 Polish resistance fighters executed on the site by the Nazis in 1942.

Rabbi Pinchas Menachem Joskowicz made his request as the pope met Polish religious leaders. . .

"I have a favor to ask of Mr. Pope, to call on his people to also take this cross out of the camp," Joskowicz said in the exchange broadcast live on national television.

John Paul's brief response was inaudible, and Vatican spokesman Joaquin Navarro-Valls later called the issue a local one to be decided by the Polish church. But Navarro-Valls also said the "great majority" of Poles favor retaining the papal cross near Auschwitz.

Earlier, the pope addressed the Polish parliament, where deputies, left and right alike, gave him a standing ovation.
Degas painting on display in Chicago after ownership dispute settled

CHICAGO (June 12, 1999 9:31 p.m. EDT) - A pastel work by French master Edgar Degas, which was at the center of a bitter ownership dispute between heirs of two World War II Holocaust victims and a prominent local businessman, went on display here Friday.

"Landscape with Smokestacks," an 1890 pastel monotype now owned by the Art Institute of Chicago following an out-of-court settlement reached last summer, will be on public view in a gallery adjacent to the museum's Degas collection until Jan. 3.

Daniel Searle, an Art Institute of Chicago trustee, had acquired the work in 1987 for $850,000 through a private New York dealer.

But heirs of a prominent Dutch Jewish couple who were killed in a Nazi concentration camp during World War II -- Friedrich and Louise Gutmann -- claimed the painting had been stolen by the Nazis from their family and sued to regain ownership.

Under the out-of-court settlement, both parties asked the Art Institute to acquire the painting and share it with the public.

Plaintiffs Nick and Simon Goodman and their aunt Lili Gutmann received half of the appraised value of the painting and sold it to the Art Institute, while Searle donated his half of the work's value to the museum.
By ALESSANDRA STANLEY

WARSAW, June 11 — Seizing his moment in a papal line, Poland’s Chief Rabbi brushed past protocol today to ask Pope John Paul II to remove a large cross at the walls of Auschwitz.

“I have a favor to ask Mr. Pope,” the Chief Rabbi, Pinchas Menachem Jokowicz, said after introducing himself as a survivor of the Nazi death camp at Auschwitz who “can still hear the crying of the children.”

He told the Pope that this cross “is like a stop, a ‘halt’ that disturbed his prayers” and his way of going to his call to his people to also take this cross away from the camp.

The rabbi’s appeal, which was televised live, shocked many Polish viewers and resurrected a painful issue that Catholic and Jewish leaders in Poland have been seeking to smooth over during the papal visit.

The Chief Rabbi’s timing was as jarring as his words. The 79-year-old Pope had just laid out his vision for a new Polish democracy founded on tolerance and spiritual values in a speech to Parliament that brought into the same room Lech Walesa, the founder of the independent trade union Solidarity, and Wojciech Jaruzelski, the Communist Party leader who imposed martial law in 1981, crushing the Solidarity movement.

The Pope was preparing to pray alongside leaders of Jewish groups at the Holocaust memorial in Warsaw.

The incident was an unexpected reminder that even as the Pope was pleading for unity and understanding, the wounds of World War II remain open.

John Paul, who on Sunday plans to beatify 108 Catholics killed by the Nazis, has long sought to honor Jewish Poles who died in concentration camps as co-victims of the Jews who perished in the Holocaust.

But as today’s incident demonstrated, a dispute persists over who suffered more in a war that devastated Poland, and all but wiped out its Jewish population.

Leaders of Jewish groups quickly disassociated themselves from the aged Chief Rabbi, who retired on Sunday, saying that the setting was inappropriate.

But while Catholic bishops dismissed the rabbi’s comments as the views of an “extremist,” leaders of Jewish groups have decided that the cross should remain, Jewish leaders said they were still hoping to remove or at least reduce its visibility. And that fundamental clash, which both sides hoped to keep out of the public eye as the Pope’s trip neared its end, was jarring to the Pope’s run-up.

Shortly before the Pope arrived in Poland, the Government ordered riot policemen to remove hundreds of small crosses erected at Auschwitz, which borders the walls of Auschwitz in 1989 and visible from inside, should stay. Many Catholics view the cross both as a commemoration of the Pope’s visit to Auschwitz in 1979 and a memorial to Christian victims of the Holocaust.

Asked whether the Pope would consider the Chief Rabbi’s request to remove the cross, his spokesman, Joaquina Navarro-Valls, said this was a “local issue” that did not concern the Vatican. “My impression is that the vast majority of Poles want it to remain,” he added.

Bishop Stanislaw Gadecki, who heads the Polish Episcopate’s Commission for Relations with the Jews, said of the rabbi’s comments: “We are neither bothered by extremist points of view.” He spoke on a sidewalk while waiting for the Pope’s arrival at the Holocaust memorial on Umschlagplatz, the depot from which 300,000 Jews from the Warsaw Ghetto were taken by cattle car to Auschwitz in 1943 and 1944.

“It is true that he was at Auschwitz, we share his pain and the pain of all the Jewish people,” Bishop Gadecki said of the Chief Rabbi. “But there is the pain of the Polish people, too.”

Nearby, leaders of Jewish groups were assessing the damage done by the rabbis to their own efforts to remove the cross that many Catholics as well as Jews in Poland consider inappropriate.

“To address the Pope in that way was embarrassing to all of us, and it was seen by everyone,” Stanislaw Krajewski, director of Interfaith Relations for the Union of Jewish Congregations in Poland, said while waiting for John Paul’s arrival. “We thought we had a good chance of finding a compromise solution,” he said, referring to the face of the cross. “As of today that effort is much more difficult.”

Mr. Krajewski and other Jewish leaders complained that the Chief Rabbi, who before the war spoke Yiddish and after the liberation of Auschwitz moved to Israel and the United States, spoke clumsy Polish that might alienate Polish listeners, as would his failure to address the Pope as “Your Holiness.”

Few, however, disputed the legitimacy of the rabbi’s claim. “I completely agree that the cross should not be there,” said Konstanty Gebert, a journalist and Jewish activist. “But the image of an insolent Jew treating the most respected leader in the land that way confirms the worst stereotypes and that really hurts us.”

If the Pope was offended, he gave no sign of it. He listened patiently and attentively as the rabbi spoke, paying no heed to the Vatican official who squirmed impatiently next to him. His few words in reply, however, were inaudible to bystanders.

At Umschlagplatz, surrounded by rabbis and other leaders of Jewish group, including Marek Edelman, the last surviving leader of the Warsaw Ghetto uprising, the Pope delivered a prayer for Jews, asking God to “support them so that they may experience respect and love from those who still have not grasped the immensity of the suffering of the Jewish people.”

Reconciliation was also a theme of John Paul’s address to Parliament, where the country’s three branches of government, along with religious leaders of various faiths, vigorously applauded the Pope’s call for a “responsible use of freedom.”

Seated in an armchair on the floor of the lower house of Parliament, the Pope said, “While the autonomy proper to the life of a political community cannot be seen as independent of ethical principles. Even pluralist states cannot abandon ethical norms in public life.”

In his speech, he looked back on Poland’s tragic history, noting that Poles, “in a situation of mortal threat to the very biological existence of the nation,” resisted the Nazis by establishing a clandestine Polish state, “something which did not exist elsewhere in occupied Europe.”

Many tens of thousands of Poles lined the streets of Warsaw today, eager for what some feared could be their last close look at a frail Pope, who remains a national hero as well as a spiritual guide.

A woman who gave her name as Hannan, 49, was among those waiting near the Holocaust memorial. She said that she had watched the Chief Rabbi on television, and that unlike her friends, had not found his words so offensive.

“The context was unfortunate, given that the Pope was coming to this place,” she said. “But he probably just didn’t know how to address him.”

She added, however, that she disagreed with the rabbi’s appeal.

“Oh no,” she said, “of course the cross at Auschwitz must stay.”
GOVERNOR ANNOUNCES HOLOCAUST ERA ART SETTLEMENT
Art seized by Nazis in 1940 returned to area resident

Governor George E. Pataki today announced a major Holocaust-era art settlement by the Holocaust Claims Processing Office (HCPO) of the New York State Banking Department. Through successful negotiations with Austrian officials, "The Seamstress," painted by famed German artist Lesser Ury and subjected to a forced-sale by the Nazis in 1940, will be returned to its rightful owner, Michael Loewenthal in New York.

The settlement completes protracted negotiations with officials of Linz, Austria, who purchased the painting from a dealer in 1956. The painting was linked to "tainted art" obtained by Nazi officials through forced-sales from Jewish residents.

"Today's settlement is an important victory in our campaign to serve those who have been wronged by corrupt forces during World War II," Governor Pataki said. "We're not just restoring an important piece of artwork to the family that has long sought its return, we're setting straight the moral balance sheet that defines our efforts and our society."

"The Seamstress" was created in 1883 by painter and printmaker Lesser Ury (1861 – 1931). Along with Lovis Corinth and Max Liebermann, Ury is considered to be one of the most important German painters of the first part of the century. He is noted for powerful urban street scenes.

At the time of the forced sale in 1940, the painting was in the collection of Louis Loewenthal, the grandfather of Michael Loewenthal. It was purchased by Berlin art dealer Wolfgang Gurlitt, and eventually sold to the City of Linz. The Loewenthal family has attempted to recover the painting, along with others, since 1947.
The HCPO, created by Governor Pataki in June 1997, assists individuals in recovering assets deposited in European banks, monies never paid from insurance policies issued by European insurance companies and art that was lost or looted before or during World War II. Since opening, the office has received 6,328 inquiries from individuals in 38 countries and 3,680 claims have been filed. The office charges no fees to claimants.

Acting Superintendent of Banks Elizabeth McCaul said, “The staff of the HCPO are providing vital services to Holocaust survivors and their families. Today’s settlement demonstrates that serving this group of people is one of our top priorities, both within the Banking Department and New York State. It is not often that we as regulators have the opportunity to participate in a quest for justice on behalf of a group of people to whom it is so long overdue. The officials of Linz are to be commended for their decision to return the painting to its rightful owner. Hopefully, this can serve as an example for other holders of art looted during the World War II era.”

Superintendent of Insurance Neil Levin, who helped organize the HCPO, said, “Today, we are returning a piece of artwork to its rightful owner and marking a significant milestone in New York’s effort to restore moral justice to Holocaust survivors and their heirs.” Levin, who also serves on the International Commission on Holocaust Era Insurance Claims, that is responsible for resolving outstanding insurance claims added, “We are also continuing to make progress with European insurers on our efforts to process insurance claims for New York’s survivors and their heirs, and are putting as many of these claims as possible on the fast track for payment.”

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German Compensation Plan for Holocaust Survivors

By Itamar Levin

- Structure - fund managed by German and foreign trustees, including survivors of Nazi persecution.

- Fund name - Remembrance, Responsibility and Future Foundation.

- Estimated volume - $850 million.

- Fund founders - sixteen German companies, including AEG, BASF, BMW, Daimler-Benz, Degussa, Deutsche Bank, Dresdner Bank, Hoechst, Krupp, Siemens, Volkswagen, and Allianz.

- Those meeting compensation criteria - forced laborers used for a period of six months and more under the framework of the companies founding the fund, mainly in their plants at concentration camps; and those whose property was seized by the Nazis with the companies' involvement (most of those included in this category are Jews).

- Those not entitled to compensation - forced laborers used for shorter periods, agricultural slave workers, POWs (most of those in the last two categories are not Jewish).

- Compensation calculation - on the basis of the average pension paid in the survivor's country of domicile.

- Number of those entitled to compensation - unknown; maximum
• Average compensation - unknown; estimate - $1,700 each.

• Legal claims - the current claims will be cancelled and additional ones will not be submitted.

• Insurance policies - Allianz will participate in the fund, and payment in this framework will be deducted from the payment due as part of examination of Holocaust victims' policies.

• Planned date for activating fund - September 1, 1999 (the 60th anniversary of the outbreak of World War II)

Published by Israel's Business Arena June 13, 1999
Painting looted by Nazis returned to owner

NEW YORK (AP) - "The Seamstress," a painting by an obscure but respected German artist, was returned to its Jewish owners on Monday, 60 years after it was stolen by the Nazis and eventually wound up in a museum in Adolf Hitler's home town.

"It was a very tough decision, but a very brave one," said Michael Loewenthal, a Franklin Lakes, N.J., businessman, referring to a recent vote by city council members in Linz, Austria, to relinquish the painting.

The original owner was Loewenthal's grandfather, Louis Loewenthal, a noted art collector in Berlin who lost everything when he fled Nazi Germany at the outset of World War II. A pro-Nazi art dealer falsely claimed years later that "The Seamstress" had been destroyed in an Allied air raid. After the war, he sold it to the Linz municipal museum.

In a ceremony staged for cameras, state Holocaust Claims Office officials pried open the wooden crate, lifted out the painting and gave it to Loewenthal. They said it was the state's first recovery of a work of art for Holocaust survivors or victims' relatives.

"We've had significant success with insurance policies and bank accounts... this is an important moment and a memorable one," said Catherine Lillie, director of the state office.

The oil painting is by Lesser Ury, a quintessential starving artist who lived in a tiny Berlin garret in the 1930s, hanging out at cheap cafes, mixing paints from local dirt and eking out a meager existence through paintings of neighborhood scenes and people.

While Ury was regarded in his time as a master of pastels, "The Seamstress" depicts its subject in mostly dark colors, highlighted by sun through a window.
Loewenthal, who was born in Israel and raised in New York City, first asked the Holocaust claims office about the painting months ago, after learning it had been in the Linz museum since the 1950s.

The Holocaust office said the painting was part of a collection confiscated by the Nazis from Louis Loewenthal in 1939-40 and "acquired" by Berlin art dealer Wolfgang Gurlitt, who later played a key role in Nazi efforts to sell "degenerate art" - works by Jews - abroad and set up a "Fuhrermuseum" in Linz.

Linz was the boyhood home of Hitler, who was himself an aspiring painter, displaying what some critics have called a minor talent. According to the Encyclopedia Britannica, the teen-aged Hitler "indulged in grandiose dreams" of becoming an artist, but went on to other pursuits after twice flunking art school entrance exams.

When Louis Loewenthal’s son Fritz asked Gurlitt in 1950 to either make a supplementary payment for his father’s art or return it, Gurlitt insisted the paintings had been wiped out in a 1943 air raid on Berlin.

Gurlitt survived the war and moved to Linz, where he eventually sold more than 160 paintings, including the supposedly-lost "The Seamstress," to the Linz municipal museum. It hung there from 1956 until a few weeks ago.

"He was a bad man," Loewenthal said Monday, referring to Gurlitt.

Loewenthal declined to estimate the Ury painting’s monetary worth, saying its value to his family was sentimental, and he planned to give it to a museum of Judaica for display.

"It is the only thing that I have of my grandparents, who left Germany with zero, 67 years ago," he said. "It is very difficult for me to imagine that this picture hung in my grandfather’s home."

Elizabeth McCaul, who has a role in Holocaust claims issues as the state’s acting superintendent of banks, also praised the Linz authorities.

"It is a positive message that needs to be heard throughout the world, and I hope that other museums heard this
message," she said.

Another Lesser Ury painting, also called "The Seamstress," was sold by Sotheby's in 1995 for $26,000 to an anonymous buyer, Sotheby's spokesman Matthew Weigman said.

The Sotheby's version - smaller, different in shape and depicting a woman seated with her back to the viewer - was from the estate of Michael and Doris Zagaysky, of Palm Beach, Fla., who were well-known philanthropists and collectors of Jewish art and historical artifacts.
Painting lost in Holocaust returned to family's hands

Tuesday, July 13, 1999

From staff and news service reports

"The Seamstress," a painting by an obscure but respected German artist, was returned to its Franklin Lakes owner on Monday, 60 years after it was stolen by the Nazis and then sold to a museum in Adolf Hitler's hometown.

"It was a very tough decision, but a very brave one," said Michael Loewenthal, a Franklin Lakes businessman, referring to a recent vote by City Council members in Linz, Austria, to relinquish the painting.

The original owner was Loewenthal's grandfather, Louis Loewenthal, a noted art collector in Berlin who, with his wife, perished in a Nazi death camp during World War II.

Years later, a pro-Nazi art dealer falsely claimed "The Seamstress" was destroyed in an Allied air raid. In fact, he had sold the work to the Linz municipal museum.

On Monday, officials from the New York Holocaust Claims Office pried open a wooden crate, lifted out the painting, and gave it to Loewenthal. They said it was New York's first recovery of a work of art for Holocaust survivors or victims' relatives.

"This is an important moment and a memorable one," said Catherine Lillie, director of the New York office.

The oil painting is by Lesser Ury, who lived in a tiny Berlin garret in the 1930s, hanging out at cheap cafes, mixing paints from local dirt, and eking out a meager existence painting neighborhood scenes and people.
While Ury was regarded in his time as a master of pastels, "The Seamstress" depicts its subject in mostly dark colors, highlighted by sun through a window.

How it was returned is "a pretty amazing story," said Loewenthal, founder and president of a Paramus company that trades raw plastics.

"I received a telephone call right after Thanksgiving from a gentleman who grew up in Ramat Hadir, the same village where I grew up in Israel," Loewenthal said. "He said he had a call from the Austrian embassy in Tel Aviv and they were looking for me. Then I received a letter from the Jewish community in Linz. They informed me about the picture and said most likely it should be returned to me but they didn't know what the procedure would be."

Next, Loewenthal said, he received a letter from the mayor of Linz, telling Loewenthal that he was investigating the origin not only of "The Seamstress," but also of other works in the museum collection.

Loewenthal then got in touch with the Holocaust claims office in New York.

"They were absolutely tremendous," he said of workers in the office.

The Holocaust office confirmed that the painting was part of Louis Loewenthal's collection, which was confiscated by the Nazis in 1939 and 1940. The works then were acquired by Wolfgang Gurlitt, a Berlin art dealer who later helped the Nazis sell "degenerate art" -- works by Jews -- abroad and set up a "Fuhrermuseum" in Linz.

Linz was the boyhood home of Hitler, who was himself an aspiring painter.

When Louis Loewenthal's son Fritz asked Gurlitt in 1950 to either make a supplementary payment for his father's art or return it, Gurlitt insisted the paintings had been wiped out in 1943 during an air raid on Berlin.

Gurlitt survived the war and moved to Linz, where he eventually sold more than 160 paintings, including "The Seamstress," to the Linz municipal museum. It was on display from 1956 until a few weeks ago.
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Gurlitt survived the war and moved to Linz, where he eventually sold more than 160 paintings, including "The Seamstress," to the Linz municipal museum. It was on display from 1956 until a few weeks ago.
Art work stolen by Nazis returned to owner’s family

By RICHARD PYLE

NEW YORK (July 12, 1999 8:41 p.m. EDT http://www.nandotimes.com) - A painting by an obscure German artist was returned to its Jewish owners on Monday, 60 years after it was looted by the Nazis and wound up in a museum in Adolf Hitler's hometown.

Officials of the state Holocaust Claims Office turned over "The Seamstress" to Michael Loewenthal, whose grandfather, art collector Louis Loewenthal, lost everything when he fled Berlin at the outset of World War II.

A pro-Nazi art dealer falsely claimed years later that "The Seamstress" had been destroyed in an Allied air raid. After the war, he sold it to the municipal museum in Linz, Austria.

The City Council in Linz voted recently to give the painting to Loewenthal.

"It was a very tough decision, but a very brave one," said Loewenthal, who lives in Franklin Lakes, N.J.

The oil painting is by Lesser Ury, who lived in a tiny Berlin garret in the 1930s. While Ury was regarded in his time as a master of pastels, "The Seamstress" depicts its subject in mostly dark colors, highlighted by sun through a window.

Loewenthal, who was born in Israel and raised in New York City, asked the Holocaust claims office about the painting months ago, after learning it had been in the Linz museum since the 1950s.

The Holocaust office said the painting was part of a collection confiscated by the Nazis from Louis Loewenthal in 1939-40 and "acquired" by Berlin art dealer Wolfgang Gurlitt. Gurlitt later played a key role in Nazi efforts to sell "degenerate art" - works by Jews - abroad and set up a "Fuhrermuseum" in Linz, Hitler's boyhood home.

When Louis Loewenthal’s son Fritz asked Gurlitt in 1950 to either make a supplementary payment for his father's art or return it, Gurlitt insisted the paintings had been destroyed in a 1943 air raid.

Gurlitt survived the war and moved to Linz, where he eventually sold more than 160 paintings, including "The Seamstress," to the Linz museum. It hung there from 1956 until a few weeks ago.
Loewenthal declined to estimate the painting's monetary worth, saying its value to his family was sentimental and he planned to give it to a museum of Judaica for display.
Bonn denies it intervened in Holocaust case

By Clifford Coonan

BONN, July 13 (Reuters) - The German government denied on Tuesday that it had asked a U.S. court to throw out a suit brought against a German chemicals company by people who say they were forced to work for it as slaves during World War Two.

A lawyer for the plaintiffs, who are seeking compensation, said in New York on Monday that the Bonn government had asked the court to dismiss the suit against Degussa Huels AG (quote from Yahoo! UK & Ireland: DHAG.E). The lawyer had said Germany argued in the federal court in Newark, New Jersey, that the best way to resolve the issue was through a compensation fund being set up by German industry.

A government spokesman told Reuters in Bonn that Germany had not made any request to the court but had simply sent a letter -- in a process known as amicus curiae, or acting as a friend of the court -- which gave background details on the case.

"The government was not trying to support Degussa but was trying to help the court to evaluate the background better," the spokesman said.

German and U.S. government negotiators, as well as class-action lawyers and representatives of German companies, are due to meet in Washington this week to try to conclude a deal on a multi-billion-dollar Holocaust compensation fund.

The German spokesman said that the letter to the court had mentioned the fund as part of its background to the case.

At least 16 German firms have agreed to pay into the fund but are holding out for U.S. assurances that, by doing so, they will avoid facing further claims.

A spokeswoman for Degussa, a specialty chemicals manufacturer, declined comment.
Degussa was accused last August of profiting from precious metals taken from Holocaust victims, including gold teeth pulled from people, mainly Jews, in Nazi concentration camps.

In this particular class-action suit, the named plaintiff is Alice Fisher, a concentration camp survivor, who lost a mother and brother in the Auschwitz camp in Poland.

Her father and another brother died after being forced to work as slave labourers, U.S. attorney Ed Fagan, one of the lawyers bringing the lawsuit, said.

U.S. judges are looking at two main issues -- whether U.S. courts had jurisdiction in the matter and whether it was too late to bring such actions, given U.S. and German law.

The German spokesman said a government legal adviser, Gerd Westdickenberg, would represent Bonn at the compensation fund talks in Washington on Thursday. He was standing in for Bodo Hombach, a top aide to Chancellor Gerhard Schroeder, who is now taking charge of economic reconstruction in the Balkans.

Related News Categories: politics, US Market News
Bonn asks U.S. court to throw out Holocaust suit

By Joan Gralla

NEW YORK, July 12 (Reuters) - Germany on Monday asked a U.S. federal court in Newark, N.J., to dismiss a suit brought by Holocaust slave laborers against a top German chemicals company, saying the best way to resolve the issues was through a planned compensation fund, according to a plaintiff attorney.

This was believed to be the first time that the Bonn government asked a U.S. court to toss out one of a number of suits brought against German banks and industrial companies by Holocaust survivors and their heirs.

A German consulate official referred calls for comment to Bonn. The private attorneys who argued that the case against German specialty chemicals maker Degussa Huels AG should be dismissed were immediately available to comment.

The Holocaust victims say they are owed restitution because the Germany firms helped the Nazis plunder their assets and made money from their toil as slave and forced laborers.

At a mid-week summit in Washington, German and U.S. negotiators, along with class-action lawyers and company officials, will try to craft a billion-dollar Holocaust compensation fund. At least 16 German firms have agreed to pay into the fund, as long as they are guaranteed that they will not face further claims.

The name plaintiff in the class-action suit is Alice Fischer, a concentration camp survivor, who lost a mother and brother in the Auschwitz death camp. Her father and another brother died in a march after being forced to work as slave laborers, according to Ed Fagan, one of the U.S. attorneys who brought the lawsuit.

The immediate members of the Fischer family suffered other injustices before four of them perished, and this is why the one surviving member was selected as the name plaintiff.
“She (Alice Fischer) and her parents had gold possessions when they went into the concentration camps, and they were taken from them,” Fagan said.

Degussa last August was accused of profiting from precious metals taken from Holocaust victims, including teeth pulled from people imprisoned in concentration camps.

The United States, which is trying the case, focused on two main issues: whether Holocaust victims were entitled to bring such cases despite treaties between the United States and Germany, and whether it was too late to bring such actions, according to the two countries’ laws.

“They (the German attorneys) argued the statutes of limitation precluded us from filing these claims, arguing there were all these treaties that supposedly had given away these claims,” Fagan said.

“You can’t say that a treaty negotiated from government to government is a treaty that could ever have disposed of these peoples’ claims,” he said.

Related News Categories: politics, US Market News
Prominent Russian Jew stabbed in Moscow

MOSCOW (July 13, 1999 11:02 a.m. EDT) - A young man identified as a neo-Nazi stabbed a Jewish leader several times Tuesday in one of Moscow’s main synagogues, a synagogue spokeswoman said.

Leopold Kaimovsky, the 52-year-old director of the Jewish Cultural Center at Moscow’s Choral Synagogue, was in serious condition in a Moscow hospital, said Tamara Griboyedova, the synagogue spokeswoman.

The alleged attacker, a man estimated to be 18-20 years old, entered Kaimovsky’s office at the synagogue and stabbed him several times in the stomach and arm, Griboyedova said. The attacker was detained by guards at the synagogue and was later arrested.

Russia’s chief rabbi, Adolf Shayevich, told The Associated Press he saw a reverse swastika tattooed on the youth’s chest.

According to Shayevich, the young man told him, "We will strangle you anyway. We are 50,000 people strong."

Russia has seen a wave of attacks against Jewish targets recently, including bomb blasts in May near the Choral Synagogue and another Moscow synagogue. Neo-Nazi groups have denounced Jews at recent public rallies. Communist lawmaker Albert Makashov and other parliamentary deputies have also made virulent anti-Semitic remarks.

"This attack is the result of the general situation when such people as Makashov and (Alexander) Barkashov (the leader of a prominent neo-Nazi group) are not punished. They should sit next to this young man on the bench in the court," Shayevich said.

"Prosecutors do not see all the anti-Semitic slogans as a crime and these anti-Semitic slogans are everywhere."

Jews in Russia faced systematic discrimination during Soviet and czarist times. The Russian constitution and President Boris Yeltsin’s government insist all groups must be treated equally, though many Russians openly express prejudice against Jews.
Israel opens up applications for Swiss fund

By SAMAR ASSAD
Associated Press

JERUSALEM - Needy Holocaust survivors living in Israel may apply this week for aid from a $59 million humanitarian fund set up by Swiss banks and corporations, fund organizers said Sunday.

The fund was established to assist destitute survivors of the Holocaust. It is separate from a $1.25 billion fund set up in August by Switzerland's two largest banks and intended for holders of dormant wartime accounts and their heirs.

Holocaust survivors are suing other European insurance companies and banks for unclaimed wartime accounts and life insurance policies.

Survivors with monthly incomes equivalent to $875 or less will be able to pick up applications from 700 post offices nationwide starting Monday, said Avraham Burg, co-chairman of the World Jewish Restitution Organization.

About 60,000 Israelis who lived under Nazi occupation are believed to be eligible.

Burg blamed delays in paying out the money on a power struggle among governmental branches that wanted to control distribution.

'We expected that here there would be much greater awareness and sensitivity to the situation here,' Burg said at a news conference, noting that 100,000 needy Holocaust survivors in the United States and eastern Europe have already received payments from the $180 million in total set aside by the Swiss.

The $59 million set aside for Israeli survivors arrived months ago, but disbursal was delayed while government agencies and survivor groups agreed on a distribution system.

Survivors may submit applications until October. The money then will be divided evenly among those found eligible.