HOLOCAUST  IG FARBEN FUND BACKED BY SHAREHOLDERS BUT SPURNED BY CAMPAIGNERS

Gas maker agrees compensation

By Jeremy Grant in Frankfurt

The painful legacy of the Holocaust resurfaced in Germany yesterday as the company that made the gas used in Nazi concentration camps agreed to set up a fund to compensate victims of the atrocities.

IG Farben, which ran its own labour camp at Auschwitz, said shareholders had voted overwhelmingly to establish the DM3m (€1.5m, $1.6m) fund and urged an end to the soul-searching that has dogged the issue since the end of the second world war.

But campaigners for concentration camp survivors rejected the move at a tense shareholders’ meeting. Shareholder activists tried to read out a list of Auschwitz’s victims but were escorted away by from the podium by security guards equipped with truncheons.

Hans Frankenthal, a 72-year-old Auschwitz survivor, said the compensation was “an insult”, shouting to shareholders that they had “blood on their hands” before being led away.

IG Farben has long been a focus for war victims claiming compensation. But the survivors’ efforts have only recently borne fruit as part of a groundswell of international opinion against a range of companies that allegedly benefited from the Nazi war machine.

During the Third Reich, IG Farben was Germany’s most important industrial asset, as well as being the world’s largest chemical company. A subsidiary of the company supplied Hitler’s gas chambers with Zyklon-B gas.

At the end of the war, IG Farben was split up by the Allied powers, leaving a bizarre shell that has since been in legal limbo involving liquidation proceedings. Endless litigation about its property holdings has delayed the process.

Today, the company has assets of less than DM30m and about 14,000 shareholders, mostly banks and pensioners.

Campaigners yesterday repeated calls for the company to be dissolved and the proceeds to be ploughed into a fund to be distributed to Auschwitz survivors. They also want an investigation into funds allegedly squirreled away in Switzerland, which some claim amount to DM5bn.

“It [IG Farben] should have been dissolved in the 50s when the Americans were here. It’s a scandal that it’s still living on,” said Henry Mathews, chairman of a shareholder action group.

However, IG Farben officials said there was “no legal basis” for such a move.

Many shareholders at the meeting were unmoved by the campaigners’ calls to dissolve the company. One 61-year-old retired fireman said:

“My father was in the Waffen-SS, he was captured by the Russians and our house in the east [of Germany] was confiscated. We’ve tried to get it back by hiring all kinds of lawyers. But it’s useless. Do they think they have a better chance?”
Nazi slave-labor firm’s plan for victims’ fund is derided

By Uwe Gepp
ASSOCIATED PRESS

FRANKFURT, Germany - Shareholders of IG Farben, a World War II-era chemical company that worked thousands of people to death in Nazi camps, voted yesterday to set up a fund to compensate former slave laborers.

But Holocaust survivor groups and young leftists protested inside and outside of the meeting hall, demanding that IG Farben pay more than the $1.6 million it has offered for the fund. At one point, security guards hustled out several young protesters who had challenged company officials when the officials threatened to bar a former slave laborer from speaking.

At the shareholders’ meeting, trustees of the former conglomerate acknowledged IG Farben’s "historic responsibility" for using slave labor at concentration camps. They said that the fund - formally a foundation - would be set up later this year.

The first payments would go to former slave laborers older than 80 who toiled for IG Farben at the Auschwitz death camp, said trustee Otto Bernhardt, a federal lawmaker. Several hundred survivors likely would be eligible, he said.

The Nationwide Alliance Against IG Farben, a German pressure group, has called the company’s fund offer "ridiculously low."

Former slave laborers, who see the continued existence of IG Farben as an insult, want the company liquidated and its $14.9 million in assets distributed to victims.

Formed in 1925, the company was the world’s largest chemical concern during the war. One of its subsidiaries manufactured Zyklon-B, the gas used to kill Jews and other Nazi concentration-camp inmates.
Holocaust survivors reject firm’s offer

BERLIN - IG Farben, Nazi Germany's most notorious industrial giant, confronted its past Wednesday when its shareholders agreed to set up a $1.6 million fund to compensate former slave laborers at Auschwitz.

Holocaust survivors rejected the deal and demanded that the chemicals firm, which made the gas that killed millions of Jews in Hitler's death camps, be dissolved and its remaining capital divided among former slave laborers.

More than 100 people protested outside the shareholders meeting in Frankfurt, some carrying banners saying "No forgiving, no forgetting for mass murder and slave labor" and "These shares are covered in blood".

Security staff prevented an 83-year-old Auschwitz survivor, Hans Frankenthal, from completing an address to the shareholders and some demonstrators were bundled out of the meeting.

Frankenthal expressed the death camp survivors’ sense of outrage at the fact that IG Farben shares were still being traded on the stock exchange, despite the company's notorious history.

"We continue to call for the immediate dissolution of the firm, which symbolizes the collaboration between industry and state in Nazi Germany," he said.

"The entire assets must be transferred to a foundation controlled by former concentration camp inmates."

Once the biggest chemicals firm in the world, IG Farben was the product of a merger between BASF, Agfa and Hoechst in 1925. During the second world war it took over chemical plants in German-occupied territories and in 1941 it established a labor camp in Auschwitz.

By 1944 more than 83,000 forced laborers and death-camp inmates were put to work there: more than 120,000 were worked to death.

One of the company's subsidiaries, Degesch, manufactured Zyklon B, the poisonous gas used in the death camps.

IG Farben paid the SS a daily rate for the prisoners who worked in the chemical plant at Auschwitz, but the slave laborers received no more than a bowl of thin soup each day.
"Australia must re-open its investigation unit and look at these scientists," Jones told Reuters. Historians say six million Jews died in Nazi death camps during the Holocaust.

The Herald said the scientists were brought to Australia as part of a plan by the United States and Britain to prevent Russia from recruiting German scientists.

The newspaper said previously classified Australian documents showed at least 127 scientists were recruited at a time when Germans were barred from entering the country. It said 31 were Nazi Party members and 12 belonged to other Nazi groups.

It said it was not suggesting those on the list were "ardent Nazis" and said some may have been forced to join the Nazi Party.

Jewish leaders have also been critical of Australia’s failure to successfully prosecute for war crimes, saying the necessity under Australian law to produce direct evidence of actual participation in murder set the legal bar too high.

"Trials in Britain have resulted in a conviction...but here we can't seem to get a conviction because we need to raise the evidence," Jones said.

Earlier Stories

- Australia Recruited Nazi Scientists - Newspaper (August 16)
Nazi-era firm’s shareholders agree foundation

(adds approval of IG Farben’s proposal, background)

FRANKFURT, Aug 18 (Reuters) - Shareholders of IG Farben, the Nazi-era conglomerate that made the deadly gas used in the Holocaust, agreed on Wednesday to establish a fund compensating slave labourers during World War Two.

The shareholders, who had been greeted by about 150 protestors when they met to vote, agreed on IG Farben’s proposal that the foundation start with an endowment of 3.0 million German marks ($1.62 million).

From this investment, about 200,000 to 300,000 marks in interest would be awarded to wartime victims annually.

IG Farben liquidators Volker Pollehn and Otto Bernhardt said that no more than three million marks were currently available, a claim which was loudly protested during the meeting.

The protestors had demanded that IG donate all of its assets, estimated at around 30 million marks, to the foundation.

But the liquidators said the firm needed funds to take care of outstanding obligations.

Currently about 450 legal complaints by former slave labourers still need to be settled, most of them from eastern Europe.

IG Farben, which formerly comprised Hoechst AG (quote from Yahoo! UK & Ireland: HOEG.F), Bayer AG (quote from Yahoo! UK & Ireland: BAYG.F) and BASF AG (quote from Yahoo! UK & Ireland: BASF.F), was broken up by the Allies after the war and has existed as a holding company since.

The company has been in liquidation since the 1950s, but persistent legal battles have delayed its dissolution.
Up to 400,000 slave labourers are thought to have worked for the company during the war, of which several thousand are still alive.

($1 equals 1.853 German Mark)

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Australia Rejects Jewish Charge Of War Crime Haven

By Michael Perry

SYDNEY (Reuters) - Australia rejected Tuesday charges from the world's leading Nazi-hunting body that it was "a haven for Holocaust perpetrators" after a newspaper reported Nazi scientists were brought to Australia after World War Two.

"The special investigation unit thoroughly investigated war crimes allegations against individuals living in Australia," Australian Justice Minister Amanda Vanstone told Reuters.

"Three prosecutions were launched. If anyone has allegations against an individual, I would urge them to contact the appropriate investigative agency, the Australian Federal Police."

Australia disbanded its war crimes investigation unit in 1993 after three failed prosecutions.

The Sydney Morning Herald reported Monday that Nazi scientists, including members of Adolf Hitler's elite SS, were secretly brought to Australia to work on defense projects.

The Nazi-hunting Simon Wiesenthal Center in Jerusalem Monday called Australia a haven for Holocaust perpetrators and called for an investigation into the entry of Nazi war criminals.

"These new revelations underscore the need for the Australian government to change its policy, renew the investigations and take the necessary action so that their country will cease to be a haven for Holocaust perpetrators, among them mass murderers," said Efraim Zuroff, the center's Israel director.

The Executive Council of Australian Jewry criticised Australia for not revealing the reported recruitment scheme in a 1986 government investigation into suspected Nazi war criminals.

"When these people came to Australia the graves (of Jews in Europe) were still warm. It was a very short time after the death camps ceased," said Jeremy Jones, national vice president of the Executive Council of Australian Jewry.
Jewish lawyers enter Nazi-looted art fray
By MARILYN HENRY

NEW YORK (August 18) - In a high-profile case that pits claimants to Nazi-looted art against New York museums, including the Jewish Museum, an association of Jewish lawyers has become the first Jewish organization to enter the legal fray on behalf of the Nazi victims' heirs.

"The public has an overriding interest in investigating possible crimes, securing justice for Holocaust victims, and preventing New York from serving as a haven for Nazi-plundered art," said the American Section of the International Association of Jewish Lawyers and Jurists, as it filed a brief in state court on Monday.

Manhattan District Attorney Robert Morgenthau seized two Austrian impressionist paintings by Egon Schiele in January 1998, after allegations that the art, on loan to the Museum of Modern Art, had been stolen from Jews by Nazi agents or collaborators.

MOMA and other museums have argued in court that the paintings should have been returned to Austria under the terms of the exhibition contract. They also argued that the seizure would have a chilling effect on American cultural life because lenders would fear allowing American museums to borrow their art.

Morgenthau's office, in turn, accused the museums of using "scare tactics" and "frightening but hollow generalities about anticipated cultural disasters that simply are not materializing."

The basic issue is whether the art can be detained while there is an investigation about whether it is stolen property. The court is not determining ownership of these works, which are named "Dead City" and "Portrait of Wally." They were lent to MOMA by the Austrian-financed Leopold Foundation.

Although Jewish organizations have demanded that European nations, banks, and enterprises restore Jewish property and have insisted that, for example, France make a serious effort to return
Nazi-looted art, none of these organizations have stepped forward in the Schiele case.

The silence of Jewish organizations appears to stem from conflicts of interest in the art cases. Their major donors are among the New York elites who support the local civic cultural institutions. MOMA, which declined to detain the Schieles, is chaired by Ronald Lauder, chairman of the Conference of Presidents of Major American Jewish Organizations and an official of the World Jewish Congress. Lauder, the former US ambassador to Austria, also is a Schiele collector.

"We filed this brief to highlight the policy issues in this case, chief among them that the laws of the State of New York, and the state's fine cultural institutions, should not become vehicles for perpetuating the crimes of the Holocaust," said Matthew Kaliff, director of the lawyers' association.

These considerations "far outweigh the museum community's interest in the easy exchange of art," said the association's brief.

After Morgenthau seized the Schieles, Austria undertook a review of the art under federal control. Earlier this year, it returned to the Rothschild family an art and antiques collection that went on to fetch $89.5 million in a record-breaking auction last month in London.

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Germany might ask to delay Holocaust talks-lawyer

(Add German spokeswoman from Berlin, JWC spokesman)

By Joan Gralla

NEW YORK, Aug 18 (Reuters) - Germany, which is sending its top Holocaust negotiator to Washington to consult on Thursday with his U.S. counterpart, might ask for a delay in the next round of negotiations scheduled for late August in Bonn, a lawyer representing Holocaust victims said on Wednesday.

"They’ve told it to a couple of delegations, that the meetings may not go (forward)," Ed Fagan, a New York-based attorney, told Reuters by telephone.

Fagan was referring to some of the delegations from five European countries -- Russia, Belarus, the Czech Republic, Poland, and the Ukraine -- who represent Holocaust victims from their nations at the negotiations.

A German government spokeswoman in Berlin said she was unaware of any plans to postpone the talks and said invitations for next week had gone out to participants on Tuesday.

Fagan is one of a number of private U.S. attorneys who are suing German banks and industrial companies on behalf of people who were forced to work as slave laborers by the Nazis and other Holocaust victims, including those whose assets -- from art works to homes to businesses -- were looted.

U.S. officials had no immediate comment on whether Treasury Deputy Secretary Stuart Eizenstat, who is co-hosting the talks with the lead German negotiator, Otto Lambsdorff, expected the late August talks in Bonn to be delayed.

A spokesman for the German embassy in Washington said that in late July, when Lambsdorff was in Washington for an earlier round of talks, he had spoken of meeting Eizenstat in mid-August.

"They know each other from former times but they wanted to reacquaint themselves with each
other,” the spokesman said.

Asked about speculation that the Bonn meeting next week might be postponed, he said: “I can’t confirm that.”

Mel Weiss, one of the class-action attorneys whose billion-dollar suits led German enterprises in February to propose the new compensation fund that will be the focus of the negotiations, said he expected the talks to go forward.

“I spoke with the U.S. State Department yesterday and the meetings are scheduled starting Tuesday afternoon (August 24),” Weiss said.

Elan Steinberg, executive director of the World Jewish Congress, said he did not know of any delay in the late August negotiations. “We will be meeting with Lambsdorff (on Thursday) in preparation for the upcoming negotiations (in late August),” he said. “While we know this is not going to be easy, we intend to persevere with the process.”

In return for paying compensation to Holocaust victims, Germany companies want a guarantee that they will not face any new claims.

There has been speculation that Germany might want to delay for a few weeks any talks about the planned fund, as it waits for what could prove an important ruling in a case brought by Holocaust victims, including ex-slave laborers, against Ford Motor Co (NYSE:F - news) in U.S. Federal District Court in Newark, N.J.

The case concerns Ford’s operations in Germany during World War II.

Weiss, who represents the plaintiffs in the case, said that Judge Joseph Greenway told the lawyers after an early August round of oral arguments on Ford Motor’s motion to dismiss that they could expect his ruling by the end of the summer.

Were the judge to rule in favor of Ford Motor, which brought in former U.S. Secretary of State Warren Christopher to argue its case, the setback for the plaintiffs might put Germany and its companies in a stronger position when they resume complicated fund negotiations in Bonn.

This round of negotiations, scheduled to begin on August 24 and to be co-hosted by Lambsdorff and Eizenstat, also will include U.S. class-action lawyers and their opposing counsel, Jewish restitution groups, and delegates from the five European nations that supplied most of the 12 million slave and forced laborers used by the Nazis.
Ford named among companies that used Auschwitz labor

WARSAW, Poland (August 19, 1999 9:43 a.m. EDT) - Ford Motor Co. is listed along with nearly 500 other companies that had links to the Auschwitz death camp, which supplied Nazi Germany with slave laborers during World War II, officials said Thursday.

The list, based on newly released Nazi documents from Russia, doesn't give information on the exact link each company had to the notorious death camp, where some 1.1 million people died.

The list includes both companies that used slave labor and those that inquired about using workers from Auschwitz, said Auschwitz museum historians compiling the list.

Apart from Ford's German subsidiary, German industrial giants such as Krupp, Siemens, IG Farben and M.A.N. also are named.

Ford has acknowledged slave labor was used at its Cologne, Germany plant during the war, but says it had lost control of its German operations during World War II.

"There's no question that the Nazis assigned forced labor to the Cologne plant," said Ford spokesman Jim Vella. "It was out of our control. ... (But) we don't have anything in our research that pertains to workers from Auschwitz."

Barbara Jarosz, the head of Auschwitz museum archives, said she had no details about Ford's link to Auschwitz. Jarosz said archivists are still reviewing the documents to establish names of slave laborers, which will provide evidence for compensation claims.

Auschwitz museum historians are compiling the list based on newly released Nazi documents received from Russia, where part of the camp archive has been kept since 1945.

The newly available documents include construction plans, orders for raw materials or services, invoices and reports from work on the death camp that the Nazis started building in 1940. They also include lists of workers, including camp inmates, used by some companies, Jarosz said.
Victims' organizations say detailed files of more than 100,000 workers would be most helpful in their claims. But those papers remain in Moscow, where they were taken along with all the other camp documents shortly after Red Army freed Auschwitz in 1945.

In December, General Motors Corp. said it hired a Yale University professor to look into the company's activities in Nazi Germany.

GM has said that GM's Adam Opel plants in Germany were taken over by the Nazis during the war and denied that it aided the Nazis.

http://www.nando.net/noframes/story/0,2107,83662-132227-923299-0,00.html  8/19/99
Holocaust Museum Suffers From Flawed Gentiles
So Concludes Outside Panel of Management Mavens

By IRA STOLL
FORWARD STAFF

NEW YORK — American presidents have appointed too many Jews to the governing board of the United States Holocaust Memorial Museum, a congressionally mandated independent report on the museum concludes.

The report also cites a series of concerns about the museum's management, including "inadequate discipline" and "a lack of professionalism" by the museum's governing council. "The problems have included a failure to pay the museum's bills on time, so that the Museum has incurred substantial penalties and some vendors have refused to continue doing business with the Museum," the report said.

Museum officials welcomed the report, saying it would offer a boost to efforts already under way to improve the governance of the institution. Based on the Mall in Washington, D.C., the museum has been a popular tourist attraction since it opened in 1993. But the museum has also had its share of embarrassments, one of which — the resignation of the museum's director following an invitation to Yasir Arafat to visit the museum — prompted Congress to request the independent report. The museum is funded by a combination of taxpayer dollars and private contributions. By virtue of its location and federal status, it is the highest-profile institution in America devoted to the memory of the Holocaust: "The Council's size and composition do encompass substantial diversity. However, there is inadequate representation of non-Jews in general and of African-Americans and Latinos in particular," the report states in the "conclusions" section of its chapter on governance.

The chairman of the panel of the National Academy of Public Administration that studied the museum and wrote the report, Sheldon Cohen, said that while slots on the museum's governing council have become "coveted" by Jews, the museum is a national institution and should have a board that reflects that fact. Asked how many non-Jews would constitute an adequate representation on the museum board, he said, "some number more than you've got."

Mr. Cohen is a Washington lawyer who is a former commissioner of the Internal Revenue Service and a past president of the American Jewish Historical Society.

The suggestion that the museum's governing board needs more gentiles — and therefore has too many Jews — immediately came under attack from one of the members of the museum's governing council, Abraham Foxman, Mr. Foxman, who is also the national director of the Anti-Defamation League, said he found the conclusion "inappropriate." He asked what the panel would consider an adequate representation of non-Jews on the council: "One more? Two more? Four more?" Mr. Foxman said the appointment process has been skewed by politics.

Report: Museum Lacks Gentiles
Continued from Page 1

The Constitution states in Article Six, no religious test shall ever be required as a qualification to any office or public trust under the United States.

The museum's director, Sara Bloomfield, rejected the report's conclusion that council members should be selected because of their race or non-Jewish religion. She said the members should be selected based on their skills and commitment. "You don't want diversity for diversity's sake," she said.

The chairman of the museum's governing council, Miles Lerman, said, however, "We are very sensitive to diversity." He said that appointing the council members is up to the president of America.

A museum spokeswoman estimated that eight of the council's 55 presidentially appointed members are non-Jews, said that two are African Americans. She said she knew of no Latino council members.

In response to the report's other criticisms — including the observation that "it was common for the study team to hear the terms personality-driven, uncontrolled, defensive, reactive, backstabbing, moral-and-pop, and mistrustful used to describe the work environment at the Museum" — museum officials said steps are under way to reform the institution.

Ms. Bloomfield called the problems detailed in the report "very typical growing pains of a very young, very dynamic institution that a lot of people feel very passionate about."

Mr. Lerman said, "By and large, it's a good report." However, he took issue in its description of his role at the museum. "There seems to be in the report an illusion that I am interfering or mixing in to the tasks of the director. This is not the case."

Ms. Bloomfield said, "Miles has been just wonderful to me in respecting my authority."

Another member of the museum's governing council, Michael Goldman, said that he basically agreed with the report's recommendations and that the council is already in the process of implementing "95% of the things that are in the report."

The museum director resigned following the bungled Arafat invitation, Walter Reich, said, "I feel vindicated and hope that the museum will soon again be viewed for political or diplomatic purposes."

The report said that the president's appointment of two State Department officials as full council members "may be inappropriate because conflicts of interest may result." It also said the council and museum should establish a process for determining what international activities to pursue — a referral to concerns raised by some about the museum's involvement in a coalition of Jewish groups negotiating with Polish authorities about the future of the Auschwitz site.

An aide to Rep. Ralph Regula, whose subcommittee asked the museum to undertake the report, said the congressman had received the report and will take it seriously.

The report said, "The governance, management and administrative challenges identified in this study are not indicative of an institution in trouble or unworthy of support. Indeed, the Museum plays an extremely important role in today's world."

Please turn to Page 28
Jewish Groups Back D.A. on Art

FORWARD STAFF

NEW YORK — Two Jewish organizations are siding with the Manhattan district attorney as he prepares to face lawyers representing the Museum of Modern Art in oral arguments that will determine the fate of two paintings by Austrian Expressionist Egon Schiele.

The Manhattan district attorney, Robert Morgenthau, subpoenaed in January of 1998 "Portrait of Wally" and "Dead City III," pending a criminal investigation into the provenance of the works, which are being claimed by heirs of Holocaust victims. The International Association of Jewish Lawyers and Jurists filed on Monday with the New York Court of Appeals a friend-of-the-court brief in support of Mr. Morgenthau's position, which is being challenged by the Modern at the New York Court of Appeals. The Anti-Defamation League issued a statement supporting Mr. Morgenthau's position.

The case of the Schiele paintings, which were on loan to the Modern from the Leopold Foundation in Vienna, brought the issue of Nazi-looted art and the importance of investigating provenance to the attention of museums nationwide. Mr. Morgenthau's subpoena launched a firestorm of protest from the museums, which claim that galleries and museums outside of America will no longer lend them works of art. Thus far, there has been no evidence that lending practices have been affected by the court case. If Mr. Morgenthau's subpoena is upheld by the Court of Appeals, it will be a signal to the museums that they can no longer use claims of immunity to shield traffic in looted art.

"We thought it important to make a statement about the justice and policy issues that the case raises. On one hand, it's a narrow legal question about statutory interpretation, but it has very major impact on the ability of justice to be done on Holocaust art questions," the executive director of the American Section of the International Association of Jewish Lawyers and Jurists, Matthew Kaliff, said.

The brief filed by the International Association of Jewish Lawyers and Jurists follows on the heels of a friend-of-the-court brief filed by a group of museums in support of the Modern's attempt to quash Mr. Morgenthau's subpoena. The Jewish Museum of New York signed that brief. Voicing support for the district attorney's position, the International Association of Jewish Lawyers and Jurists writes in its brief, "Reverence for the arts should not obscure realities. The transcendent moral, educational and public-safety interests in preventing possession, traffic and transport of Nazi-plundered goods within New York, also represent the State's adherence to the loftiest concepts of societal justice. A vigorous pursuit of legal truths through examination of evidence by the District Attorney and the Grand Jury are official governmental acts expressing the deepest, principled societal interests in this case, as would vigorous prosecution upon the determination by the Grand Jury."

The Anti-Defamation League voiced support for the district attorney's subpoena with the release of a brief statement. Asked why the Anti-Defamation League opted out of filing a brief on the issue, the national director of the Anti-Defamation League, Abraham Foxman, said that the group rarely files briefs in the cases on which they take a position. His statement to the press said, "The enormity of the crime against the Jewish people makes property disputes — even those regarding great works of art — seem laughably insignificant. However, one's sense of justice demands that the ownership of art allegedly plundered by the Nazis be resolved. A Court of Appeals decision ordering that the art stay in New York will bring us one step closer toward resolution of these disputes." The lawyers for the Modern are calling for the works to be returned to Austria while the claims are investigated.
A new report from the National Academy of Public Administration is recommending that the chairman of the United States Holocaust Memorial Council, Miles Lerman, butt out of the museum's daily operations. The report comes just days after Mr. Lerman took the wise step of acknowledging that the museum had been mistaken in issuing a press release praising a tome called "Crimes of War: What the Public Should Know" and hosting a book-signing event at the museum for the book's editors. The press release had piqued our curiosity because a review by Ellen Hume in the Nieman Reports had listed as one of the book's drawbacks a piece by post-Zionist ideologue Benny Morris that Ms. Hume called a "lengthy polemic against Israeli atrocities." Our reporter discovered a number of other suggestions in the book that Israel had committed war crimes. And when he inquired of a number of leaders in the community, he found they were appalled at the prospect of the museum endorsing such a book, even if it wasn't entirely about Israel but is in fact an anthology. It has many distinguished authors, but if they discovered that both Israel and the Palestinian Arabs were obeying all the laws of war, they wouldn't know which side they were on. The human-rights issues involved here are subtle and can easily be turned against Israel and America, as the museum's staff seemed not to realize but Mr. Lerman eventually did. The gist of the National Academy's report seems to favor the idea of removing the likes of Mr. Lerman from running the museum. The report instead suggests more reliance on the professional staff. There's no problem with professional management, but it would be a disaster if it came at the expense of the museum's Jewish character, as the report seems to suggest. Given the events of the past few weeks, we hope that if Mr. Lerman does back off, he doesn't go too far. In this most recent case, at least, he knew which side he was on.
Critics of how the U.S. Holocaust Museum in Washington is being run have gotten a fair amount of vindication, thanks to a new report by an independent group of administrative experts.

The report, compiled by the National Academy of Public Administrators at the request of Congress, charges that the taxpayer-funded museum's chairman and board have run roughshod over the facility's director, refusing to allow him to function as a strong executive.

That's exactly what many critics of this important museum have been saying since last year, when its then-director, Walter Reich, refused a State Department request to host a VIP tour by Yasser Arafat - and was overruled by Chairman Miles Lerman and the board of trustees.

Reich was told of the invitation only after it was issued. He then rightly opposed the indecent proposal to provide a photo op for the man responsible for killing more Jews than anyone since Hitler. (In the end, Arafat declined the tour.)

Reich, who was summarily fired shortly after the incident, has complained about "the potential for political and diplomatic misuse of the museum." The new report supports that worry: It labels "inappropriate" the presence of two State Department officials on the museum's board, "because conflicts of interest may occur."
The micro-management of the museum by its chairman and board has led to other unfortunate decisions, including the attempted appointment to a high-level post of John Roth, who had written articles comparing Israel's treatment of the Palestinians to Nazi Germany's treatment of the Jews. (He withdrew following an understandable outpouring of protest.)

Most recently, the museum has come under fire for hosting a forum and book-signing ceremony for "Crimes of War," a left-wing diatribe that charges Israel with "atrocities" and war crimes, including "ethnic cleansing."

Lerman is said to have seen the report and is prepared to put its management recommendations into effect. That's a good, if long overdue, sign.

Unfortunately, the administrators' group exceeded its area of expertise, making policy as well as managerial recommendations. The report is on far-less-solid ground in complaining of "inadequate representation of non-Jews" on the board and in suggesting that the board should address the issue of the Holocaust's relevance to contemporary war crimes.

That kind of misguided moral equivalence is precisely what leads to obscene pronouncements like the accusations of Israel's "ethnic cleansing."

As one of the report's authors says, the U.S. Holocaust Museum may be "the best history museum in the world." It will remain that way only if it focuses on preserving the memory of the Nazis' drive to obliterate the Jewish people from the face of the earth, without being sidetracked by misguided political issues designed to demonstrate the Holocaust's "universality."
Holocaust Museum’s Management Woes
By: Lawrence Cohler-Esses,

Millions flock each year to The United States Holocaust Memorial Museum in Washington, making its exhibitions on systematic, state-sponsored mass murder the surprise success of the national Mall.

But according to Sheldon S. Cohen, the chair of a committee that has just finished a major study of the museum’s governance, this popular acclaim masks serious problems behind the scenes.

“The administrative side of the museum has been woefully managed,” he said. “Their personnel and payroll practices, their finances, their frequent failure to pay their bills on time — that does not show to the public; but it won’t take too long before it does. It already is.”

Cohen, a former IRS commissioner, headed a panel sponsored by the National Academy of Public Administration. At the request of the House Subcommittee on Interior and Related Agencies, which oversees the $35 million a year in federal funds for the museum, Cohen’s group conducted a comprehensive study of the museum.

In many ways, Cohen stressed, the museum, which opened in 1993, is merely now a victim of its own success, which brings with it new requirements for accountability.

“This is a new organization that got started by using a lot of improvisation and imagination,” he explained. “But as it got more mature, it kept using those techniques, which are high risk. And it’s different when you get more mature.”

Miles Lerman, chairman of the U.S. Holocaust Council, which governs the museum, said he agreed with many, though not all, of the panel’s recommendations — not excluding the finding that Lerman himself and his executive committee have been too involved in day-to-day management.

“By and large, it’s an accurate and good report,” he said. “We do recognize we are
now at a point where we must implement a process of governance, with clear boundaries for the staff and the lay leaders."

Many of the panel's recommendations are already being launched under the leadership of Sara Bloomfield, the museum's new executive director, Lerman said. The panel, which conducted its study just as Bloomfield came in last year, agreed that she has begun instituting some of their suggestions.

But Lerman staunchly rejected the Cohen panel's finding that as chair he himself tended "to make important decisions and enter into agreements without adequate consultation or sharing of information."

"I've always informed my executive committee," he said. "My record speaks for itself."

Lerman rejected the suggestion that the report would harm its congressional funding. But insiders said the museum's hope to obtain permanent funding commitments, rather than periodic authorizations, now looked bleak.
South Carolina seeks Holocaust survivors' families for restitution

From Time to Time: Nando's in-depth look at the 20th century

COLUMBIA, S.C. (August 21, 1999 12:33 p.m. EDT http://www.nandotimes.com) - South Carolina's Insurance Department is looking for families of Holocaust victims that could be eligible for restitution from policies taken out before World War II.

The 60 known Holocaust survivors in South Carolina and synagogues across the state will get letters in the coming weeks informing them of a list of 27,000 victims who had insurance policies.

The Insurance Department has been working since early last year on the project.

"This is our contribution toward helping a group of individuals who have experienced more suffering than any of us will experience in a lifetime," said agency Director Emst Csiszar.

Hugo Schiller, a Myrtle Beach resident and Holocaust survivor whose family was killed, does not know if his relatives had policies, but wants to check the list.

"Wherever the money comes from, it's still 50 years or so too late," he said. "And it won't make me feel any kinder to my perpetrators."

Schiller was 9 years old when he and his family were moved out of Germany to a holding camp in France in 1940. He was smuggled out with about four dozen other children. Those who didn't escape were sent to Auschwitz.

For decades, European insurers have refused to honor policies of Jews and others killed by the Nazis in World War II, claiming they couldn't pay without the proper paperwork.

Many Jews purchased life and property insurance to protect their assets before the war started. An estimated 11 million people were killed, including 6 million Jews, in the Nazis' bid to wipe out people they considered inferior.

Death certificates were rarely issued for people killed in concentration camps, and survivors were told that without proof of death, insurance policies could not be honored. Policies also were lost in the chaos of the war where many Jews were displaced.

"We've had some 22 individuals in the state who have filed claims, but most of them didn't
expect to get any money because they didn't have any paperwork," said James Byrd, who works in the Insurance Department's customer services division.

Officials do not know how long the process might take or how much payments could be.

The insurance companies would pay about 10 times the face value of policies to victims' families under a plan now being considered.
NEW YORK, Aug 20 (Reuters) - About 2.3 million people who survived enslavement by the Nazis are still alive, according to a soon-to-be released study, or more than one-fifth of the 12 million compelled to work as slaves or forced laborers.

The report by Nathan Associates, an Arlington, Virginia.-based economic consulting firm, found that more than half of Hitler’s forced laborers were women, and most were young adults, born from 1918 to 1925.

The information was provided to Reuters by Michael Hausfeld, one of the private attorneys suing German companies on behalf of Holocaust victims. Along with five other law firms, his Washington, D.C.-based law firm commissioned the report.

The Nathan study was expected to be presented and used at reparations negotiations in Bonn that resume on August 24 -- along with estimates of how much the workers are owed.

The figure will be one of the first dollar estimates of how much compensation these Holocaust survivors are owed, based on how much each year they worked was worth, and on how many years they worked. The dollar estimate was not released ahead of the Bonn talks.

The estimate of just how many ex-slave and forced laborers still are alive could prove controversial.

"The sense of this part of the report is to inform all the parties of the magnitude of the number of people who still are alive who are former forced laborers," John Beyer, who wrote the report, told Reuters in an interview.

At the talks, co-hosted by the United States and Germany, negotiators will try to resolve plans for a new compensation fund, which 16 German companies in February decided to set up to settle billion-dollar suits filed against them in U.S. courts by Holocaust victims.
The firms demand that in return for creating the fund, initially pegged at $1.7 billion, they will get a guarantee that no new Holocaust claims be filed against them.

One of the biggest controversies in the fund negotiations is over which forced laborers should be compensated.

Wolfgang Gibowski, the fund’s spokesman, has estimated that 100,000 to 200,000 slave laborers and about 600,000 ex-forced laborers would qualify for payment under the fund’s criteria.

The consulting firm’s estimate of the number of slave and forced laborers who are still alive 54 years after the end of World War II was based on the 1.76 million survivors known to be alive -- because they are listed with survivors groups, for example -- or estimated to be alive but not registered.

Jewish slave laborers, whom the Nazis tried to work to death as part of their genocidal program, are included in this broad estimate of forced laborers.

Unlike slaves, forced laborers, who mostly were Christian, were generally not held in concentration camp-like conditions.

The Nazis drew their army of slave and forced laborers from Norway to North Africa, but the report found that two-thirds came from countries located east of Nazi Germany -- mostly from Poland and the former Soviet Union. From countries located to Berlin’s west, about half came from occupied France.

The slave and forced laborers were of immense value to the Nazi war machine. “Without these millions of foreign workers, it is doubtful that Nazi Germany could have remained in the war as long as she did,” the report said.

Later, it added: “Nor has there been any plan to provide a remedy to the forced laborers for treatment inflicted on them during their servitude, including the unequal pay, unpaid hours, and unpaid social benefits for which they were taxed.”

Related News Categories: politics, US Market News
BERLIN (AP) -- The German government's negotiator on Nazi slave labor compensation said Monday he is "cautiously optimistic" ahead of talks on a settlement resuming this week.

Otto Lambsdorff, a former economics minister, told German radio that negotiators had made progress on ways to shield German companies from lawsuits once they agree to pay into a planned compensation fund.

But he said he was concerned that the amounts that lawyers for former slave workers might request could endanger a deal.

"The lawyers must name figures," Lambsdorff told Deutschlandradio. "I hope they remain in such a way in the framework that the whole agreement is not endangered."

Representatives of the former slave workers, the German and U.S. governments and Jewish groups meet Tuesday in Bonn for a new round of talks. They are trying to work out a compensation deal with 16 German companies for an estimated 1 million survivors of slave labor and forced labor camps.

Money figures will be discussed, Lambsdorff said. Attorneys have reportedly asked for a $20 billion fund, while German industry has spoken of drs 1.7 billion.

One of the attorneys, Edward Fagan, renewed pressure Monday for a
wider settlement including compensation for Jewish bank fortunes and insurance assets seized by the Nazis under their so-called Aryanization program.

"There will be no deal without bank and insurance issues," he told a news conference.

Fagan said many Holocaust victims were never compensated for such losses even though the German government maintains the issue was settled under postwar restitution laws.

He urged German banks to open their archives to an independent historian who would investigate the Aryanization cases.

Fagan refused to say what amount lawyers are demanding in the slave labor talks.

Negotiators had originally set a Sept. 1 deadline -- the 60th anniversary of the start of World War II -- but Lambsdorff has said it won't be met.

An agreement soon is critical so that the aging survivors of the camps actually get paid in their lifetimes, he said.

"We must come to an agreement quickly if we want to reach living people with the payments, not graves," Lambsdorff said.
GERMANY: HOLOCAUST CLAIMS The reinsurance conglomerate Munich Re announced it was ready to join the international panel working to resolve Holocaust-era claims. The company said it never issued policies to Holocaust victims, but added that it saw "a moral responsibility emanating from German history." Previously, the company had resisted pressure from Jewish restitution groups and American insurance authorities to join the panel.  

Victor Homola (NYT)
Auschwitz Museum Won't Return Paintings To Holocaust Survivor

WARSAW, Aug 20, 1999 -- (Agence France Presse) Paintings of gypsy Holocaust victims cannot be returned to the Jewish woman prisoner who painted them in the Auschwitz concentration camp but must stay in the camp museum, its management said Thursday.

"The seven watercolors have documentary value," the museum management said in a statement, stressing its duty to preserve as faithfully as possibly the history of the Holocaust.

Dinah Babbitt, a 20-year-old art student at the time, was deported in 1942 with her mother from Brno, now in the Czech Republic, and arrived at Auschwitz in September 1943.

The notorious camp doctor Josef Mengele, who carried out medical experiments especially on Roma, made her come to his office and paint pictures of young Roma condemned to die.

In 1973, while she was working as a cartoon animator in Hollywood, the Auschwitz memorial museum informed her of the existence of the seven pictures, but declined to return them to her.
In its statement Thursday, it said: "We were created in order to serve the world in general as a place of memorial and also as the sole center of studies of this kind in the world.

"We understand the emotional attitude of Mrs. Dinah Gottliebova-Babbitt towards her pictures," the statement said. "But what would happen if all camp survivors or their descendants came to reclaim objects?"

For the last month members of the United States Congress have been campaigning to force the Polish authorities to return the pictures to Babbitt, now 76 and a U.S. citizen.

On Sunday a Polish Roma association appealed to the Polish culture minister not to return the pictures to the artist, saying they were "one of the rare traces of the tragedy of gypsies annihilated in Auschwitz." (c) 1999 Agence France Presse
NEW YORK, Aug 19 - The German government might end up giving as much to compensate Holocaust survivors, including slave and forced laborers, as the 16 companies setting up a new billion-dollar fund, a spokesman for the companies’ fund said on Thursday.

"So far, one can expect the amount of money needed for both foundations to be more or less the same," Wolfgang Gibowski, the spokesman for the Foundation for "Remembrance, Responsibility and the Future," told Reuters in an interview.

The first companies who signed up for the fund promised to donate about $1.7 billion, but a few more firms later joined, and the fund’s current total has not been disclosed. Gibowski said the latest three firms to join were VEBA Deutz , and RAG, whose spokesman confirmed it was a member.

A German government spokesman told Reuters that after the summer recess a proposal to create a federal foundation would be put before parliament but that at this point no mention had been made of the possible size of such a fund.

One hurdle in the complicated fund talks, co-hosted by the U.S. and German governments, is deciding who should be paid. U.S. lawyers, who have sued German companies for $18 billion on behalf of Holocaust victims, want all forced laborers, not just those who were deported and held in camps, to be paid.

Gibowski said this was a major obstacle in the talks, as the German companies believe payments should be limited to people who were deported and forced to live in camps because they suffered more cruelly than forced laborers who worked and lived in bakeries or on farms, for example.

U.S. lawyers, whose class-action suits helped lead the German companies to set up the fund, do not
agree to this limitation. In return for paying restitution, the companies want assurances they will not face new claims, and Gibowski said the more comprehensive such a guarantee was, the more likely other companies were to join the fund.

While the Nazis tried to work slave laborers to death, because they mostly were Jewish, forced laborers, who were mostly Christian, also sometimes worked in brutal conditions but they were not part of an extermination plan. It already has been agreed that slaves will get higher payments.

From 100,000 to 200,000 former slave laborers still are alive, while approximately 600,000 ex-forced laborers would qualify for payments under the fund’s criteria.

Negotiations are scheduled to resume on August 24 in Bonn, and one topic of discussion likely will be a proposal agreed by most of the U.S. class-action attorneys and delegates from the five Eastern European nations from which Nazi German drew most of its 12 million slave and forced laborers.

But winning an accord on that new proposal—which would ensure individuals in a number of new subcategories, from people imprisoned in concentration camps to people who labored outside camps, got the same sums, could be an uphill battle.

"It would open the box of Pandora and I am sure that it would overchallenge the idea of a voluntarily set-up foundation if we would look at all possible categories to set up, and it would need more and more time to discuss it," Gibowski said.

Also ruled out was another part of the lawyers’ proposal—separating out banks, which mostly face claims for looting—from the talks. "What we cannot accept is that the banks are singled out," he said, adding later: "We are prepared to talk about everything on the basis of our proposed text."

While banks and insurers are prepared to deal with new claims, they do not know of any instances in which people whose assets were seized were not compensated after the Second World War ended in 1945, Gibowski said. Germany has paid about 104 billion marks since the end of the war in compensation, and in some instances, claims for which there were no heirs were paid to survivors’ organizations.

Gibowski said he hoped that an accord could be reached by the end of the year or early next year, and that the people who had suffered the most could be paid first.
LEADING JEWISH FIGURE MEMORIALIZED

From Tribune News Services

August 19, 1999

FRANKFURT, GERMANY People memorialized Ignatz Bubis, a longtime Jewish community leader who died Friday, at the city’s main synagogue Wednesday.

Bubis, a Nazi Holocaust survivor who had headed the German Council of Jews since 1992, was buried in Tel Aviv at his request because he didn’t want his grave desecrated by anti-Semites.

Since 1983, Bubis had served as head of the 7,000-member Frankfurt Jewish Community. He was credited with getting the main synagogue rebuilt in Frankfurt’s West End district.

At Wednesday’s service, friends and colleagues, most of them from the local Jewish community, remembered the outspoken crusader for social tolerance as unpretentious and loving.

Bubis survived a Nazi labor camp but lost his father, a brother and a sister in the Holocaust.

His message of German unity and tolerance was always mixed with his insistence that Germans actively remember the Holocaust.
Bubis memoir reveals trading in Swiss gold

By Jasmin Fischer

THE WASHINGTON TIMES

Ignatz Bubis, a prominent German Jewish leader and vice president of the World Jewish Congress who died a week ago, writes in his memoir how he dealt in suspected Swiss gold in the early 1950s and "cooperated" with a firm long known to have melted down dental fillings of Nazi victims.

There is no evidence that any of the gold he traded had ever belonged to German Jews who died at the hands of Nazis during the war. Nevertheless, the circumstances of his trading have raised questions among some Jews.

Mr. Bubis, a concentration camp survivor, was eulogized by top Israeli politicians at his funeral last week for his heroism during the Holocaust -- the name Ignatz, traditionally a Christian name, was given to him by Polish partisans when he fought with them as a boy of 16 -- and for his work later in behalf of German Jews.

His memoir was published in 1996 and has been withdrawn pending a court ruling expected in December.

An artist and unsuccessful political candidate, Meir Mendelssohn, poured black paint onto his tomb as it was being closed, and Mr. Mendelssohn later was quoted saying that Mr. Bubis, 72, was "a bad man" and had "cheated" Jews. He did not explain the remark. A woman who answered the telephone at Mr. Mendelssohn's home in Tel Aviv said the artist had known Mr. Bubis "very well" and had told Mr. Bubis before his death that "he would not forget the things that he had done." Mr. Mendelssohn was said to be traveling to Germany this week and could not be located for comment.

Mr. Bubis completed his memoirs before the World Jewish Congress (WJC) opened a campaign in 1996 to
recover from Swiss banks the assets of Jewish Holocaust victims, and he may have been unaware of the sensitivity of his revelations about his gold dealings.

"I think this embodies the horrendous paradoxes and conflicts faced by a Jew who makes his life in Germany," said Elan Steinberg, executive director of the WJC, in an interview.

"He has to deal with companies like Degussa, but also others like Mercedes, Siemens and even Bayer . . . that were involved in the most heinous crimes," he said. "Every Jew who lived through that period [in Germany] had to make that decision."

Degussa AG, to which Mr. Bubis recalled selling gold, and the other companies all are currently involved in negotiations to compensate Jews who were forced into slave labor during World War II.

Mr. Bubis wrote about transporting and selling gold in Germany between 1950 and 1953. He said he did not know the origin of the gold but suspected that it came from Switzerland, which was a repository for hundreds of millions of dollars worth of gold looted from Jews by the Germans during World War II.

Other aspects of the dealings described in his book, titled "Damit bin ich noch laengst nicht fertig" (I am not nearly finished), raise questions as well. The most intriguing disclosures appear in a chapter titled "Das Edelmetallgeschaeft" (The Precious Metal Business).

Mr. Bubis, who conducted his trade under a special license while Germans were prohibited from dealing in precious metals before 1953, describes his "cooperation" with Degussa, which was named in a recent State Department report as having melted down gold rings and dental fillings from Jews put to death in concentration camps.

Degussa also owned a subsidiary, together with IG Farben, named Degesch GmbH. Degesch owned the production rights for Zyklon B, a chemical used in the gas chambers of Nazi concentration camps.

Mr. Bubis does not say whether he knew of Degussa's unsavory business in his memoir, written between 1995 and 1996 and published by Campus, a well-regarded publishing house in Germany. Campus printed 10,000 copies of the book but withdrew them from bookstores this year in response to a court order.

"The distribution got blocked . . . because a German diplomat who was mentioned in the memoirs felt that Bubis' statements about [the diplomat] were incorrect," said Campus official Thomas Schwoerer. Mr. Schwoerer expects a ruling on the court order in December and said "the release of the book is bound to this decision."
Mr. Bubis served as a vice president of the World Jewish Congress and president of the European Jewish Congress until his death on Aug. 13.

The WJC has led since 1996 in pressing banks in Switzerland and other countries to compensate Jewish Holocaust victims for gold that was stolen by the Nazis. Swiss banks agreed last year to pay $1.25 billion to settle lawsuits by Holocaust victims.

At Mr. Bubis' funeral, Chief Rabbi Israel Meir Lau praised Mr. Bubis' dedication to restoring and preserving the Jewish community in Germany after the war.

The Israeli government was represented by President Ezer Weizman, former Prime Minister Shimon Peres and Public Security Minister Shlomo Ben-Ami. German President Johannes Rau and Interior Minister Otto Schily also attended.

Mr. Bubis wrote in the memoir that he dealt in gold between 1950 and 1953 for his company "Ignatz Bubis Edelmetalle," saying he "picked up gold in Munich, which probably came illegally from Switzerland."

"The precious metal business and then the trading with jewelry constituted the basis for my following real estate property."

He carried the gold in the trunk of his car from Munich to companies in Pforzheim, Germany's main jewelry center, operating under a license that gave him a virtual monopoly on the gold trade until 1953.

"The companies Degussa and Heraeus were the companies I cooperated with," Mr. Bubis wrote.

He described one road accident in which his car turned over and 20 gold bars spilled out of the vehicle. A truck driver collected 19 of the 2.2-pound bars, returned them to Mr. Bubis and took him to a hospital. The 20th bar was never found.

Deputy Treasury Secretary Stuart Eizenstat, an undersecretary of State until July, issued a report on the disposition of Nazi gold, concluding that Degussa had melted Jewish gold, including rings and dental gold, into its bars.

"There seems to be no question about that," a State Department official said this week. "The only question is quantity. The melted gold might have gotten to Switzerland, but this cannot be identified. The records are incomplete."

Degussa opened its archives to an expert commission of historians from Cologne University and the WJC, but they have not yet reported their findings.

Mr. Bubis' book was a troubled project. "In 1996, we had a conflict with Peter Sichrovsky, the book's co-author, because we were not satisfied with his work." Mr.
Schwoerer says. Asked whether there were conflicts between Mr. Sichrovsky and Mr. Bubis, Mr. Schwoerer said: "The final version satisfied Mr. Bubis."

Mr. Bubis worked during the final stages of the book with Campus editor Klaus Gabbert in France. Mr. Gabbert was at first skeptical of Mr. Bubis but soon found him "amazingly winning and unpretentious." In an interview, he praised Mr. Bubis for "his everlasting openness. . . . [His] willingness to discuss things was incredible."
A people used to hatred

BY RICHARD FORD

THREE main groups of Romanies - the Sinti, Roma and Kale - arrived in Western Europe from northwest India in the 15th and 16th centuries, the 19th century and in the 1960s, but intermarriage makes it difficult to tell the difference between Gypsies, Roma and travellers, although all claim to have Romany blood.

From Henry VIII to Hitler, the Romas have faced persecution from states that saw them as vagabonds and delinquents. Henry VIII first moved against them after being told that they moved from place to place and were palmists involved in fortune-telling.

Members of the Sinti group were lighter skinned than their counterparts and were renowned metal workers. The Roma specialised in itinerant trades and casual work and entertainment, while the Kale, whose descendants are mainly in Wales, were famed metal and leather workers.

Initially the Romas, because of their dark skins, were thought to be Egyptians, from which the term Gypsy was derived. They also became known as "tinkers" because of their skill as metalworkers. In 1530, Gypsies were banished from England and in 1555 it was made a capital offence to be a Gypsy, punishable by flogging, the removal of the left ear and finally death. The law remained in force until 1789.

An estimated half a million Gypsies died in the Holocaust after being held in death camps at Burgenland in Austria, Treblinka and Auschwitz.

In England, there are an estimated 100,000 to 200,000 Romas, with the leading families being the Lees, Coopers, Boswells, Smiths and Penfolds. Many have
always lived on the road in caravans that cost an estimated £50,000 each and that are furnished with valuable collections of Crown Derby and Royal Worcester china.

Many marriages continue to be "arranged", with mothers matchmaking by ensuring that their respective sons and daughters are frequently in each other's company. The wedding, which will draw families from miles around, will be celebrated for as long as three weeks.

Next page: Bankers' home raided in crime money inquiry
A question of justice

By FERGUS SHIEL

KAREN Heilig’s paternal grandfather, a Czechoslovakian lawyer, perished in a Nazi concentration camp in the Bohemian fortress town of Theresienstadt.

Heilig, 34, now fights for justice on behalf of Holocaust survivors worldwide, including 200,000 former slave laborers.

The young Australian lawyer is an important and passionate player in negotiating history-making restitution settlements with many of the world’s most powerful corporations, among them Siemens, BMW, VW, Daimler Chrysler, BASF and Krupp, the Deutsche and Commerz banks, and insurance giants Axa, Generali, Allianz, Zurich and Winterthur.

The German, Austrian, French, Italian and Swiss corporations involved are expected to pay out hundreds of millions of dollars to atone for wartime wrongs.

Heilig is the director of special projects and assistant legal counsel for the Conference on Jewish Material Claims against Germany.

The Claims Conference. US. Israeli and Eastern
European government representatives, and class action lawyers are negotiating a slave labor settlement with 16 German firms.

US insurance regulators, Israel and the conference are negotiating a settlement with insurers on policies bought by Holocaust victims.

At issue are highly complex issues such as how to value old insurance policies and who is responsible for policies nationalised by Communist states after the war.

Israel, the conference and class action lawyers are also in negotiations with Creditanstalt (Bank Austria) over its World War II "Aryanisation" activities.

Heilig's job entails tackling complex legal, political and moral issues in the separate sets of negotiations at frequent meetings in Bonn, Washington, Jerusalem and London.

She is driven on in her work, she says, by the inspiration of both her grandfather and her recently deceased father, Robert, and the proud encouragement of her remaining family.

Based in New York, but more likely to be found crisscrossing the globe, Heilig spoke with Today about her role during a brief visit to Melbourne.

"I really feel that we have morality and justice on our side, so it makes you more fervent, more confident in your position. It gives you that extra drive to go the extra mile, knowing that you're doing it for such important reasons.

"I feel very honored that I have been given the responsibility and the trust to do the job."

Since 1951, the Claims Conference has continuously pursued restitution for Jewish-owned properties stolen or destroyed by the Nazis.

From the closure of its initial negotiations in 1952, the German government has paid $98 billion for suffering and losses under the Nazis.
Raised in the Sydney suburb of Maroubra, Heilig moved to Melbourne after university to take up a job with the law firm Mallesons Stephen Jaques.

She worked next in Jerusalem, then relocated to New York and a foreign associate’s position with a leading law firm.

Through her involvement in international Jewish student politics, Heilig befriended Gideon Taylor, the son of a well-known Irish Labor MP.

It was Taylor, the newly appointed executive vice-president of the Claims Conference, who encouraged her to quit her lucrative corporate work for a job with the conference.

"I had a feeling, and I think I’ve been proved right, that this is historic," she says.

There are moments, such as while delivering a statement on the issue of slave labor to US Under Secretary of State Stuart Eizenstat in May, when Heilig wonders how it all happened.

Laughing, she says: "I thought, 'here am I - this girl from Maroubra, Sydney, Australia - in the State Department and the Under Secretary of State is writing down what I am saying. I am making this statement on behalf of Jewish organisations worldwide. Just how did I get here?' I thought, 'this is worth it'. It was really an amazing moment. I was floored."

Every fortnight or so, an elderly Holocaust survivor named Magda phones Heilig at her Manhattan office to see if her wartime insurance policy is finally to be honored.

"She's such a nice lady. I think it's important for me to speak to her because these are the people we are fighting for. It is not just us representing these people. They are intrinsically involved."

Adds Heilig: "This really is the final moral chapter. Money can never make right loss or destruction but, having said that, it is some expression of justice."
The German government might end up giving as much to compensate Holocaust survivors as 16 companies that are setting up a billion-dollar fund, a spokesman for the companies' fund said in New York. "So far, one can expect the amount of money needed for both foundations to be more or less the same," said Wolfgang Gibowski of the Remembrance, Responsibility and the Future fund. The fund started with promises of about $1.7 billion. A German government spokesman said a proposal to create a federal foundation would be put before parliament but that its size had not been discussed.
Germany might ask to delay Holocaust talks-lawyer

By Joan Gralla

NEW YORK, Aug 18 - Germany, which is sending its top Holocaust negotiator to Washington to consult on Thursday with his U.S. counterpart, might ask for a delay in the next round of negotiations scheduled for late August in Bonn, a lawyer representing Holocaust victims said on Wednesday.

"They’ve told it to a couple of delegations, that the meetings may not go (forward)," Ed Fagan, a New York-based attorney, told Reuters by telephone.

Fagan was referring to some of the delegations from five European countries -- Russia, Belarus, the Czech Republic, Poland, and the Ukraine -- who represent Holocaust victims from their nations at the negotiations.

A German government spokeswoman in Berlin said she was unaware of any plans to postpone the talks and said invitations for next week had gone out to participants on Tuesday.

Fagan is one of a number of private U.S. attorneys who are suing German banks and industrial companies on behalf of people who were forced to work as slave laborers by the Nazis and other Holocaust victims, including those whose assets -- from art works to homes to businesses -- were looted.

U.S. officials had no immediate comment on whether Treasury Deputy Secretary Stuart Eizenstat, who is co-hosting the talks with the lead German negotiator, Otto Lambsdorff, expected the late August talks in Bonn to be delayed.

A spokesman for the German embassy in Washington said that in late July, when Lambsdorff was in Washington for an earlier round of talks, he had spoken of meeting Eizenstat in mid-August.

"They know each other from former times but they wanted to reacquaint themselves with each other," the spokesman said.
Asked about speculation that the Bonn meeting next week might be postponed, he said: "I can’t confirm that."

Mel Weiss, one of the class-action attorneys whose billion-dollar suits led German enterprises in February to propose the new compensation fund that will be the focus of the negotiations, said he expected the talks to go forward.

"I spoke with the U.S. State Department yesterday and the meetings are scheduled starting Tuesday afternoon (August 24)," Weiss said.

Elan Steinberg, executive director of the World Jewish Congress, said he did not know of any delay in the late August negotiations. "We will be meeting with Lambsdorff (on Thursday) in preparation for the upcoming negotiations (in late August)," he said. "While we know this is not going to be easy, we intend to persevere with the process."

In return for paying compensation to Holocaust victims, Germany companies want a guarantee that they will not face any new claims.

There has been speculation that Germany might want to delay for a few weeks any talks about the planned fund, as it waits for what could prove an important ruling in a case brought by Holocaust victims, including ex-slave laborers, against Ford Motor Co in U.S. Federal District Court in Newark, N.J.

The case concerns Ford’s operations in Germany during World War II.

Weiss, who represents the plaintiffs in the case, said that Judge Joseph Greenway told the lawyers after an early August round of oral arguments on Ford Motor’s motion to dismiss that they could expect his ruling by the end of the summer.

Were the judge to rule in favor of Ford Motor, which brought in former U.S. Secretary of State Warren Christopher to argue its case, the setback for the plaintiffs might put Germany and its companies in a stronger position when they resume complicated fund negotiations in Bonn.

This round of negotiations, scheduled to begin on August 24 and to be co-hosted by Lambsdorff and Eizenstat, also will include U.S. class-action lawyers and their opposing counsel, Jewish restitution groups, and delegates from the five European nations that supplied most of the 12 million slave and forced laborers used by the Nazis.

Category: European
Previous Story: Turkish quake death toll tops 4,000-state agency (Reuters)
Next Story: Football-Yugo-Croat Euro clash turns into farce, demo (Reuters)
The Ukrainian government plans to knock on the doors of the National Gallery of Canada to request the return of a treasured drawing looted by the Nazis during the Second World War.

The gallery is home to Nude Woman with a Staff, one of two dozen drawings by German artist Albrecht Durer that Ukrainian officials say rightly belong in their country.

However, gallery officials maintain the early 16th-century work was acquired in good faith and has never been the subject of a formal claim.

Nude Woman, which dates from between 1500 and 1508, belonged to a collection of 24 pieces by the German master that once graced a museum in what is now Lviv, Ukraine. The drawings, known as the Lubomirski Durers, are currently scattered across Europe and North America.

The case is a prime example of the lingering concerns about true ownership of artwork confiscated during the Nazi era.

Ukrainian cultural institutions lost thousands of pieces of art, as well as millions of books and archival documents, during the chaos of the war.

A government body, the National Commission on the Restitution of Cultural Treasures to Ukraine, is actively investigating the disappearance of many important items.

The Ukrainian commission is attempting to locate all of the Lubomirski Durers "in order to determine their future fate," said Taras Malyshkevskyi, press secretary at the Ukrainian embassy in Ottawa.

Ukrainian officials have already approached government ministries in the Netherlands and Britain about the return of pieces in the collection, said Laryssa Krushel'nytska, director of Lviv's Stefanyk Scientific Library, a successor to the original museum that housed the Durers.

"We haven't contacted anyone in Canada concerning Durer's drawing at the National Gallery of Canada in Ottawa, but we plan to do it," said Ms. Krushel'nytska.

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According to National Gallery of Canada records, at the end of the war, the U.S. military tribunal assigned to repatriate looted art decided in favour of the claim made by the legal heir of the Lubomirski family, Prince George Lubomirski, to ownership of the drawings.

Prince George then sold most of the drawings, including Nude Woman with a Staff, to London dealer P&D Colnaghi Ltd. The remaining ones were sold elsewhere.

In 1956, a Toronto businessman and his associates bought Nude Woman for $18,000 and donated it to the National Gallery of Canada.

The piece and an outline of its provenance were published in the 1964 catalogue of the gallery's collection of European drawings.

The gallery accepted the Durer drawing "in all good faith," chief curator Colin Bailey said in an interview.

Questions about Prince George's entitlement to the work were not raised at the time, said Mr. Bailey. "This was not an issue that we knew about, when we acquired it, that was anywhere questioned."

The London-based Art Newspaper recently reported that declassified U.S. documents from the 1940s reveal authorities were reluctant to hand over the drawings to Prince George, fearing an international legal tangle.

The U.S. presidential advisory commission is looking at the Lubomirski case in terms of how "the United States government approached restitution of cultural property," said commission spokesman Stuart Loeser.

The Washington-based body, examining Holocaust-era issues concerning gold, other financial instruments and cultural property, is not expected to report before late next year. "We want to do this carefully and accurately," said Mr. Loeser.

Ukraine is monitoring the U.S. research effort with interest.

Whatever the outcome, Ukrainian officials argue that Henry Lubomirski intended the works to remain in Lviv. "Lubomirski envisaged that any works, once granted to the library, were supposed to be part and parcel of it and were to become its property for good."

Complicating the matter is that Poland has also shown an interest in the Lubomirski Durers.

In early 1998, the National Gallery of Canada reviewed its holdings and "nothing in the collection that had any history of a claim against its title," said Mr. Bailey.

In light of recent concerns about the ownership of once-looted pieces, the gallery is more attuned to such matters, he added.
"We've become a little bit more careful and questioning when it comes to the 20th-century history of works of art. We're not claiming infallibility. But I think we can make a very good case of showing due diligence at every stage."

Mr. Bailey said determining the history of artworks is similar to an archeological dig in that crucial bits of information -- like pieces of an ancient vase -- often cannot be found.

"It's not as if somewhere there is history for all these works in a computer and all you really need to do is plug into the computer and there it is," he said. "It isn't as scientific and as clear-cut as one would like it to be."

GRAPHIC: P Black & White Photo: (Adolf) Hitler; Black & White Photo: Ukraine claims the National Art Gallery's Nude Woman 'With a Staff, a pen and brown ink drawing measuring 9.5 centimetres by 23.4 centimetres, rightly belongs in that country.

LANGUAGE: ENGLISH

LOAD-DATE: August 21, 1999
Hi, Folks --

Our new trial of Lexis-Nexis is set to deliver relevant clips to my mailbox each AM. I would think that it would be a better use of all of our resources to forward the useful ones via email rather than print, copy and/or fax. Let me know what you think.

Would whomever reads this at NARA please make sure Jon and/or Konstantin see this, as they specifically requested articles of this genre.

Stu

The Ottawa Citizen

August 21, 1999, FINAL

SECTION: News; A1 / Front

LENGTH: 936 words

HEADLINE: Ukrainians demand return of art looted by Nazis: National Gallery says work acquired in 'good faith'

BYLINE: Jim Bronskill

BODY:

The Ukrainian government plans to knock on the doors of the National Gallery of Canada to request the return of a treasured drawing looted by the Nazis during the Second World War.

The gallery is home to Nude Woman with a Staff, one of two dozen drawings by German artist Albrecht Durer that Ukrainian officials say rightly belong in their country.

However, gallery officials maintain the early 16th-century work was acquired in good faith and has never been the subject of a formal claim.

Nude Woman, which dates from between 1500 and 1508, belonged to a collection of 24 pieces by the German master that once graced a museum in what is now Lviv, Ukraine. The drawings, known as the Lubomirski Durers, are currently scattered across Europe and North America.
The case is a prime example of the lingering concerns about true ownership of artwork confiscated during the Nazi era.

Ukrainian cultural institutions lost thousands of pieces of art, as well as millions of books and archival documents, during the chaos of the war.

A government body, the National Commission on the Restitution of Cultural Treasures to Ukraine, is actively investigating the disappearance of many important items.

The Ukrainian commission is attempting to locate all of the Lubomirski Durers "in order to determine their future fate," said Taras Malyshevskyi, press secretary at the Ukrainian embassy in Ottawa.

Ukrainian officials have already approached government ministries in the Netherlands and Britain about the return of pieces in the collection, said Laryssa Krushel’nytska, director of Lviv’s Stefanyk Scientific Library, a successor to the original museum that housed the Durers.

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GRAPHIC: P Black & White Photo: (Adolf) Hitler; Black & White Photo: Ukraine

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LANGUAGE: ENGLISH

LOAD-DATE: August 21, 1999
Per yesterday’s missive. Enjoy.

The Independent (London)
August 20, 1999, Friday

SECTION: NEWS; Pg. 8
LENGTH: 689 words
HEADLINE: SLAVE LABOUR AT AUSCHWITZ USED BY FORD
BYLINE: Adam Lebor In Budapest

BODY:

THE FORD motor company has been named as one of the firms using slave labour at the Auschwitz death camp in Nazi-occupied Poland. Ford’s wartime German operation, based in Cologne, is included on a list of over 400 companies trading with Auschwitz. Information on the list, which has just been made public, was held in Nazi archives held in Russia since the Red Army liberated Auschwitz in 1945.

Historians at the Auschwitz museum have spent several years in Russia cataloguing thousands of documents that detail how Auschwitz, like every other concentration and death camp, was an integral part of the German war economy. The list is the most detailed of its kind to appear so far.

Other German industrial conglomerates included on the list of Auschwitz profiteers include Siemens, Krupp and I G Farben, manufacturer of the Zyklon B gas used to kill millions of Jews, Russian prisoners of war, gypsies and other victims of the Nazis.

While Auschwitz was the site of the deaths of over a million inmates, the camp complex, of three separate sites, was also a thriving industrial and business complex that proved highly profitable for the barons of Germany’s war industry as well as the Nazi leadership itself. Auschwitz, like many camps, had a sub-camp - Auschwitz -III, also known as Monowitz, where I G Farben manufactured synthetic oil and rubber. According to a list compiled by
the London-based Holocaust Education Trust (HET) a total of 51 companies used slave labour at Auschwitz.

The inclusion of Ford’s name on the list of companies will highlight the motor firm’s embarrassment over its wartime record, and could add to the pressure in a case brought by Holocaust victims, including ex-slave labourers, against the Ford Motor Company at the US Federal District Court in Newark, New Jersey. The case concerns Ford’s operations in Germany during the Second World War.

The founder of Ford motors, Henry Ford, was a notorious anti-Semite. In his work The International Jew, Ford claimed that Jews controlled the press, radio and the cinema. Mr Ford was a leading figure in the America First Committee, which sought to keep the USA out of the war in Europe.

Ford officials said yesterday that the American company did not control its European operations in Nazi-occupied Europe during the war.

Nevertheless, the increasing attention given to the historical role of business and industry in financing the Third Reich and the resultant Nazi genocide is likely to result in further embarrassment for many companies, both German and multinational, who profited from what has been dubbed the "Holocaust bonanza".

According to the HET list, 92 companies used slave labour at Buchenwald, 52 at Dachau and 57 at Mauthausen. The settlement last summer by the Swiss banks of $1.25bn (pounds 800m) for unreturned Holocaust-era assets has opened a torrent of claims by former slave labourers against wartime employers.

Documents that link German companies to the construction and operation of Auschwitz may help slave labourers from that era to receive compensation, a Polish Nazi victims’ group said on Wednesday. Jacek Turczynski, head of the Foundation for Polish-German Reconciliation, said such documents show "German industrial companies had close ties with this exceptional case of crime that took place there".

Other documents recently received by the Auschwitz museum include construction plans, orders for raw materials and services, invoices and reports on the progress of work at the death camp that the Nazis built and developed from 1940-45.

They also include lists of the workers, including camp inmates, used
by some
of the companies.

On Wednesday, shareholders of IG Farben voted at a meeting in
Frankfurt to
set up a million-pound compensation fund for former slave labourers who
worked
under the Nazis. The first payments will go to former slave labourers
over 80
who were at Auschwitz.

But surviving slave labourers demanded that the company, which still exists
but does not trade, be liquidated and its assets, worth over pounds
6.6m,
distributed to Holocaust survivors.

GRAPHIC: The German Ford factory in 1947 (left) and German diplomats
awarding
Henry Ford (centre) Nazi Germany's highest decoration for foreigners
Hulton
Getty/AP

LANGUAGE: ENGLISH

LOAD-DATE: August 23, 1999

2 of 3 DOCUMENTS

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Chattanooga Times / Chattanooga Free Press

August 12, 1999, Thursday

SECTION: LIFESTYLE; Pg. E5

LENGTH: 450 words

HEADLINE: Today In History

BYLINE: The Associated Press

BODY:

Today is Thursday, Aug. 12, the 224th day of 1999. There are 141 days
left in
the year.

Today's Highlight in History:

On Aug. 12, 1867, President Johnson sparked a move to impeach him as
he
defied Congress by suspending Secretary of War Edwin M. Stanton.

On this date:

In 1851, Isaac Singer was granted a patent on his sewing machine.

In 1898, the peace protocol ending the Spanish-American War was
signed.
Hawaii was formally annexed to the United States.

In 1944, Joseph P. Kennedy Jr., eldest son of Joseph and Rose
Fitzgerald
Kennedy, was killed with his co-pilot when their explosives-laden Navy plane blew up over England.

In 1953, the Soviet Union conducted a secret test of its first hydrogen bomb.

In 1960, the first balloon satellite -- the Echo One -- was launched by the United States from Cape Canaveral, Fla.

In 1972, the last American combat ground troops left Vietnam.

In 1977, the space shuttle Enterprise passed its first solo flight test by taking off atop a Boeing 747, separating, then touching down in California's Mojave Desert.

In 1978, Pope Paul VI, who had died Aug. 6 at age 80, was buried in St. Peter's Basilica.

In 1985, the world's worst single aircraft disaster killed 520 people when a Japan Air Lines Boeing 747 on a domestic flight crashed into a mountain.

Ten years ago: The Pentagon said it was stepping up efforts to find missing Texas Rep. Mickey Leland and 15 companions in Ethiopia. (The wreckage of the group's airplane, with no survivors, was found the next day.)

Five years ago: In baseball's eighth work stoppage since 1972, players went on strike rather than allowing team owners to limit their salaries. Supreme Court Justice Stephen G. Breyer, already sworn in during a private ceremony, took a public oath at the White House.

One year ago: Swiss banks agreed to pay $1.25 billion as restitution to Holocaust survivors to settle claims for their assets.


Thought for Today: "Since when was genius found respectable?" -- Elizabeth Barrett Browning, English poet (1806-1861).
WASHINGTON -- Twenty-five years to the week after he was thrust into the presidency by Watergate, Gerald Ford returned to the White House on Wednesday to be praised as the steady hand that helped America heal.

Presidents Clinton and Ford strode side-by-side into the East Room, where Ford and seven other people received the Presidential Medal of Freedom.

"Steady, trustworthy, Gerald Ford ended a long national nightmare," Clinton said, referring to the Watergate scandal and President Nixon's resignation on Aug. 9, 1974. Ford then became president, and served out what would have been Nixon's second term.

"When he left the White House after 895 days, America was stronger, calmer and more self confident," Clinton said. "America was, in other words, more like President Ford himself."

The medal is the nation's highest civilian honor. Clinton awarded it to former President Carter in Atlanta on Monday, making George Bush the only living former president who has not received the award.

Established by President Truman as a wartime honor, the medal was reintroduced by President Kennedy as way to honor civilian service. Clinton has awarded the medal to civil rights leaders, philanthropists, entertainers and statesmen.

"In honoring them we honor also the values and principles of our nation's founding and our nation's future," Clinton said of Wednesday's honorees. The recipients did not speak inside the White House, but Ford paused
reflect on the events of a quarter-century ago. "I couldn't avoid those reminiscences. It was a monumental day," he said. "It was a unique situation as far as the country is concerned and I hope it never happens again."

In addition to Ford, the honorees were:

* Lloyd Bentsen, Clinton's first Treasury secretary who served 22 years in the Senate and six years in the House. He was the Democratic Party's vice presidential nominee in 1988.

* Edgar M. Bronfman Sr., president of the World Jewish Congress. He has worked to ensure basic rights for Jews around the world and to fight anti-Semitism and has spearheaded the effort to retrieve the assets of Holocaust victims and their families, according to the White House tribute.

* Evy Dubrow, an advocate for more than 50 years of laws to improve labor conditions. "She has been influential in numerous causes, including broadening laws against discrimination and protecting American industry from unfair foreign competition," the tribute said.

* Sister M. Isolina Ferre, founder of community service centers and programs to empower the poor in Puerto Rico, New York and Appalachia. She gained international recognition in the late 1950s and 1960s for her mediation efforts with youth gangs in Brooklyn.

* Oliver White Hill, civil rights lawyer. He is best known for litigating one of the school desegregation cases that became the landmark Brown vs. Board of Education case.

* Max Kampelman, lawyer, diplomat and negotiator in Democratic and Republican administrations. "In these roles, he emphasized human rights in East-West diplomacy and prepared the foundation for long-term arms reductions between the United States and the Soviet Union," the tribute said.

* Edgar Wayburn, five-time president and a member of the board of directors of the Sierra Club for almost 40 years.
World Briefing

THE AMERICAS

MEXICO: PRIMARIES SCHEDULED The three largest political parties have scheduled their first presidential primary elections for this fall. Members of the center-right National Action Party will pick their nominee on Sept. 12, even though only one candidate has registered for the balloting: the Guanajuato Governor Vicente Fox. The center-left Party of the Democratic Revolution has set its vote for Oct. 10, with Cuauhtemoc Cárdenas, the Mexico City Mayor, the only candidate certain to take part, although others may register. The Institutional Revolutionary Party of President Ernesto Zedillo will hold its primary on Nov. 7.

Sam Dillon (NYT)

MEXICO: STUDENTS CLASH Six people were injured when marchers opposed to the four-month-old strike at the National Autonomous University of Mexico were hit by homemade shrapnel bombs filled with metal coins during a clash with students supporting the strike. Witnesses said it was unclear who threw the explosives in the second confrontation in four days between student factions.

Julia Preston (NYT)

VENEZUELA: COLOMBIAN SITES TARGETED A small bomb exploded outside the Colombian Consulate in Caracas, and a police search turned up explosives at two more Colombian Government offices. A guerrilla group called Los Tupamaros took responsibility for the blast, which came as tensions between the two countries climbed. President Hugo Chávez of Venezuela has said he will meet with Colombian guerrillas without approval from the Colombian Government.

Larry Rohter (NYT)

ARGENTINA: MENEM'S MONEY In a sworn statement, President Carlos Saúl Menem declared that his net worth was $1.1 million, including two houses, two apartments, three cars, a plane and a racehorse. Opposition leaders said that Mr. Menem was lying, and that he had acquired an enormous fortune through corrupt acts, a charge that Mr. Menem denied.

Clifford M. Krauss (NYT)

EUROPE

BRITAIN: EXPORTING BEEF AGAIN Beef exporters shipped a package of steaks to Brussels in a symbolic gesture aimed at re-establishing Britain's $832 million export market. The 110-pound consignment was the first British beef exported since the European Union lifted its 29-month ban three weeks ago, after ruling out a further threat of mad cow disease. The shipment will be served Wednesday at a banquet attended by European Union commissioners.

(AP)

GERMANY: OPTIMISM ON SLAVE COMPENSATION Otto Lambsdorff, the Government's negotiator on compensation for Nazi slave workers, said he was "cautiously optimistic" about talks on a settlement. Representatives of the former slave workers, the German and American Governments and Jewish groups will meet in Bonn today for a new round of negotiations. They are trying to work out a compensation deal with 16 German companies for an estimated one million survivors of slave labor and forced labor camps.

Victor Homola (NYT)

HOLOCAUST-ERA LABOUR

Talks on compensation fund

Talks this week to set up a compensation fund for people who worked as forced labourers under the Nazis will focus on how much the fund should be worth, Germany's chief Holocaust negotiator said yesterday.

"We will be talking about money this week," said Otto Graf Lambsdorff ahead of US-German talks that are due to start in Bonn today to agree on the principles for setting up a number of compensation funds.

Mr Lambsdorff said at the weekend that preliminary talks with Stuart Eizenstat, US deputy Treasury secretary, in Washington last week went so well that much of the negotiations could be wrapped up at the Bonn meeting. Mr Lambsdorff, a former economics minister, said the main issue for the companies involved in setting up the fund remained securing immunity from class-action lawsuits in return for settling the fund. Reuters, Berlin
Survivors Upset Over Swiss Bank Case

By BETH GARDINER
Associated Press Writer

NEW YORK (AP) -- A number of Holocaust survivors are withdrawing from a $1.2 billion settlement with Swiss banks, claiming too much money is going to lawyers involved in the class-action lawsuit.

Paul Frenkel of the Group for World War II Survivor Justice said the settlement with Credit Suisse and UBS AG would entitle survivors to as little as $500 and strip them of the right to sue again.

“Our only control is to opt out,” said Frenkel, whose group represents about 200 people. “We have to get out of the suits, remove our names and preserve our claims.”

Gizella Weisshaus, one of the first to sue the banks, said she no longer wanted to be associated with the lawsuit because it would leave too little money for survivors. Neither Weisshaus nor Frenkel explained the basis for their complaints.

The distribution of money from the settlement has not yet been decided. The judge overseeing the case in U.S. District Court is expected to release a draft plan on Dec. 28.

Holocaust victims deposited money in Swiss banks as the Nazis gained power in Europe, expecting to retrieve it later. The banks stonewalled after the war, saying they could not find accounts or requesting nonexistent death certificates of victims killed in Nazi camps.

Edward Fagan, an attorney involved in a number of Holocaust-related lawsuits, did not return a call Monday seeking comment. He has said he is willing to accept whatever fee is deemed appropriate by a court.

The banks have agreed to pay account holders and their heirs 10 times the value of their wartime accounts, said Elan Steinberg, executive director of the World Jewish Congress, which is a party to the settlement.
Frenkel said that was not enough to account for inflation and interest since 1945. He said the banks should pay each account holder about 114 times the value of the original deposits.

Steinberg said that lawyers in the case should not accept fees and that survivors were within their rights to opt out.

"No one is bound by this settlement," he said. "If they choose to opt out they can of course sue individually for whatever they want."
BONN, Germany (AP) -- After a series of talks on German companies' liability for using Nazi slave labor during World War II, negotiators are now turning to the topic of money.

Talks on how much to compensate an estimated 1 million survivors of slave labor camps were to begin today between representatives of the former workers, the German and U.S. governments and Jewish groups. They are trying to work out a deal with 16 German companies.

A larger meeting that will also include the governments of Israel and eastern European countries was scheduled for Thursday.

The German government had originally hoped to have an agreement by Sept. 1 -- the 60th anniversary of the start of World War II. But now all sides say that target likely won't be met.

The German government's negotiator, former economics minister Otto Lambsdorff, said Monday that he was "cautiously optimistic" ahead of the talks.

But he told German radio he was concerned that the amounts the lawyers might request for a planned fund for former slave workers could be too high.

"I hope they remain in such a way in the framework that the whole agreement is not endangered," Lambsdorff told Deutschlandradio.

Attorneys have reportedly asked for a $20 billion fund, while the German industry has spoken of $1.7 billion.

One of the attorneys, Edward Fagan, renewed pressure Monday for a wider settlement, including compensation for Jewish bank fortunes and insurance assets seized by the Nazis under their so-called Aryanization program.

"There will be no deal without bank and insurance issues," he told a news conference.

Fagan said many Holocaust victims were never compensated for such losses even though the German government says the issue was
settled under postwar restitution laws.

He urged German banks to open their archives to an independent historian who would investigate the Aryanization cases.

Fagan refused to say what amount lawyers are demanding in the slave labor talks.

An agreement soon is critical so that the aging survivors of the camps actually get paid in their lifetimes, Lambsdorff said.

"We must come to an agreement quickly if we want to reach living people with the payments, not graves," he said.
Trying to move beyond Holocaust

Tuesday, August 24, 1999

By LORI MONTGOMERY
Knight Ridder Newspapers

-- BERLIN

Wearing a black leather jacket and gray silk pants, a mobile phone pressed to one ear, Liat Sharaga looks like any stylish young Berliner. But as a Jew, she feels a sharp difference, and for that she blames a generation of Jewish scolding about Germany’s Nazi past.

"Of course, it was very bad. But it was 50 years ago," Sharaga said as she paced outside the historic Pestalozzistrasse Synagogue before Friday night services. "It makes it harder to bring the societies together. Even as a Jew, I must say I’m fed up with it."

Sharaga, 22, represents a new generation of German Jews that is larger, more youthful and more interested in merging with German society than in reliving the horrors of the Holocaust. As the Central Council of Jews in Germany is preparing to select a new president, many Jews say it’s time for a younger leader, someone who did not live through the nation’s darkest hour -- someone who can, at last, deal with Germany as a normal place.

"The next stage should not be so much about being a moral conscience, but to bring about a renewal of Jewish life," said Dr. Andreas Nachama, chairman of the 11,000-member Jewish Community of Berlin -- Germany’s largest -- who at age 47 is a popular contender for the national post.

"We Jews living in Europe carry a responsibility for remembering," said Nachama, whose father is a survivor of Auschwitz, the infamous Nazi camp in Poland where more than 1 million Jews died. "But we also have a responsibility for building a future that is not primarily shaped by the atrocity of the past."
In Germany, the past is often overwhelming. For five decades, Germans have cultivated rituals of contrition for the rise of Adolf Hitler and the murder of 6 million Jews. Many non-Jewish Germans recoil visibly at the mention of Auschwitz. Police stand guard outside synagogues, Holocaust memorials, even some Jewish shops and restaurants across Berlin in an effort to spare Germans the exquisite embarrassment of neo-Nazi vandalism.

Leaders of Germany's Jewish community have long nurtured that sense of shame. Before his death on Aug. 13, Ignatz Bubis, the most recent president of the Central Council of Jews in Germany, accused Germans of feeling an insufficient sense of responsibility for Auschwitz.

"Everybody in Germany feels responsible for Schiller, Goethe and Beethoven, but no one for Himmler," Bubis told the magazine Stern in an interview published last month. "I tell young people: I don't expect you to sprinkle ashes on your head every morning. But you must know what people were capable of."

Now, many German Jews believe the constant scolding may be hindering their acceptance in a society where simple ignorance about Judaism seems a much larger problem than outright anti-Semitism. Neo-Nazi violence has declined in recent months, while a vibrant Jewish community is once again growing in Germany, particularly in the regional capitals of Munich and Frankfurt and the national capital of Berlin.

Since 1989, the number of Jews in Germany has soared from about 27,000 to more than 80,000. Unofficial estimates indicate the number could be as high as 120,000, 70 percent of whom left the former Soviet Union after the fall of communism. Another 5,000 Jews are coming each year.

With the massive influx of young immigrants with families and the death of the first generation of Holocaust survivors, the Jewish community is younger and more diverse than a decade ago, supporting a growing array of schools, day-care centers, kosher shops, funky restaurants, even gay and lesbian groups.

Still, its impact in an overwhelmingly Christian country of 80 million remains small, and many feel a sense of isolation.
"It is difficult to live as a Jew in Germany. You do have a stigma, but not because people are anti-Semites," said Elisa Klapheck, editor of the magazine Jewish Berlin. "People don’t talk openly with you because you’re a Jew, and they don’t know anything about Judaism -- not even what is Shabbat," using the Hebrew word for the Sabbath.

"It’s not like in America, where people know what Hanukkah is." Klapheck said. "Here, people who don’t want to work on Yom Kippur have to take a vacation. And other people at work sit and wonder, 'Well, why should he be different?'"

It was the sense of difference -- "this exclusion: Germans here, Jews there" -- that Bubis pledged to fight when he was selected to head the Central Council in 1992. But on Aug. 13, Bubis died a disillusioned man, telling Stern in July that "I hardly achieved anything," Jews and non-Jews "remained strangers."

It was a sad coda for a man who seized the job so energetically. A charismatic millionaire orphaned by the Nazis and imprisoned in a Nazi work camp, Bubis clung proudly to his German heritage, describing himself as "a German of the Jewish faith."

After the stern rule of Auschwitz survivor Heinz Galinski, Bubis endeared himself to millions of non-Jews by telling irreverent jokes, participating in German politics, and delightedly cheering the victories of the national soccer team.

In the last year of his life, however, Bubis was consumed by a national controversy over remembrance and forgetting that seemed to sap his joy. It began when a prominent novelist, Martin Walser, condemned the "Holocaust industry," saying Auschwitz had been used as a "routine threat, a tool of intimidation, a moral cudgel" against today’s Germans. Bubis attacked Walser, warning against a growing "intellectual nationalism" in Germany that was "not altogether free from subconscious anti-Semitism."

In a final expression of disillusionment, Bubis chose not to be buried in Germany, but in Israel.

Last week, non-Jewish Germans lined up by the hundreds in downtown Berlin to pay tribute to Bubis. Most forgave him this slight.
"I can understand this decision of his. I saw the destroyed tombstone of Galinski myself," said Margarete Moench, 63, after signing a book of condolence at Berlin’s Jewish community center.

"He was a very great man for Germany and all Germans," added Karl-Heinz Junger, 80, who fought in Hitler’s army during World War II. "It must have been very difficult for him, but he contributed to the Jewish element being better understood in Germany and considered a component of German life."

Among Jews, Bubis’ decision was more controversial. After the flap with Walser, some found it unnecessarily divisive.

"The message to us, the Jewish survivors, is you can’t live in Germany," said Michael Wolfssohn, a self-described "German Jewish patriot" who is a professor at Bundeswehr University in Munich.

This week, the eight-member presidium of the Central Council is scheduled to meet for the first time since Bubis’ death. Jewish community leaders say the presidium could select a new president by year’s end.

Whomever they choose, "the knot" of how to reconcile Jews in Germany with non-Jewish German society "is not that difficult to unravel," the German Jewish author Rafael Seligmann wrote last week in the Daily Telegraph of London.

"It is simply that Jews and Germans must start to talk to each other, and both sides will have to realize that Hitler is dead and gone."

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BEHIND THE HEADLINES

Documents reveal Ford was part of the Auschwitz industrial complex

By Douglas Davis

LONDON, Aug. 22 (JTA) -- While Auschwitz is synonymous with the Nazi destruction of European Jewry, little attention has been given to the thriving industrial and commercial complex that was built adjacent to the camp.

That changed last week, when the Auschwitz archive provided further evidence last week that the German operation of Ford Motor Co. was among 400 German enterprises that used slave labor.

The evidence was discovered in a Nazi-era document recently unearthed from the archive by historians with the Auschwitz Museum in Poland.

That document, say the researchers, represents just a fraction of the entire archive, which was removed from Poland by the postwar Soviet authorities and which lay dormant in the Soviet Union until recently.

It shows that the Ford operation in Cologne was among 400 German industrial enterprises -- including such giants as Siemens, Krupp and IG Farben -- that exploited the vast pool of slave labor the Nazis made available.

The list of companies that exploited Auschwitz slave labor is the first of its kind to be compiled from original Nazi sources.

Ford officials insist that the American company did not control the company's operations in Nazi-occupied Europe.

As millions of Jews were swallowed up by the
Auschwitz death machine, the industrial complex -- with its replenishable supply of slave labor -- proved to be a significant profit center for Germany's industrial barons -- and for the Nazi leadership itself.

The industrial wing of Auschwitz -- known as "Monowitz" -- was in fact selected as the preferred site of operations for 51 companies that chose to exploit the opportunity of slave labor, according to the London-based Holocaust Educational Trust.

It is here that one of the most notorious, IG Farben, manufactured synthetic oil, rubber -- and Zyklon-B gas, which was used extensively in the Nazi death camps.

At the height of its activity in 1944, IG Farben ran a slave labor plant at Auschwitz that exploited the efforts of 83,000 people.

IG Farben shareholders, meeting in Frankfurt last week, voted to establish a $1.5-million fund to compensate the company's former slave laborers.

The offer, regarded as too little too late, was greeted with derision by Holocaust survivor groups, which were quick to describe it as "ridiculously low."

Survivors are now demanding that the company be disbanded and that its assets -- estimated to be worth more than $11 million -- be distributed among the victims of its wartime activities.

After the war, the victorious Allies broke up the company into several components, but IG Farben remained, dealing mainly in property.

Auschwitz was not the sole base of operations for companies that employed slave labor.

In addition to industrial sites throughout Germany where slave labor was used, a list compiled by the Holocaust Educational Trust shows that a total of 92 companies used slave labor at Buchenwald, 52 at Dachau and 57 at Mauthausen.

The recent settlement by the Swiss banks of $1.25 billion for unreturned Holocaust-era assets has opened a torrent of claims by former slave laborers against...
walmart enterprises.

According to one survivors’ group, documents that link German companies to the construction and operation of Auschwitz are likely to help slave laborers receive compensation.

Jacek Turczynski, head of the Foundation for Polish-German Reconciliation, said last week that such documents show “German industrial companies had close ties with the exceptional crime that took place there.”

An unpublished report by Nathan Associates, an economic consulting firm in Arlington, Va., has estimated that of a total of some 12 million people who were enslaved during the Nazi era, about 2.3 million are still alive.

The study, which was expected to be used at resumed reparations talks in Bonn this week, shows that more than one-half of the slave laborers were women and that most were young adults who had been born between 1918 and 1925.

The negotiations, co-sponsored by Germany and the United States, will attempt to create the framework for a new compensation fund, which 16 German companies decided to establish last February in the face of billion-dollar lawsuits filed against them in U.S. courts.

In return for creating the fund, which has been set at $1.7 billion, the firms have demanded a guarantee against further Holocaust-related claims.

Meanwhile, other recently discovered documents from the Auschwitz archive provide fresh details of plans for construction, orders for raw materials and services, as well as invoices and reports on the progress of work at the death camp the Nazis built and developed between 1940 and 1945.

The documents also include lists of the workers, including camp inmates, used by some of the companies.

(© Jewish Telegraphic Agency Inc. The above information is available on a read-only basis and
BIRMINGHAM, Ala. (AP) -- The state's six-month search for Holocaust survivors who could receive money from decades-old insurance policies has yielded only a half-dozen names.

It's not that Alabama doesn't have many more victims of Nazi atrocities: An international commission knows of 60 state residents who survived the horrors of Hitler's regime.

But no money is available yet under the agreement that prompted the search, a state insurance official said Monday, so people have been slow to sign up.

"We haven't gotten much of a response," said Mike Bownes, general counsel for the Alabama Department of Insurance, which is compiling the names.

Holocaust survivor Henry Aizenman, 68, of Homewood doesn't see the need to give the state his name since he was only a child when he was interred at the Auschwitz concentration camp.

"I haven't the slightest idea whether my parents or other relatives had insurance," said Aizenman, who lost his parents, grandparents and other relatives to Hitler. "It wasn't as prevalent as it is today."

Bownes said the state is trying to find anyone who may be eligible to receive benefits, even if survivors are unsure whether they would qualify.
"People shouldn't be discouraged because they have no documents," he said. "We fully appreciate the fact that in the vast majority of cases there aren't any documents. They were destroyed."

The Insurance Department began trying to identify Holocaust victims and their heirs after the establishment of an international commission to review and process unpaid insurance claims from the Holocaust era.

Since the agency was formed in February, Jewish publications have printed notices about the hunt, and some Jewish organizations have notified members.

Bownes said thousands of survivors have been identified in New York, Florida and California, but the response hasn't been good in Alabama, which is overwhelmingly Christian.

"Birmingham wasn't exactly a prime destination for Holocaust survivors, and face it: it's been 50 years. They're dwindling," said Garth Potts, head of the state's only Jewish community center, located in Birmingham.

For more information: Contact the Alabama Department of Insurance; P.O. Box 303351, Montgomery, Ala., 36130.

Please send any questions or comments to news@al.com.

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BEHIND THE HEADLINES

Holocaust museum works on reforms
after report criticizes its management
By Daniel Kurtzman

WASHINGTON, Aug. 23 (JTA) -- Officials at the U.S. Holocaust Memorial Museum are promising reforms following a caustic independent report that identified key problems in governance and management.

The report, ordered by Congress and conducted by an outside panel of administrative experts, concluded that the six-year-old institution has been stifled by “excessive involvement” of the museum’s governing council in day-to-day operations.

It also said power was concentrated within a small group of council members and criticized the institution for what it called its “weak committee system, inadequate discipline, and a lack of professionalism.”

The study recommended that the legislation governing the museum, which is a federal institution, should be changed to strengthen its administration, scale back the role of the council and give the director of the museum more powers of a chief executive officer.

The report paints a picture of a struggling institution -- an image that stands in stark contrast to all outward appearances. As one of the most visited sites in Washington, the museum has proved a success beyond the expectations of its founders, who had worried that its halls would be empty once Jews had come to see it once.

More than 12 million people have walked through its doors since it opened in 1993, and the museum has also created a national presence in recent years...
Holocaust museum works on reforms

through a series of traveling exhibits.

While the report acknowledges the museum’s undisputed success, it further tarnishes the institution’s reputation following several well-publicized controversies during the last 18 months.

In January of last year, the museum came under fire for its on-again, off-again invitation to Palestinian Authority Chairman Yasser Arafat to visit the museum. The subsequent ouster of the museum’s director, Walter Reich -- who some charged was made a scapegoat for the Arafat debacle -- proved to be another public relations disaster.

Also last year, the museum was stung by a barrage of criticism over its decision to hire Holocaust scholar John Roth to head the museum’s Center for Advanced Holocaust Studies. Roth was assailed for controversial writings about Israel and ultimately resigned the post.

And most recently, the museum has come under fire for promoting a book titled “Crimes of War: What the Public Should Know,” that some critics say contains anti-Israel propaganda and falsely accuses Israel of engaging in “ethnic cleansing” of Palestinians.

Museum officials say they have already identified many of the problems described in the report and taken steps to address them.

Miles Lerman, chairman of the U.S. Holocaust Memorial Council and a driving force behind the creation of the museum, said he appointed a commission earlier this year to prepare its own recommendations for changes in management and governance. Its report is due later this year or early next year, and Lerman said the museum will combine the two reports to develop a course of action.

Sara Bloomfield, a 13-year veteran of the institution who took over as the museum’s director in March, said most of the findings in the report “are just typical growing pains of a very young, dynamic place.”

The report acknowledges as much, but it criticized the institution for failing to shift from the improvisational style of leadership and management that got it off the ground in favor of a more systematic, forward-looking
approach.

Most of the problems stem from council members encroaching on the roles of the museum director and senior management in areas such as the hiring and firing of staff and the museum's organizational structure, according to the report.

"They're overwhelming their administrative side," said Sheldon Cohen, a Washington attorney and former Internal Revenue Service commissioner who chaired the panel that studied the museum. "They're running the place like a Jewish organization."

He said that while the style of governance exercised by Lerman and other council members may have worked in the past, "You're running a big institution and you're going to make mistakes if you do things quick and dirty."

Complicating the decision-making process, Cohen added, is the fact that "you've got a lot of headstrong, rich people who want things done their way."

The report specifically criticized what it called Lerman's tendency to "act unilaterally" and suggested that he and others let go of the reins and allow the director to assume greater responsibilities.

Museum officials and council members said a small, dedicated group that comprises the executive council has worked hard over the years to carry out their vision and emphasize that they have only done what they thought was right for the institution.

"At the time when we were building the museum, if we were to have applied the formula we're talking about, the museum never would have been built," Lerman said. "It was a period when there was a need for decisiveness, short cuts and making decisions on the spot."

But he acknowledged a need to adapt to the changing needs of the institution, saying, "It is time that we take a deep breath, look back, evaluate the situation and begin implementing a modus of operation that will bring this institution in a healthy stage into the 21st century."
Hyman Bookbinder, a longtime Jewish activist in Washington and a founding member of museum's council, said it should be recognized that Lerman has made a "colossal contribution" to the institution, "and if he got over-involved as this report indicates, it's because the staff wasn't there and there was not the capability for totally efficient management."

The report does not draw a distinction between problems that existed during the tenure of Reich, which ended in March of 1998, and those that have persisted or emerged since Bloomfield succeeded him.

Lerman and Reich were known to have had a difficult working relationship, but Lerman has expressed full confidence in Bloomfield.

"We have a director who is competent, hard-working, understands the museum and has managerial skills," he said. "A director of this nature you need to leave alone and let run the museum."

The report was ordered by Rep. Ralph Regula (R-Ohio), who chairs a subcommittee that approves federal money for the museum, and issued by the National Academy of Public Administration, a nonprofit organization chartered by Congress to make federal, state and local governments more effective.

It contained various other observations and recommendations, among them:

* New legislation is needed to formally establish the museum's director as the individual with primary responsibility for museum operations, while establishing the council as the board of directors. The director of the museum would be made the chief executive officer.

* Rather than concern themselves with day-to-day operations, the panel said the council should consider issues such as the extent to which the museum should address non-Jewish victims of the Holocaust and how to address instances of contemporary genocide.

* The director and senior management, with input from staff, should develop a strategic plan that sets out broad priorities, goals and strategies.
* "There is an inadequate representation of non-Jews in general and of African-Americans and Latinos in particular" on the museum’s council.

* Each council member should be limited to one five-year term, rather than an unlimited number of terms.

Council members agreed with many of the recommendations set out in the report, but most took issue with the notion of a need for greater minority representation on the council, shorter terms and broadening the institution’s focus beyond Holocaust memory.

Indeed, some Jewish leaders were highly critical of the overall report.

"I think it’s skewed," said Abraham Foxman, the national director of the Anti-Defamation League and a member of the museum’s council.

"This museum is unique as a federal agency, and what they did is apply the standard procedures and practices of other federal agencies."

He added: "Every institution needs fixing. But I see this as coming down with a heavy load of criticism, as if this institution was really suffering."

One outspoken critic of the museum’s leadership, meanwhile, said the report provides further evidence of why Lerman should step down. Lerman was reappointed by President Clinton to a second five-year term last year.

"What this report clearly indicates is that the managerial problems of the museum really stem from Lerman, and that he encroaches on the director," said New York Rabbi Avi Weiss, adding that he thinks Lerman has "courted the politicization of the museum."

Weiss, who is the brother-in-law of former director Reich, dismissed the notion that the museum’s problems reflect growing pains.

"We’re talking about the chair conducting himself secretly not only without the knowledge of the
professional staff, but without the knowledge of the council," he added.

Lerman, for his part, said he "seldom tries to defend myself" and, as a counterargument, simply points to the museum he has poured his life into.

"I am a great believer that facts speak for themselves, and I am very proud of what we have accomplished," he said.

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Germans Lag In Reaching Slave Labor Settlement

By ROGER COHEN

BERLIN, Aug. 24 — The German Government and leading corporations have been obliged to abandon a Sept. 1 target date for a multi-billion-dollar settlement with slave laborers and others forced to work by the Nazis.

The date, the 60th anniversary of Hitler's invasion of Poland and the start of World War II, had considerable symbolic resonance because many of the forced laborers were Polish. But officials gathering today in Bonn for talks said the negotiations remained mired in difficulties that would not be resolved by the end of the month.

"We are still some way from arriving at a figure in terms of the size of the payment, and the Sept. 1 date has become unrealistic," said Wolfgang Gobow, a spokesman for the planned fund to which many of Germany's largest corporations have said they will contribute.

Announcing the creation of the fund last February, Chancellor Gerhard Schröder said payments should start "very quickly, if possible before Sept. 1, 1999," because of the advanced age of many of the people concerned. The average age of the surviving victims is believed to be about 80.

But a dispute has hardened over the number of people who qualify as "forced laborers," and so over the amount of money that should be paid. While the companies argue that the people concerned probably number 500,000 to 800,000, lawyers for the victims have put forward figures as high as 2.3 million.

Officials said the wide difference stemmed from the fact that the companies — which include Daimler-Chrysler, Deutsche Bank, Siemens and Volkswagen — contend that only those put to work by private industry should be covered, while lawyers have suggested that agricultural laborers and state employees should also be compensated.

As a result, initial German proposals that the fund should total about $1.7 billion have been met with claims for as much as $11 billion, officials said. Otto Lambsdorff, the chief German negotiator, said today that the latter figure was "far removed from any realistic possibility" and that any compromise figure would be closer to the original offer.

Mr. Lambsdorff was joined in Bonn today by Stuart Eizenstat, the Deputy United States Treasury Secretary, officials from the 16 companies ready to contribute to the fund, representatives of several Central and Eastern European governments and of the Jewish Claims Conference, and American and German class-action lawyers.

"The sticking point really is the numbers," said Alissa Kaplan, a spokeswoman for the Jewish Claims Conference. "Although the talks have been going on since February, the sides are way apart."

Since the end of World War II, the German Government has paid out about $80 billion in war reparations and aid, most of it to Jews who survived concentration camps or fled. But forced laborers — generally non-Jews deported to Germany from Central and Eastern European countries — often have not been compensated.

Nor has a far smaller category of slave laborers, now estimated to number 100,000 to 200,000, who were put to work in concentration camps. Many of these, but by no means all, were Jews.

Mr. Gobow said another important unresolved issue was that of the differences sought by German companies that, once the fund is established, they will be immune from any further legal claims. "Legal closure is critical," he said, "and should be the subject of an executive agreement between the German and American Governments."

In an increasingly global economy, and at a time when many major German corporations have either made or are contemplating big investments in the United States, the legal issue has become critical. But although progress has been made toward an accord, the issue remains outstanding.

So, too, do the questions of who would administer the fund in the event that an agreement was reached, and whether the fund should include payments for those Jews whose money or other assets were "Aryanized" — forcibly transferred to non-Jewish Germans — during Hitler's rule and have not yet been compensated.

Some officials gathering for the three days of talks in Bonn suggested that the difficulties were such that an accord might still be several months away. But with each month that passes, more of the victims die.

"Everyone is aware that these are the final years," Ms. Kaplan said.
Talks open on reparations for World War II slave labor

By BURT HERMAN

BONN, Germany (August 24, 1999 7:01 p.m. EDT http://www.nandotimes.com) - Negotiators seeking to resolve German firms' liability for using slave labor during World War II opened talks Tuesday over reparations.

Under pressure from U.S. lawsuits against German companies, the government and industry launched the idea of a compensation fund for the slave workers last year. In the months since then, representatives of 16 German firms accused of using slave labor have been meeting with lawyers representing Jewish organizations and Holocaust survivors.

The two sides hope to hammer out an agreement on how big the fund should be. The talks are being mediated by the U.S. and German governments.

On Tuesday, participants met in small groups at the former Foreign Ministry building in Bonn. A larger meeting that will also include the governments of Israel and eastern European countries is scheduled for Thursday.

"This is the first session where we're talking about money," U.S. envoy Stuart Eizenstat said. "It shows that we've made progress on a lot of key issues."

But the sides apparently are still far apart on how much the German businesses should pay.

Reported demands by the survivors' attorneys for a $20 billion fund are "way beyond the realm of the serious," said a spokesman for the planned fund, Wolfgang Gibowski. German industry has initially placed about $1.7 billion into a potential fund.

The German government had originally hoped to have an agreement by Sept. 1 - the 60th anniversary of the start of World War II. The companies also pledged in February to have a fund in place by next month.

That symbolic date likely will pass unfulfilled, and some warn that the survivors themselves may not be around to benefit when an agreement is finally reached. Only a small number of survivors remain, and they are getting fewer by the day, said Michel Friedman, an executive member of the Central Council of Jews in Germany.
Friedman accused German industry of stalling progress in the talks.

In addition to payments for slave labor, the fund also is expected to include restitution for Jewish assets seized under the Nazis. Plaintiffs are claiming those assets from banks and insurers.

Thousands of Jews and other targeted groups who were shipped to Nazi death camps were forced to work for German firms during their internment.

The companies involved include leading firms whose economic strength contributed to Germany's rebirth after World War II - Siemens, Volkswagen, BMW and Deutsche Bank, among others. As many as 1 million survivors or more could be due back pay under an agreement.

Germany has already paid more than $54 billion to Holocaust victims for their suffering, but back pay for slave labor was left to the companies to resolve.
By Clifford Coonan

BERLIN (Reuters) - Germany's chief Holocaust negotiator Tuesday rejected demands for a $20 billion compensation fund for Nazi-era slave laborers as unrealistic.

"These demands are far removed from any realistic possibilities," Otto Graf Lambsdorff told ZDF television before U.S.-German talks due to start in Bonn later Tuesday, which are meant to agree principles for setting up a number of compensation funds.

Lambsdorff would not give any concrete figures, but he said any settlement would not lie "in the middle" between the $20 billion sought by the victims' lawyers and the $1.7 billion proposed by the firms who are contributing to the fund.

The main aim of German firms in the talks is to win immunity from class-action lawsuits in return for settling the fund.

Lambsdorff said there was no "hundred percent guarantee" of immunity, but the U.S. government accepted that firms would not want to have to pay compensation a second time. U.S. legislation would be one way of preventing further claims.

Michel Friedman, a board member of Germany's Central Council of Jews, said industry's insistence on securing immunity had delayed agreement in the negotiations.

"The discussions have been complicated by German industry's desire to have security against prosecution, which in the end is not the central issue here," Friedmann told InfoRadio.

Lambsdorff said at the weekend that preliminary talks with U.S. Deputy Treasury Secretary Stuart Eizenstat in Washington last week went so well that much of the negotiations could be wrapped up at the Bonn meeting.

As well as Lambsdorff and Eizenstat, the talks will include representatives of the 16 firms taking part in the fund, central and eastern European governments, the Jewish claims conference and U.S. class
action lawyers. Lawyers from the German and U.S. governments will also take part.

Wolfgang Gibowski, a spokesman for the Foundation for "Remembrance, Responsibility and the Future," said Monday the talks would initially take place in small groups and would examine the question of participating firms receiving protection from prosecution.

There were two alternatives, he said. Either the victims' representative bodies agree not to seek further damages or the U.S. government could legislate to stop further action.

Lawyers Michael Witti and Ed Fagan, who represent thousands of people forced to work in factories during the Nazi era, said any deal would have to be linked to compensating people for the aryenisation, or forcible transfer to Germans, of Jewish funds.

Witti said recently discovered documents showed that not everyone had been compensated for stolen funds as claimed by the German government.

Agreement is not expected to be reached before the end of the year.

The list of firms includes some of Germany's top blue-chip companies, including DaimlerChrysler AG (NYSE:DAI - news), Volkswagen AG, Siemens AG, Deutsche Bank AG, Dresdner Bank AG, BMW AG, Allianz AG and Bayer AG.

Earlier Stories

- Germany Rejects $11 Billion Slave Fund Demand (August 24)
Volkswagen is among the companies which used slave labour

Talks aimed at bridging the gap between compensation demanded by former Nazi slave labourers and the sum on offer resume in Bonn.

But the reported demands by Holocaust survivors for a $20bn fund were "very far removed from reality", Germany's chief negotiator Otto Graf Lambsdorff told German television on Tuesday.

Without giving concrete figures, he said any settlement would not lie "in the middle" between the $20bn sought by the victims' lawyers and the $1.7bn proposed by the firms contributing to the fund.

"This is the first session where we're talking about money," he said. "I think we'll narrow the differences."

On Thursday the governments of Israel and east European countries are due to join the talks.
Top companies

There are 16 firms - some of the giants of German industry - offering the $1.7bn dollar compensation package. Amongst them are BMW, BASF, DaimlerChrysler, Volkswagen, Siemens and Deutsche and Dresdner Banks.

But lawyers representing the survivors say that with more than one million claimants on their books, less than $2bn is simply not enough.

For their part, the companies want a guarantee that if a deal is signed they will be protected from any further claims and that has proved a sticking point.

The survivors have maintained that German industry was central to the so-called Final Solution and that many firms actually profited from the Holocaust - a claim industry has always denied.

A spokesman for the companies acknowledged that they had a moral duty to help, but they bore no legal responsibility. The spokesman said the blame lay with the Nazi government.

Germany has already paid more than DM100bn ($54bn) to Holocaust victims for their suffering, but back pay for slave labour was left to the companies to resolve.

Running out of time

The German Government had originally hoped to have an agreement by 1 September - the 60th anniversary of the start of World War II. The companies also pledged in February to have a fund in place by next week.

Meanwhile, the number of Holocaust survivors is continually reducing as elderly victims die before the compensation issue is resolved.
Israel Cuts Holocaust Survivor Funds

By JACK KATZENELL Associated Press Writer

JERUSALEM (AP) - Holocaust survivors said today a settlement with Germany has left them worse off than before because the money has led Israel to cut off its own financial support.

For the past three years, the German government has been paying $200 per month to persons who were imprisoned by the Nazis for at least six months in a concentration camp or 18 months in a ghetto.

Some of the Israelis receiving this pension had been getting income support from the Israeli National Insurance Institute because their monthly income did not exceed $570. But recently, the insurance institute decided that those people whose incomes were boosted above the cutoff line by the pension no longer qualify for support.

Those people lost their support payments. They also lost a series of benefits to which people on income support are entitled - such as reduction of municipal taxes, free travel on public transport and rent reductions in government housing.

Affected survivors are worse off than before they received the pension, said retired legislator Yitzhak Artzi, a leader of the Holocaust survivors organizations in Israel.

Artzi told Israel radio the insurance institute's action "is a gross violation of the gentleman's agreement with the German government. Germany did not agree to pay the Deutschmarks so that they could replace shekels that were being paid by the Israeli treasury."

Moshe Sanbar, chairman of the Central Committee of Holocaust Survivors Organizations, said that in Germany and in the United States, compensation for suffering is not regarded as income for the purpose of determining income support.

"Only in Israel does this pension prevent citizens from receiving what they are entitled to," he said.
The director general of the insurance institute, Jochanan Stessman, confirmed that the income support has been cut but said it cannot be restored without a change in the law.

He said Labor and Social Welfare Minister Eliahu Suissa, who is responsible for the insurance institute, is in favor of the change. But the government, especially the finance ministry, is against concessions, he said.

"They are always accusing us of being too generous," he said. "We have to fight them day by day."
Future immunity agreed in forced labour talks

Representatives of Holocaust victims and 16 German companies meeting in Bonn to negotiate compensation for Nazi-era forced labourers agreed yesterday that contributing companies would be immune from further claims. But there was no rapid agreement on the big issue – the size of the fund, where claim and offer are $18bn apart.

Germany's chief Holocaust negotiator, Otto Lambsdorff, said on Tuesday that demands by the victims' lawyers for a $20bn fund were unrealistic. He would not give any concrete figures but he said any settlement would not lie "in the middle" between the $20bn and the $1.7bn proposed by the contributing companies. Another sticking point is deciding when payments can begin. Reuters, Bonn
By Joan Gralla

NEW YORK, Aug 25 (Reuters) - The World Jewish Congress said on Wednesday that it expects German Chancellor Gerhard Schroeder to resolve tough issues involving a new fund to benefit Holocaust survivors when he next meets with German industry.

"We are deeply disappointed that the Germans will not meet their September 1 deadline, and we expect the concrete offer to be finalized by September 6, when the chancellor meets with the German industries," Israel Singer, secretary general of the WJC, said through a New York-based spokesman.

Singer is in Bonn attending the latest round of negotiations over the new compensation fund, which aims to pay reparations to slave laborers and other Holocaust survivors.

Most participants in the talks, including Singer, believe an agreement on principles is unlikely to be reached by September 1 -- the deadline Bonn chose because it was the 60th anniversary of the start of the Second World War.

The Jewish advocacy group carries considerable weight in these negotiations, partly because of its influence with U.S. politicians.

Saying the German talks were entering a critical phase, the WJC spokesman said Singer added that the outcome of the chancellor's September 6 meeting will help determine whether the WJC testifies positively or negatively about how Germany is handling claims from people who were forced into slave labor or had their assets -- from artwork to insurance -- looted.

"What we're saying is the chancellor is accountable," the spokesman, Elan Steinberg, said.

Further, those hearings by the U.S. House of Representatives Banking Committee, tentatively scheduled for September 14 and 15, will be followed one day later by another, possibly more important hearing, to be held by the New York City Comptroller, on the issue.
Alan Hevesi, the New York City comptroller, last year threatened Swiss banks with a boycott by 900 U.S. public finance officials whom he organized. That warning helped push the Swiss banks into reaching a historic, $1.25 billion accord with Holocaust victims who never were able to collect their bank accounts.

The September 6 meeting between Schroeder and the 16 German companies that plan to set up the new, billion-dollar fund, was arranged in late July.

That meeting will follow on the heels of Thursday’s plenary session of the present negotiations in Bonn. Thursday’s session will conclude that round of talks.

At the talks on Wednesday, co-host U.S. Treasury Deputy Secretary Stuart Eizenstat, asked the parties involved in the banking side of the discussions to come up with concrete numbers -- estimates of how much compensation would be needed to settle claims for looting, for example, sources close to the talks said.

Russians enslaved by the Nazis on Wednesday filed what was believed to be the first class-action suit from that country seeking damages from the German and Austrian firms they worked for, according to lawyers.

German enterprises are willing to pay reparations to survivors -- provided they get assurances they will not face new claims, such as the lawsuit filed on Wednesday.

The new lawsuit joins a number of other actions filed against German companies by former slave and forced laborers who live in the United States and European countries, which seek about $18 billion in damages.

There had been considerable speculation that a class-action suit from Russia soon would be filed. It was expected to be one of the biggest because so many people from the former Soviet Union were forced to work as slave and forced laborers.

Slave laborers were meant to be worked to death; forced laborers were not.

**Related News Categories:** politics, US Market News
Slave labor fund talks focus on legal protection for firms

By Associated Press, 08/25/99 17:43

BONN, Germany (AP) Negotiators working out details for a fund to compensate Nazi slave laborers focused Wednesday on how to shelter German firms from future legal claims.

Sixteen German firms that used Nazi-provided forced laborers during the Holocaust are involved in the talks. The parties have agreed in principle that the fund will protect the firms from future lawsuits, said Alissa Kaplan, spokeswoman for the Jewish Claims Conference, one of the participants.

The details are still being worked out, Kaplan said.

Germany has already paid more than $54 billion to Holocaust victims for their suffering, but compensation of slave laborers was left to the companies to resolve. Under pressure from U.S. lawsuits against the companies, the government and industry developed the idea of a compensation fund last year.

The German government had originally hoped to launch the fund Sept. 1 the 60th anniversary of the start of World War II. This round of talks is the last scheduled before that deadline, and all sides now agree the date will likely pass without a final agreement.

But negotiators say there have been positive steps, like the fact that the size of the fund will be discussed for the first time this week. Other details that have to be worked out include the administration of the fund and who will be eligible to apply.

The U.S. and German governments are mediating the talks, which involve German firms, lawyers for former slave and forced laborers, representatives of Jewish groups and others.

"Talks are continuing, but they are difficult," Kaplan said Wednesday. "This is going to be a difficult process."

The talks ended Wednesday night without any formal
agreement. U.S. envoy Stuart Eizenstat was scheduled to meet individually with the parties involved Thursday morning before a larger meeting in the afternoon with all parties, including the governments of Israel and several East European countries.
The Nazi persecution of gay men has largely been ignored by historians. Now the few survivors have revealed the extent of their suffering in the death camps. Tim Teeman reports

Forgotten victims of the Holocaust

While interned at Schirmeck concentration camp, Pierre Seel, then 17, was forced to build crematoriums, raped by officers with broken rulers and used as a human dart board with syringes thrown by camp orderlies. After the war he was allowed back into his family only under the condition that he never reveal the true circumstances of his original arrest. He entered a marriage of convenience and eventually became suicidal.

Today, aged 76, Pierre continues to struggle for official recognition of the persecution suffered by homosexual men under the Nazis. He remembers his best friend dying in Schirmeck after guards set a pack of German Shepherd dogs on him.

Of his own experience, he rages: "I was arrested, tortured and beaten. There was no trial. I was sodomised, raped. I can't forget. I'm ashamed for humanity. Ashamed."

There are about ten known gay survivors of the concentration camps. Their stories receive a first and long overdue airing on a Channel 4 documentary, Pink Triangle, this weekend. It is almost impossibly moving: some men have not spoken about their experiences before. For many years they were hidden from history; unlike other victims of Nazi persecution they are not entitled to compensation, reparation or any form of legal redress.

The end of the war in 1945 had hardly brought liberation for gay men; it was only in 1969 that Paragraph 175 of the German Penal Code outlawing
Only earlier this year were gay victims of the Holocaust officially recognised for the first time at a memorial service held at what was Sachsenhausen concentration camp.

Historian Dr Klaus Müller, who has traced the survivors, says: "Many of the gay men who were taken to the camps died within a couple of days. Marked with a pink triangle, they were the lowest of the low, there was no support network like there was for political or Jewish prisoners. They were put into slave labour squads, subjected to torture and some to terrible medical experimentation.

"At Buchenwald there was a doctor who tried to change them by instituting a particular gland. The operations were crude. Many died as a result of botched surgery. Others were beaten to death, drowned headfirst in water, hung by their arms till they were dead. Some were castrated ... really, the worst you can imagine."

One man remembers the "singing forest" outside his concentration camp. That is, there was a sequence of concrete poles on which all those waiting to be sentenced were hung - "their screeching, howling and screaming was inhuman - the singing forest. It's beyond human comprehension. So much remains untold".

Heinz F - almost 93, dapper, besuited, with a luminous face - weeps as he tells his story for the first time. He remembers the hedonistic pleasures of Weimar Germany, the Berlin gay clubs of the Twenties and Thirties. He met Magnus Hirschfeld, whose Hirschfeld Institute was one of the world's first gay rights organisations. He eventually settled in Munich where a sub-lieutenant of Ernst Röhm - the gay head of the SA, Hitler's "backroom muscle" which crushed dissent on the streets in the early days of Nazi rule - tried to recruit him for the force. Heinz turned him down.

In 1935 someone in his circle of friends was arrested. Under pressure from the Gestapo, the man revealed the names of about 20 other homosexuals. Heinz was working in his family's store when he was called by the local police to go down to the station. Unsuspecting, he went. Without a trial, he was sent to
Thus began a series of arrests and imprisonment that would take Heinz to numerous prisons and concentration camps over nearly nine years. At Buchenwald he met many other homosexuals, including several gay Jews who were also forced to wear the pink triangle.

These "multiple persecuted" men had even less chance to survive the camps. Heinz remembers a homosexual Gypsy who, at 24, committed suicide by letting himself be shot while "trying to escape" from the quarry. "They were harnessed, pulling rocks, those poor people," he says, eyes glistening. "The older people were always praying."

The war ended when Heinz was 40 and he went home. His father had died and no one asked him a single question about his years of captivity. "My mother never said anything. She didn't want to make it harder on me. I've never talked about it." When asked if there was anyone he wanted to talk to about it, he convulses with grief. "My father," he weeps.

Dr Müller, who is the project director of the United States Holocaust Museum in Western Europe, began to trace the few gay survivors six years ago.

"What they've all experienced is a lack of support, most of them are very isolated. The memories of torture don't go away, the fact they were still criminals after the end of the war, that many families told them to keep quiet about why they were sent to the camps. Some committed suicide after being rearrested at the end of the war. Most of the men I've contacted have managed to live with the anger, disappointment and terrible memories, though at a huge cost."

Threaded between the men's stories is an intriguing examination of the influence of homosexuality in the course of Nazi party history itself. Röhm, for example, was known to be gay, leading Hitler to issue a statement supporting him, though not by name, in 1932: "Private life cannot be an object of scrutiny unless it is in conflict with the basic principles of National Socialist ideology."

In February 1933 the Nazis ordered the closure of all
gay bars and clubs (and ten days afterwards, a nationwide boycott of Jewish businesses); in May the Hirschfeld Institute was burnt to the ground. At the same time, the Nazis were caricatured as homosexuals in the press; cartoons show party generals inspecting a parade of backsides on parade.

Heinrich Himmler, the head of the SS, issued a statement in 1933, claiming 7 to 8 per cent of German men were gay (lesbians were rendered invisible because Nazis saw women as simply baby carriers). "If that is how things remain, our nation will fall apart because of that plague. Those who practise homosexuality deprive Germany of the children that they owe her." On June 30, 1934, Röhm was murdered in the "Night of the Long Knives"; Hitler then cited his homosexuality as justification. On the anniversary of his death, Hitler sanctioned the extension of Paragraph 175 - which had been on the statute books since 1871 - to include arrest not just on the grounds of homosexual behaviour, but also gossip, innuendo, gestures, touches, looks. Prison, concentration camp or voluntary castration followed.

Gad Beck's story is as positive as any of the survivors can be. He had his first sexual experience at school, seducing a teacher, and gladly told his mother about it. Hardly surprised, his parents accepted his homosexuality.

In 1941 Gad, then 18, joined "Chug Chaluzi", a Jewish resistance group. The group organised hiding locations, food, and care for Jews in the Berlin underground. In 1942 Gad tried to liberate his first love, Manfred, from Gestapo transfer camp by posing as a Hitler Youth member. His dangerous charade was successful.

"After 20 yards I gave him 20 marks and told him I'd meet him at my uncle's. He replied very calmly: 'I can't go with you, Gad. I cannot leave my family. I am the only strong one.' He turned around, he didn't say goodbye. I went in the opposite direction. I never saw him again."

Movingly, Gad also remembers spending a night with a "beautiful blond Jew. He invited me to spend the night. We sat on the bed, played chess, did a bit of the other. We slept a couple of hours. The Gestapo came in the morning. They took him and his mother to
Auschwitz. It happened to many others I knew who never reappeared." He pauses. "Love. A night of love." In 1944, Gad became head of his resistance group, but was imprisoned when the group was betrayed. After the war Gad went to Munich and worked with David Ben-Gurion, who became the first Prime Minister of Israel, in the displaced persons' camps, counting survivors and preparing them for emigration to Palestine. Gad emigrated to Israel in 1947 together with his lover.

In the 1980s and 1990s he became more open about his homosexuality and has given many presentations in Europe and the US.

If these are the stories of ten men, what of the others? The Nazis arrested 100,000 men on suspicion of homosexual behaviour. More than half were convicted, of whom 10,000 to 15,000 were sent to concentration camps. Two thirds of them are believed to have died while there. The others, who when released were still criminalised, retreated into silence.

Of his work in bringing their stories to public attention, Dr Müller, 39, says: "I am gay myself and German. I am thankful to talk to the survivors because it is better to deal with a horrible past head-on, rather than not understand because of a lack of information."

He adds that most of these "sweet, strong people" do not want to talk: they are old, the memories are too painful and they want to be left alone. Their quiet heroism, however, is clear.

Bernhard - arrested in 1937, imprisoned without trial, castrated, survived death camp - now boasts that he is "stronger than Hitler".

Heinz F smiles determinedly: "Only now I talk. I'll be 93 in September. Thick-skinned, no?" And his lip trembles again. His eyes, distant, looking somewhere off camera, reveal that he is thinking of something else much darker.

- *Pink Triangle* is on Channel 4, Saturday, 10.45pm

Next page: Why the weather isn't what it used to be

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8/26/99
NEW YORK (Reuters) - Russians enslaved by the Nazis Wednesday filed what was believed to be the first class-action suit from that country seeking damages from the German and Austrian firms they worked for, lawyers said.

The lawsuit joins a number of other actions filed against German companies by former slave and forced laborers who live in the United States and European countries, which seek about $18 billion in damages.

The new lawsuit was filed during the middle of negotiations in Bonn which aim to put an end to future suits. The talks are trying to resolve a way for German companies to pay compensation through a new fund and in return get a guarantee they will not face any new suits like the one filed Wednesday.

The latest class action was filed in the U.S. District Court for the District of New Jersey, by Kenneth McCallion, a New York-based attorney, who has filed other such actions.

The Russian Holocaust survivors want reparations for their own suffering as well as that of children, from infants to 16 years old, who were allowed to live only as long as they could work.

"If these children showed the slightest resistance or any signs of illness and exhaustion at their tasks, they were killed with a blunt object, as Nazi practices dictated that children were not worth the expenditure of any army supplies, even a bullet," the lawsuit charged.

No specific dollar amount was sought in damages. "We're looking for an accounting," McCallion said.

The sorts of companies where the so-called name plaintiffs -- the individual Holocaust survivors who are suing the German and Austrian companies -- were compelled to toil ranged from aircraft and munitions plants to a brewery and a food processing firm, according to the copy of the lawsuit provided Reuters by McCallion.
There had been considerable speculation that a class-action suit from Russia soon would be filed. It was expected to be one of the biggest because so many people from the former Soviet Union were forced to work as slave and forced laborers. Slave laborers were meant to be worked to death and forced laborers were not.

Asked how big the potential class of former slave and forced laborers was, McCallion, replied: ‘Certainly in the tens of thousands. We have one thousand people in St Petersburg who have signed agreements (to be represented by his firm.)’

‘Upwards of two million Russians were used in (forced) labor,’’ he added, in a telephone interview with Reuters.

‘By the end of October, 1941, over 660,000 Soviet POWs were used in Germany’s slave labor programs in the most appalling, oppressive and degrading of conditions,’’ he said, in a prepared statement.
Victims, German Firms Break Off Negotiations

By WILLIAM DODDLEAK
Washington Post Foreign Service

BERLIN, Aug. 26—Representatives of Holocaust victims and 16 German companies broke off negotiations today over how to compensate survivors of Nazi slave labor camps after acknowledging they were still far apart over who should get the money and how much they should receive.

The latest round of talks, mediated by the U.S. and German governments, achieved little progress this week in Bonn. Lawyers for the victims are seeking as much as $20 billion in payments, but German firms say the fund should amount to no more than $1.7 billion. The companies also want "legal peace," or immunity from future claims.

Besides the disparity in the proposed size of the fund, there are glaring differences over how many Nazi camp survivors would actually qualify for payments.

The Nazis are believed to have employed as many as 12 million slaves and forced laborers, but one study shows only about 1.5 million are still alive while another puts the figure at 2.3 million.

Deputy U.S. Treasury Secretary Stuart Eizenstat, who is leading the talks with Germany's former finance minister Otto Lambshoff, emphasized that the companies were still far apart over who should get the money and how much they should receive.

"We all feel tremendous time pressure," Eizenstat said. "There is a great weight imposed by history and the biological clock because 10 percent of the survivors die every year."

The talks are complicated by a clashing array of interests brought to the negotiating table by more than 90 participants. The U.S. and German governments are joined by representatives of Israel and five other countries where many surviving laborers live: Belarus, Russia, Poland, Ukraine and the Czech Republic. There are also administrators from the Jewish Claims Conference and teams of lawyers from the plaintiffs and the German companies.

Michael Witti, a German lawyer representing some 300,000 former slave laborers, accused the companies of lacking good faith and predicted a final settlement could take several months. But Wolfgang Gobowski, a spokesman for the industries that would actually pay, said the Sept. 1 deadline set by Chancellor Gerhard Schroeder.

The German leader is expected to meet with industry representatives in early September in hopes of convincing them to make a more generous offer before full negotiations resume in Washington on Oct. 6.

THE NEW YORK TIMES INTERNATIONAL FRIDAY, AUGUST 27, 1999

World Briefing

GERMANY: SLAVE TALKS ADJOURN Negotiations over compensating slave laborers from the Nazi era were adjourned in Bonn with lawyers representing survivors and German industrial companies still far apart. American class-action lawyers are demanding up to $20 billion, more than 10 times what the companies have proposed. The Government had hoped to reach a full agreement by Sept. 1, but many participants said a deal is still months away. Negotiators will meet again on Sept. 6. Edmond L. Andrews (NYT)

The New York Times
Gruma’s mechanized brigades, concentrated on capturing shelf space in supermarkets, starting in Monterrey, a northern city where shopping centers are more similar to those in the U.S. Gruma’s strategy faltered, however, when Bimbo countered by deploying its discount Wonder brand—a trademark Gruma that Bimbo was “dumping” its Dislision Wonder brand—in the face of Gruma’s mechanized brigades, which had turned in 30 seconds, “They’re trying to bring down the margins,” said Ed Fagan, a lawyer for the plaintiffs.

One of the biggest stumbling blocks in the talks has been determining the number of survivors. A firm hired by plaintiffs’ lawyers found that 2.3 million former forced and slave laborers are alive today. But a historian hired by the German government put the number at 1.5 million. The question is significant because the parties are determining the total claim amount based on per-capita payments.

Eligibility issues have also impeded progress, plaintiffs’ lawyers said. The German delegation, for example, defined deportees, or those eligible for the funds, as “anyone who worked in any of the factories of the Nazi regime.” The definition means the parties won’t meet the original 1993 target of 75 million euros for survivors not covered by the corporate fund, mostly East Europeans—according to participants in the talks. The next meeting of all the delegates will be held in Washington in the first week of October.

Despite the setback, Mr. Eizenstat said he is hoping for $3 billion in assistance, people close to the matter say. That would mean subtracting about $30 billion to settle their claims, and the German corporations have not responded to the offer. But the huge gap underscores how far apart the two sides are in trying to settle claims of people who were forced to work for little or no pay in horrendous conditions during the Nazi war era. The companies involved include Volkswagen AG, Siemens AG and Bayernische Motoren Werke AG.

"The per-capita numbers were well above those the German companies indicated they considered reasonable,” said Stuart Eizenstat, deputy U.S. Treasury secretary and the U.S. representative in the talks. "We hope that the gap will be narrowed through further negotiations."

The latest round of the talks ended yesterday in Bonn with the delegations finding little common ground on such key questions as the number of survivors and who is eligible, Mr. Bizenstal said. The impasse means that the Sept. 1 deadline for setting up the fund. The next meeting of all the delegates will be held in Washington in the first week of October.

Despite the setback, Mr. Bizenstal said progress had been made in other areas. The parties laid the groundwork for a U.S.-German pact mandating that the fund would be the “exclusive remedy” for any claims of forced or slave laborers from the Nazi era, barring further suits.

The agreement with FastShip, Rolls-Royce to supply turbines for the company’s trans-Atlantic ships. The deal is the London ail- Rolls-Royce PLC received a $1 engine order from FastShip, which posted an 18% increase in first-half profits.

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Mediators stuck on amount of money for Nazi slave labor fund

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From Time to Time: Nando’s in-depth look at the 20th century

By BURT HERMAN

BONN, Germany (August 27, 1999 7:49 a.m. EDT) - U.S. and German mediators trying to work out a deal between German companies and World War II-era slave laborers said Friday the sticking point now is how much victims should be paid.

The latest round in the ongoing talks involving lawyers, company representatives, Jewish groups and officials from Israel and central European nations ended Thursday without a deal.

The parties meet again Oct. 6 in Washington, but Jewish groups hope that German Chancellor Gerhard Schroeder can help break the deadlock during a meeting Sept. 6 with industry leaders.

U.S. envoy Stuart Eizenstat and chief German negotiator Otto Lamsdorff told a joint news conference Friday that financial demands by victims' lawyers were way too high.

"If the financial side could be taken care of - the money - then many other problems would resolve themselves," Eizenstat said. Negotiators need to come up with a figure that the companies can handle, he said.

Mediators did not release what specific figures were discussed during two days of talks in Bonn, but one of the victims' lawyers, Deborah Sturman, said their demand is more than the $20 billion previously reported.

"Twenty billion doesn't sound too high and it's going to be more," Sturman said.

Basing a calculation on 2.3 million eligible survivors estimated by the lawyers, each would receive about $800, she said. Another estimate presented at the meeting put the number of eligible survivors at 1.5 million.

Lamsdorff said the victims' monetary demands "are way off the mark" and would scare away other companies thinking of joining the fund.

So far, 16 companies have agreed to join the fund, but they are seeking immunity from
future slave labor claims in return. The terms for legal protection were still in dispute.

Eizenstat said the U.S. government would take the "unprecedented" step of asking for dismissal of future suits, emphasizing to the courts that the so-called industry fund is the proper forum for settling claims.

Considerable progress was made during the talks on determining who would be eligible for the fund, the mediators said. Industry officials, however, have criticized the victims' lawyers for trying to expand the group of eligibles.

Israel Singer, executive secretary of the World Jewish Congress, offered his own criticism Friday, saying that the fund should be for Holocaust victims, not all war victims.

"One should not try to make every victim a Holocaust victim," Singer said on Berlin's InfoRadio.

The two sides also agreed to include insurance companies, banks and former public companies that are now privately owned. Additional claims from the formerly public companies could include "tens of thousands" of other workers, Eizenstat said.

In earlier talks, there had been complaints over a proposal to pay Eastern Europeans less in proportion to local wages - but Eizenstat said the sides agreed this week that where survivors lives will have no impact on how much they get.

Germany has already paid more than $54 billion to Holocaust victims for their suffering, but deferred settlement of slave labor claims to the companies that benefitted from their labor.

Schroeder's government has, however, pledged to establish a second federally administered fund for previously uncompensated Holocaust victims, including those who worked for agriculture and for companies run by the Nazi SS.

Lamsdorff told the session that parliament would take the matter up when it reconvenes next month.
World: Europe
Nazi slave fund talks collapse

By Berlin Correspondent Rob Broomby

Talks in Bonn aimed at resolving the question of compensation for former slave labourers put to work by the Nazis in World War Two have ended without agreement.

A spokesman for the German firms, Wolfgang Gibowski, accused survivors' groups of pushing unrealistic demands and of continually expanding the number of claimants.

American lawyers have brought the giants of German industry to the negotiating table with the threat of a series of massive lawsuits on behalf of Holocaust survivors.

They are now demanding a $20bn settlement - around $30,000 per head for the most serious victims.

Sticking point

The 16 German firms in the talks have proposed establishing a special fund - the Remembrance, Responsibility and the Future Foundation - to provide compensation and promote awareness of the dangers of totalitarianism.

They have never made their offer public but they are believed to be suggesting a sum of $1.7bn and they want a guarantee against all future legal claims, which has proved a sticking-point.
and the date of commencement of payments. World Jewish Congress Secretary General Israel Singer, who is taking part in the talks, said yesterday that he hopes that Chancellor Gerhard Schröder will make it his business to promote the rapid conclusion of the talks.

Singer expressed disappointment with the fact that the fund will not be established by the proposed date of September 1st, the 60th anniversary of the outbreak of World War II. Schröder will meet on September 6 with the heads of sixteen companies that are to contribute to the fund, and, according to Zinger, it is this meeting that will determine the nature of the testimony to be given by WJC representatives before the banking committee of the House of Representatives later this month.

On September 14-15, the banking committee will hold a comprehensive hearing on the Holocaust victims' property issue. On September 16, there will be a meeting of the follow-up team of the group of US state and city controllers, for a similar discussion. This team can impose sanctions on commercial concerns (such as banks and insurance companies) operating in the United States, if it is persuaded that they are not handling the matter satisfactorily.

Holocaust victims residing in Russia yesterday filed a class action suit against German companies, demanding compensation in respect of their using Jews as slave labourers (with the aim of literally working them to death) and as forced labourers. This is a first claim by survivors in Russia, one more in a series of claims that led to the various concerns reaching agreement in principle to set up a compensation fund.

Published by Israel's Business Arena August 26, 1999
German Holocaust pay talks may be prolonged-lawyer

BONN, Aug 26 - Talks between German companies and Holocaust victims over compensation claims for Nazi-era slave labour could continue for several weeks, a lawyer representing the victims said on Thursday.

Michael Witti, a German lawyer representing some 300,000 former slave labourers, told German Radio he expected the negotiations that began in Bonn on Tuesday to take longer than expected.

He said the 16 German firms that have collectively offered to compensate the slave and forced labourers had not yet even put forward a concrete offer to the victims. Lawyers for the victims are calling for a fund totalling $20 billion.

"The dispute over finances could last for weeks," Witti said. "We don’t even have an offer from the companies yet."

Germany’s chief Holocaust claims negotiator Otto Lambsdorff said earlier this week the $20 billion demand was unrealistic. Some German firms in the talks have said the fund could be about $1.7 billion, although the figure has not been confirmed.

In exchange for their payment, the German firms want to win immunity from class-action lawsuits.

German Chancellor Gerhard Schroeder had hoped to have the talks completed by September 1 -- a date marking the 60th anniversary of the start of World War Two.

There are an estimated 1.5 to 2.3 million surviving slave labourers, whom the Nazis intended to work to death. Hitler’s regime used a total of about 12 million slaves and forced labourers.

The slaves were largely Jewish, while the forced labourers were generally non-Jews who were not held in concentration camps. A recent study said that without the slave and forced labourers it was doubtful that Nazi Germany could have waged war as long as it did.

Category: European
Previous Story: Ethnic Albanians keep up anti-Russian blockade (Reuters)
Next Story: FOCUS-Bosnia Serbs demand release of army chief (Reuters)
A lawyer for the survivors said if German industry wanted global peace, it would cost them more.

But he added that the sheer size of the talks, with as many as 93 people around the table, had prevented progress.

Behind the scenes, contacts will continue and the negotiations under the joint stewardship of Germany's top Holocaust negotiator, Otto Graf Lambsdorff, and the US Deputy Treasury Secretary, Stuart Eizenstat, will resume again in Washington in October.
Jewish group asks Schroeder to intervene in slave-labor talks

BONN, Germany (August 26, 1999 5:50 p.m. EDT) - A Jewish organization urged German Chancellor Gerhard Schroeder Thursday to help speed an agreement on German firms' compensation for Nazi-era slave and forced laborers.

"We need somebody to intervene to help push it forward," said Alissa Kaplan, spokeswoman for the Jewish Claims Conference, which administers various compensation payments to Holocaust victims. "Survivors are dying every day. The longer we wait, the people who deserve some form of compensation the most won't be around to see it."

Thursday's meeting brought together more than 90 representatives from the myriad of sides gathered around an immense oval table at the Foreign Ministry building in Bonn, including Jewish groups, class-action lawyers, the companies and government representatives.

The session ended without any breakthroughs, though participants said they individual compensation figures were floated for the first time. The German government had hoped to have details of the fund worked out by Sept. 1, the 60th anniversary of the start of World War II.

The talks were the last before the proposed deadline lapses, but Schroeder is to meet with industry representatives Sept. 6.

"I hope that will be the day the chancellor will take his promise to deal with the matter seriously," said Israel Singer, chief negotiator for the Claims Conference.

The 16 companies in the talks - including leading German firms such as BMW, Siemens, Volkswagen and Deutsche Bank - want to be guaranteed immunity from future lawsuits over the slave labor issue. The companies proposed the idea of the fund last year under pressure of class-action lawsuits in the United States.

Wolfgang Gibowski, spokesman for the planned fund, said despite some progress, there still was no agreement on how an immunity agreement would proceed. He said they hoped
to reach a full agreement in the fall. All parties will gather again in early October in Washington.

Another unresolved issue is determining who will be eligible for compensation and for how much.

The U.S. and German governments mediated the talks. Also at the table were the governments of Israel and central European nations where former slave and forced laborers now live: Belarus, the Czech Republic, Poland, Russia and Ukraine.

"The group is too large to expect to find solutions for the salient problems," said Gibowski.

This round of talks is the first to open discussion of how much money claimants would be eligible to receive. No figures have been disclosed, but New York lawyer Ed Fagan, representing former slave laborers, said numbers were proposed.

Germany has already paid more than $54 billion to Holocaust victims for their suffering, but said the question of compensation for slave laborers was up to the companies.
WJC: Let Schroeder Assist Nazi Victims' Compensation Fund Set-Up Negotiations

By Itamar Levin

Progress was achieved yesterday in the talks taking place in Bonn on the set-up of a German fund for compensating Nazi victims. But a number of key questions, foremost among them being the volume of the fund, remain open. At the time of web-posting, the talks continued.

Yesterday's meeting reached agreement in principle on the immunity against future claims to be granted to companies joining the fund. No details were given, but the companies evidently concurred in the formula proposed by some of the lawyers who have brought class actions against them.

Under this formula, the US government will declare before the court due to review claims, that it views the set-up of the fund as the most appropriate way of settling the claims. A similar declaration will be made if and when further claims are brought. This formula does not absolutely ensure that the court will refrain from hearing further claims, and does not give the insurance companies immunity outside of the United States, although it is fairly certain that the formula will be adopted by any US court.

On the other hand, there are still differences of opinion on a number of main topics, such as eligibility for compensation, the amount of compensation to various groups of survivors.
A memorial service will be held on September 5 at Terezin, 35 miles (60 kilometers) north of Prague, where the main Jewish ghetto and a concentration camp were located under Nazi occupation. (c) 1999 Agence France Presse
Child Holocaust Survivors To Meet In Prague

PRAGUE, Aug 27, 1999 -- (Agence France Presse) More than 600 survivors of the Holocaust who were under 18 at the time are to meet in Prague from September 2-5, organizers said Thursday.

The meeting, the 12th such international reunion of child Holocaust survivors, will be the first time the event has been held in a former communist country.

Participants at the gathering, dubbed "Bridges to Tomorrow," will include some 150 Jews from the United States and about 50 from Israel, while Roma who survived the Holocaust have also been invited.

Organizers plan some 30 seminars and workshops, mostly held behind closed doors to ensure privacy, while there will also be a debate on compensation for Holocaust victims, notably those who were minors at the time.

Israel's new ambassador to Prague Erella Hadar will attend. In a ceremony in a Prague synagogue, she will bestow an honor on the family of a couple who saves Jewish families by hiding them in their home in the east of the country.
HOLOCAUST-ERA FORCED LABOUR

Germany firm on fund

Germany said yesterday it would press reluctant companies to contribute to a compensation fund for Nazi-era forced labourers. Count Otto Lambsdorff, Germany's negotiator in talks with the US and victims' groups, also warned that a failure to reach an agreement on the Holocaust fund could damage bilateral relations and hurt German companies.

If the talks, due to resume in October, were to fail, "there would be boycotts and sanctions on German products across the United States and in individual states," he said. He told the Welt am Sonntag newspaper that too few of the German companies that used forced labour during the second world war had come forward to say they would contribute to the fund, which aims to compensate about 2m survivors.

Sixteen companies - such as Allianz, Deutsche Bank and Volkswagen - have agreed so far to contribute.

There were, however, thousands of German companies, many of which no longer exist, that used forced labourers to keep Hitler's wartime economy running. He repeated his view that the demand for $20bn from some victims' lawyers was unrealistic but said an amount proposed by Volkswagen could be used as a base. Volkswagen agreed to pay each forced labourer DM10,000 (£5,110, $5,345). Reuters, Bonn
German talks on paying Holocaust victims stall

BERLIN - Representatives of Holocaust victims and 16 German companies broke off negotiations Thursday over how to compensate survivors of Nazi slave labor camps.

The latest round of talks, mediated by the U.S. and German governments, achieved little progress this week in Bonn. The two sides acknowledged that they were far apart over who should get the money and how much they should receive.

Lawyers for the victims are seeking as much as $20 billion in payments, but German firms say the fund should amount to no more than $1.7 billion. The companies also want "legal peace," or immunity from future claims.

Besides the disparity in the proposed size of the fund, there are glaring differences over how many Nazi camp survivors would actually qualify for payments. The Nazis are believed to have employed as many as 12 million slaves and forced laborers, but one study shows that 1.5 million laborers are still alive while another puts the figure at 2.3 million.

Deputy U.S. Treasury Secretary Stuart Eizenstat, who is leading the talks with Germany's former finance minister Otto Lambsdorff, emphasized that continued bickering would only prolong the suffering and injustice felt by those who have never received reparations.

"We all feel tremendous time pressures," Mr. Eizenstat said. "There is a great weight imposed by history and the biological clock because 10 percent of the survivors die every year."
BONN, Germany - A German official said yesterday that the government would press reluctant companies to contribute to a compensation fund for Nazi-era slave and forced laborers.

Otto Lambsdorff, Germany's negotiator in talks with the United States and victims' groups, also warned that a failure to reach an agreement on the Holocaust fund could damage bilateral relations and hurt German companies.

If the talks due to resume in October were to fail, "there would be boycotts and sanctions on German products across the United States and in individual states," Lambsdorff said.

"The entire climate even at the government level would take a turn for the worse," he said.

Lambsdorff said in a newspaper interview that too few of the German companies that used slave and forced labor during World War II had come forward to say they would contribute to the fund, which aims to compensate about two million survivors.

Sixteen companies - including such blue-chip firms as Allianz AG, Deutsche Bank AG and Volkswagen - have agreed to contribute.

There were, however, thousands of German companies, many of which no longer exist, that used slave and forced laborers to keep Adolf Hitler's wartime economy running.

Lambsdorff repeated his view that the demand for $20 billion from some victims' lawyers was unrealistic, but said an amount proposed by Volkswagen could be used as a base. Volkswagen agreed to pay forced laborers 10,000 marks (about $5,300) each.
Lambsdorff said he hoped smaller working groups would make more progress than did a large gathering in Bonn last week.

The talks between Germany and the United States in Bonn failed to produce an agreement. Survivors' lawyers and German companies were far apart on the size of a fund.

Nazi Germany sent Jews and other concentration-camp inmates to work in conditions under which they were expected to die. The regime also shipped other people from Nazi-occupied Europe to its factories and farms as unpaid labor.

U.S. Deputy Treasury Secretary Stuart Eizenstat said Friday that the United States supported a key German demand that German companies be shielded from further lawsuits. Eizenstat said money was still the biggest hurdle.

German companies have been reported to be willing to pay $1.7 billion into the fund in return for immunity from future class-action suits.
FRANKFURT, Germany - Germans crowded into Frankfurt and Weimar by the thousands yesterday to celebrate the 250th birthday of Johann Wolfgang von Goethe, the nation's world-renowned poet.

Dozens of men dressed in black-tailed suits and cylinder hats and women in the costumes of Goethe's time strolled in the streets around Frankfurt's Alte Oper, the city's opera house where Chancellor Gerhard Schroeder presented the Goethe Prize to 73-year-old German author Siegfried Lenz.

Frankfurt Mayor Petra Roth praised Lenz for his approach to German history, saying his best-known work, "German Lesson," published in 1968, describes everyday life under the Nazis and "the banality of evil."

Accepting the prize, Lenz called Goethe a "prince of poets, who is and will remain classical."

Past recipients of the $26,840 Goethe Prize include Albert Schweitzer, Thomas Mann and Sigmund Freud.

Festivities in the city where Goethe was born on Aug. 28, 1749, also included a showing of Friedrich Wilhelm Murnau's 1926 silent film "Faust" - based on Goethe's dramatic poem about a man who makes a pact with the devil for universal knowledge.

More than 550 artists were in Frankfurt taking part in various skits about Goethe, some on a large stage set up outside the neoclassic opera house where a crowd of several thousand...
jammed the square under a sunny sky to watch.

In the central city of Weimar, where Goethe lived and wrote most of his works from 1775 until his death in 1832, a full day of festivities included readings, period music and a street festival in its picturesque cobblestone squares and streets.

Today, the Israel Philharmonic Orchestra and German musicians plan to perform a joint gala concert in a Weimar park where Goethe once gathered with other intellectuals.

That performance, in a token of remembrance and reconciliation, comes despite the dark shadow of the Nazis' former Buchenwald concentration camp in a beech forest up the hill from Weimar, where 56,000 inmates died between 1937 and 1945.

It was in that same forest that Goethe often strolled and gathered inspiration for his works, which Germans now proudly celebrate as the positive side of their nation, which was torn asunder by two world wars and the Holocaust.
Wartime slave laborers suing firms that profited

By Laura Mecoy
Bee Los Angeles Bureau
(Published Aug. 29, 1999)

LOS ANGELES -- His mind shuts down and the words disappear. But the pain is still evident in his eyes and his voice.

Josef Tibor "Ted" Deutsch becomes so overwrought that he struggles to recount how his brother saved him from Auschwitz's gas chambers by propping him up when he was too sick to stand for daily prisoner counts.

Then, he recalls, the teenagers were sent to work as slave labor for a German construction firm, and Deutsch could only watch as the company's supervisor beat his brother for falling down on the job.

"My brother was brutally murdered in front of me," the 71-year-old Los Angeles retiree said. "I carry this with me every day. And this was for one reason -- to squeeze as much labor out of us as possible. They killed us for profits, and they should pay us for that."

He couldn't save his brother 55 years ago. But he is determined to use a new California law to make Germany's second-largest construction company, Hochtief, pay for his
brother's death and for the mental and physical disabilities Deutsch said he still suffers as a result of his enslavement.

Hochtief is one of three major corporations that about 50 Holocaust survivors and former American prisoners of war living in California have either sued or plan to sue under a new state law. The measure signed last month by Gov. Gray Davis gives them their first realistic chance to collect individual damages for their forced labor during World War II.

The new law and the flurry of legal actions are the latest chapters in an international campaign to hold some of the world's largest corporations responsible for war-time atrocities. Already, two of Switzerland's largest banks have established a $1.25 billion fund to settle Holocaust-era claims.

The California Legislature approved a resolution last week urging Japan to pay reparations to American prisoners of war and other victims of World War II atrocities. And German firms have pledged to create a fund to compensate the survivors of Nazi slave labor camps, but their initial offer of $1.7 billion was rejected as too small.

Hochtief, the company Deutsch blames for his brother's death, said it supports the fund and acknowledged using "forced labor" during World War II. It said most German construction companies were "caught up" in the Nazi regime's "war machine."

"We acknowledge our historical and moral responsibility for the injustices done in the past," Hochtief said in a statement. "We must never forget those times and their consequences. And we must all work together to ensure that such atrocities are never repeated, either in Germany or anywhere else in the world."

But it said it can't determine if Deutsch was one of its forced laborers because most of its records are missing or were destroyed.

Deutsch believes he has proof: the number B-5901 the Nazis tattooed on the underside of his left forearm. German records show prisoner B-5901, Tibor Deutsch, was transferred to the Trzebiniaprison camp in August 1944.

A historical account of the camp said its prisoners worked for 18 construction companies, and the largest of those was Hochtief. Deutsch said all the tools and other equipment
where he worked bore the name "Hochtief."

"I know someone who carried the Hochtief name killed my brother," he said. "I can never forget that."

Deutsch's attorney, Lisa Stern, still must prove Hochtief does enough business in California to be sued in the state. But she said she's ready to move forward -- even if Hochtief contributes to the survivor fund -- because each person deserves his or her own measure of justice.

Along with Claremont lawyer William M. Shernoff, she's also filing a lawsuit against Philipp Holzmann AG, Germany's largest construction firm, on behalf of about 40 Lithuanian Holocaust survivors. She said they were forced to work 14 hours a day building an underground aircraft factory for the Nazis.

Gerhard Semar, Holzmann's spokesman, said the company is aware of several such claims. But he said he can't comment on this case because the company's records were destroyed in the World War II bombing of Frankfurt.

He said the firm's officials feel a "moral responsibility for Holzmann's part in the German war effort" and have pledged to contribute to the fund to compensate slave laborers.

Si Frumkin, the lead plaintiff in the California case, said he won't take those payments because they won't be enough to compensate him for his losses.

His father died just 20 days before Frumkin was liberated by the Allies from the Dachau concentration camp on April 27, 1945. Frumkin blames Holzmann for his father's death.

He said he and his father were marched five miles every day to a construction site where Holzmann employees forced them to haul bags of cement.

"If you were slow or tardy or you couldn't pick it (a bag of cement) up, you would get hit," the 68-year-old Los Angeles retiree said. "And they would hit you until you passed out or died."

They received only a small share of bread to eat each day and slept just a few hours each night. After a year of this treatment, Frumkin's father couldn't get out of bed one morning. Frumkin found his father in the camp hospital that evening.
"He couldn't talk, and he was breathing hard," he said. "Then he just took a long breath, whispered something to me, and died."

Frumkin was 14 years old.

He harbored his hatred for Holzmann for decades, and then decided something must done. Too many years had passed, though, for him to file suit.

Frumkin joined other Jewish leaders in winning enactment of the California law that made his lawsuit possible. It extended the deadline for filing World War II slave and forced labor lawsuits to 2010.

In San Diego, retired college professor Lester I. Tenney realized the new law could apply to him too, and he filed suit on Aug. 11 against the Japanese firm that forced him to work in its mines as an American prisoner of war.

He had been taken captive when the Allied troops in the Philippines surrendered to the Japanese on April 9, 1942. Tenney survived the Bataan Death March, only to wind up working for two years in a Mitsui-owned mine where he said the company's employees beat American prisoners. "They hit us with hammers, pickaxes, shovels, chains, pieces of wood," he said. "They would pick up anything close to them and starting hitting you with it."

At age 79, Tenney said he still suffers from injuries received at the hands of Mitsui's employees.

Mitsui's mining operation didn't respond to repeated requests for comment. The other two defendants in Tenney's case -- Mitsui USA and Mitsui & Co. Ltd. -- said they had nothing to do with the conglomerate's mining operations and shouldn't be named as defendants.

Tenney said he survived three years of captivity by dreaming of reuniting with the woman he loved. But she'd given up hope of him returning alive and had married another. He did find love again and has been married to his current wife for 39 years.

But like the Holocaust survivors, Tenney spent the past 50 years fuming over his fate and feeling powerless.

These three men with their similar histories...
These three men with their similar histories -- Deutsch, Frumkin and Tenney -- said California's new law extending the time for them to file their lawsuits finally gave them the opportunity to exact justice from those who made their lives and the lives of so many others a living hell.

"Most of the others are dead," Deutsch said. "I am one of the only ones who survived. I believe I am living to get justice for me and for the people who disappeared like shadows."
Israeli native captures homeland in artwork

By MARLA PIERSO Tribune-Herald staff writer

With computer skills honed at Texas State Technical College and memories wrested from deep within her, Eva Kamenetsky fashions artwork commemorating her homeland Israel.

A freelance graphic artist in Waco, Kamenetsky was a finalist in a poster competition of artwork commemorating Israel's 50th anniversary, and her piece became part of a traveling exhibition.

She talks more, though, about the process of bringing together her land and her work.

"While I was brainstorming, everything that I am, everything I studied and heard I had to pull out," Kamenetsky said. "This really was a trip, a mental trip to my roots."

Kamenetsky was born in Yugoslavia. Her parents were Holocaust survivors who came to Israel when she was 2. Kamenetsky said waves of people would come from Yugoslavia then, with ships arriving full every month or so.

She grew up in Israel, serving in the Army there as is required and witnessing the struggles of the country.

"There's a war all the time... not like a declared war but a war all the time," Kamenetsky said. "Everybody has somebody who was killed in the war or wounded. And these things are bonding. It makes you feel committed."

A decade ago, her husband got a job in Canada and the family moved.

When her son, now 10 years old, was born she decided to pursue the dream of art that she had pushed aside to become a physical therapist.

She got a computer and software and took classes, then enrolled in the commercial art department at Texas State Technical College after her husband took a job at Raytheon.

Even after six years in Waco, she's still strongly connected to Israel.

"Israel is a very small and very troubled country. And that makes you very involved in every happiness or misery that comes to the country," she said.

"I'm so happy to live in America which is considered to be an ally of...
I'm so happy to live in America which is considered to be an ally of Israel," she said. "It would be very hard for me to live in a country that was not an ally of Israel."

Each summer she spends six to eight weeks in Israel, although she said creating artwork commemorating the country brought her even closer to her roots.

Through the Jewish Federation of Waco and Central Texas, Kamenetsky got information about the poster contest celebrating the 50th anniversary of the country from the Israeli Consulate General in New York.

"Being Israeli, she has an innate knowledge that many Jews here don't have when it comes to things regarding daily life in Israel," said Debbie Hersh, executive director of the Jewish Federation of Waco and Central Texas. "Through her artwork she can share that knowledge."

For the poster, Kamenetsky cut paper flowers by hand, photographed them and scanned the image into the computer, creating white flowers on a blue background in the two colors of Israel's flag.

The declaration of independence of Israel is there, as well as "Israel" written in Hebrew.

"It's like I was giving a present or something to the country, showering it with flowers," Kamenetsky said.

She said she wanted the handmade look of the flowers to represent the warmth she fears may get forgotten in today's technologically sophisticated rush.

"People of Israel are basically very warm and kind and giving," she said. "I kind of wanted to picture the spirit of Israel that I hope will not get lost."

For invitations to an exhibition of artwork by Israeli and Palestinian children, Kamenetsky combined photographs of the young artists, an opening heart along with a Muslim symbol and the star of David set together.

On the back was the word "peace" in English, Hebrew and Arabic.

"Here the kids are working together on art and building a bridge. It was fantastic," Kamenetsky said.

Creating artwork commemorating her country is a mental effort. "Then it's nice to have a kind of simple work, like knitting in the evening," Kamenetsky said.

For her, that is the time-consuming work of restoring old photographs, a process she said taps into the healing she worked toward as a physical therapist.

"I like to correct and repair things and make them work again," she said. "It's like the part in me that likes to heal, to heal old pictures and make them new again."

Recently back from her summer time in Israel, Kamenetsky said she looks forward to creating more works that tap into her love for her

country.

"It's so close to me, to my heart," Kamenetsky said.

Marla Pierson can be reached at mpierson@wacotrib.com or 757-5746.
Germany wants broader support for Holocaust fund

By Erik Kirschbaum

BONN, Aug 29 - Germany said on Sunday it would press reluctant companies to contribute to a compensation fund for Nazi-era slave and forced labourers.

Count Otto Lambsdorff, Germany’s negotiator in talks with the United States and victims’ groups, also warned that a failure to reach an agreement on the Holocaust fund could damage bilateral relations and hurt German companies.

If the talks due to resume in October were to fail "there would be boycotts and sanctions on German products across the United States and in individual states", Lambsdorff said.

"The entire climate even at the government level would take a turn for the worse," he said.

Lambsdorff told the Welt am Sonntag newspaper that too few of the German companies that slave and forced labour during World War Two have come forward to say they would contribute to the fund, which aims to compensate about two million survivors.

Sixteen companies -- including such blue chip firms as Allianz AG, Deutsche Bank AG and Volkswagen -- have so far agreed to contribute.

There were, however, thousands of German companies, many of which no longer exist, that used slave and forced labourers to keep Hitler’s wartime economy running.

"More companies have to take part," Lambsdorff said.

He repeated his view that the demand for $20 billion from some victims’ lawyers was unrealistic, but said an amount proposed by Volkswagen could be used as a base. Volkswagen agreed to pay forced labourers 10,000 marks ($5,300) each.
"That is an amount that was put forth as a basis by the industry," Lambsdorff said. Estimates of the number of surviving slave and forced labourers vary between 1.5 million and 2.3 million.

Historians and other experts are expected to come up with a more precise figure by start of the next round of talks in Washington on October 6. Lambsdorff said he hoped smaller working groups would make more progress than a large gathering in Bonn last week.

The talks between Germany and the United States in Bonn failed to produce an agreement. Survivors' lawyers and German companies were far apart on the size of a fund.

Nazi Germany sent Jews and other concentration camp inmates to work in conditions under which they were expected to die. The regime also shipped other people from Nazi-occupied Europe to its factories and farms as unpaid labour.

U.S. Deputy Treasury Secretary Stuart Eizenstat said on Friday the United States supported a key German demand that German companies be shielded from further lawsuits. Eizenstat said money was still the biggest hurdle.

German companies have been reported to be willing to pay $1.7 billion into the fund in return for immunity from future class-action suits.

($1=1.871 Mark)

Category: European

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FOCUS-Schroeder must resolve Holocaust impasse-WJC

By Erik Kirschbaum

BONN, Aug 26 - The World Jewish Congress called on Chancellor Gerhard Schroeder on Thursday to help push forward stalled talks between German companies and Holocaust victims over Nazi-era slave labour claims.

Israel Singer, secretary general of the WJC, said he was "cautiously optimistic" that talks between lawyers representing Holocaust survivors and German companies would lead to an agreement but attorneys said the two sides were still far apart.

Singer told journalists before a round of negotiations in Bonn that it was time for Schroeder to throw his weight into the talks. The Holocaust victims are calling for $20 billion, a figure Germany's top negotiator has rejected as unrealistic.

"I am still cautiously optimistic," Singer said. "I still hope to have some kind of an agreement in the near future. Chancellor Schroeder is the central figure. The ball is in the chancellor's court and let's hope he runs with it."

Scores of delegates from a wide variety of groups including the WJC, the U.S. government, German companies and the German government have been meeting in the foreign ministry in the former capital city of Bonn since Tuesday.

A number of key officials said on Thursday the talks could last longer than expected.

Schroeder, who has pushed German companies to reach an agreement in the past, had hoped for an agreement by September 1 -- the 60th anniversary of the start of World War Two.

Schroeder will speak on September 6 at a meeting with German corporate leaders to discuss the creation of a multi-billion dollars fund for the survivors.
Melvyn Weiss, a U.S. lawyer representing thousands of victims, said the talks were stalled. The central unresolved issue was money and the two sides were far apart. He doubted an agreement would be reached in the next 30 to 60 days.

"Money is the key question, absolutely," Weiss said. "I think they’re suffering from sticker shock. They have to face up to what the real cost is. If the German firms really want to deal with this then they have to start coming to grips with the reality."

Michael Witti, a German lawyer representing some 300,000 former slave labourers, said the talks between the 16 German firms and Holocaust survivors could continue for several weeks.

He said the 16 German firms that have collectively offered to compensate the slave and forced labourers had not yet even named a concrete compensation sum to the victims.

"The dispute over finances could last for weeks," Witti said. "We don't even have an offer from the companies yet."

Germany's chief Holocaust claims negotiator Otto Lambsdorff said earlier this week the $20 billion demand was unrealistic. Some German firms in the talks have said the fund could be about $1.7 billion, although the figure has not been confirmed.

In exchange for their payment, the German firms want to win immunity from class-action lawsuits.

The Nazis intended to work the slave labourers to death but an estimated 1.5 to 2.3 million survive. Hitler’s regime used a total of about 12 million slaves and forced labourers.

The slaves were largely Jewish, while the forced labourers were generally non-Jews from eastern Europe who were not held in concentration camps. A recent study said that without the slave and forced labourers it was doubtful that Nazi Germany could have waged war as long as it did.
How Much Money Is The Sticking Point For Mediators Trying To Set Up Slave Labor Fund

By BURT HERMAN
Associated Press Writer

Aug. 27, 1999

BONN, Germany (AP) -- U.S. and German mediators trying to work out a deal between German companies and World War II-era slave laborers said today the sticking point now is how much victims should be paid.

The latest round in the ongoing talks involving lawyers, company representatives, Jewish groups and officials from Israel and central European nations ended Thursday without a deal.

The parties meet again Oct. 6 in Washington, but Jewish groups hope that German Chancellor Gerhard Schroeder can help break the deadlock during a meeting Sept. 6 with industry leaders.

U.S. envoy Stuart Eizenstat and chief German negotiator Otto Lamsdorff told a joint news conference today that financial demands by victims' lawyers were way too high.

"If the financial side could be taken care of -- the money -- then many other problems would resolve themselves," Eizenstat said. Negotiators need to come up with a figure that the companies can handle, he said.

Mediators did not release what specific figures were discussed during two days of talks in Bonn, but one of the victims' lawyers, Deborah Sturman, said their demand is more than the $20 billion previously reported.
"Twenty billion doesn't sound too high and it's going to be more," Sturman said.

Basing a calculation on 2.3 million eligible survivors estimated by the lawyers, each would receive about $800, she said. Another estimate presented at the meeting put the number of eligible survivors at 1.5 million.

Lamsdorff said the victims' monetary demands "are way off the mark" and would scare away other companies thinking of joining the fund.

So far, 16 companies have agreed to join the fund, but they are seeking immunity from future slave labor claims in return. The terms for legal protection were still in dispute.

Eizenstat said the U.S. government would take the "unprecedented" step of asking for dismissal of future suits, emphasizing to the courts that the so-called industry fund is the proper forum for settling claims.

Considerable progress was made during the talks on determining who would be eligible for the fund, the mediators said. Industry officials, however, have criticized the victims' lawyers for trying to expand the group of eligibles.

Israel Singer, executive secretary of the World Jewish Congress, offered his own criticism today, saying that the fund should be for Holocaust victims, not all war victims.

"One should not try to make every victim a Holocaust victim," Singer said on Berlin's InfoRadio.

The two sides also agreed to include insurance companies, banks and former public companies that are now privately owned. Additional claims from the formerly public companies could include "tens of thousands" of other workers, Eizenstat said.

In earlier talks, there had been complaints over a proposal to pay Eastern Europeans less -- in proportion to local wages -- but Eizenstat said the sides agreed this week that where survivors lives will have no impact on how much they get.

Germany has already paid more than $54 billion to Holocaust victims for their suffering, but deferred settlement of slave labor claims to the companies that benefitted from their labor.

Schroeder's government has, however, pledged to establish a
second federally administered fund for previously uncompensated Holocaust victims, including those who worked for agriculture and for companies run by the Nazi SS.

Lamsdorff told the session that parliament would take the matter up when it reconvenes next month.
WASHINGTON, Aug 30 (Reuters) - The United States and Germany have too much at stake in bilateral ties for talks to fail on a compensation fund for Nazi-era slave and forced laborers, the U.S. government's lead negotiator on the issue said on Monday.

"If these talks fail, we'll inevitably have increased tensions," including threats of state and local sanctions against German companies, Deputy U.S. Treasury Secretary Stuart Eizenstat said in an interview on CNN.

"It will create the kind of problem we don't want with a principal ally," he said, "so we dare not fail."

Germany said on Sunday it would press reluctant companies to contribute to the proposed compensation fund and, like Eizenstat, warned that any failure to reach agreement could trigger U.S. boycotts of German goods.

Count Otto Lambsdorff, Germany's chief negotiator in talks with the United States and with victims' groups, also warned that a failure to reach a deal on the Holocaust fund could damage bilateral relations and hurt German companies.

If the talks due to resume in October were to fail "there would be boycotts and sanctions on German products across the United States and in individual states," Lambsdorff said.

"The entire climate even at the government level would take a turn for the worse," he said.

Lambsdorff told the Welt am Sonntag newspaper that too few of the German companies that used slave and forced labor during the Second World War have come forward to say they would contribute to the fund, which aims to compensate as many as two million survivors.

Sixteen companies -- including such blue chip firms as Allianz AG, Deutsche Bank AG and Volkswagen AG -- have so far agreed to contribute.

There were, however, thousands of German companies, many of which no longer exist, that used slave and forced laborers to keep Hitler's wartime economy running.
"More companies have to take part," Lambsdorff said.

He repeated his view that the demand for $20 billion from some victims' lawyers was unrealistic, but said an amount proposed by Volkswagen could be used as a base. Volkswagen agreed to pay forced laborers 10,000 marks ($5,300) each.

Eizenstat said it was time for both sides to get serious, or "we'll have a biological solution to this problem." The average age of the survivors is close to 80 and 10 percent are dying each year, he said.

"If we don't get more flexibility on both sides, then we're going to have a huge population that will never benefit from this," he added. "The companies need to pay more, the lawyers need to accept less."

"We all have a tremendous burden on our shoulders to do justice and to try to do it before the millennium ends so that we can look to the future with promise," he said.

Historians and other experts are expected to come up with a more precise figure on the number of survivors for the start of the next round of talks in Washington on Oct. 6. Lambsdorff said he hoped smaller working groups would make more progress than a large gathering in Bonn last week.

The talks between Germany and the United States in Bonn failed to produce an agreement. Survivors' lawyers and German companies were far apart on the size of a fund.

Nazi Germany sent Jews and other concentration camp inmates to work in conditions under which they were expected to die. The regime also shipped other people from Nazi-occupied Europe to its factories and farms as unpaid labor.

Eizenstat said on Friday the United States supported a key German demand that German companies be shielded from further lawsuits. Eizenstat said money was still the biggest hurdle.

German companies have been reported to be willing to pay $1.7 billion into the fund in return for immunity from future class-action suits.
Austrian banks' Nazi-era compensation to be reviewed in court

By MARILYN HENRY

NEW YORK (August 31) - Victims of the Nazis will have the opportunity to comment on the $40 million settlement of the lawsuits against Bank Austria and Creditanstalt when a New York federal court holds a hearing November 1 on the fairness of the deal, according to a legal announcement of the settlement which is being published this week.

The settlement, overseen by the US District Court in Manhattan, has been opposed by the Claims Conference, which said the amount is too low.

Nazi-hunter Simon Wiesenthal has been named to oversee the settlement's restitution committee, which will allocate any funds that remain once the claims are paid.

The Austrian banks' case is separate from class-actions suits that have been filed against Deutsche Bank and Dresdner Bank. Bank Austria and Creditanstalt have agreed to pay $40m. to settle legal claims relating to their wartime business conduct, but both deny any wrongdoing.

Some $2m. of the settlement will be used to finance a historical commission that will be created to investigate and publish a report on the Nazi-era activities of the Austrian banks, and to help identify potential beneficiaries of the settlement.

The settlement hearing will be held only weeks before a comparable hearing, in a different federal court, on the $1.25 billion Swiss banks' settlement.

Unlike the Swiss settlement, which applies to broad categories of Holocaust survivors, the Austrian deal covers victims of the Nazis who, between 1933 and 1946, incurred any financial losses caused by Creditanstalt and Bank Austria.
Those who participate in these class-action settlements forfeit the right to bring future suits against the Austrian and Swiss banks. Those who wish not to participate - known as "opting out" - must do so by October 18 in the Austrian case, and by October 22 in the Swiss case.

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Campaign launched for Austrian Holocaust survivors

JERUSALEM, Aug 31 (Reuters) - U.S. lawyers acting on behalf of Austrian Holocaust survivors launched a campaign on Tuesday to notify eligible claimants of a $40 million settlement made with two Austrian banks.

"It's a fair settlement," said Edward Fagan, a U.S lawyer acting on behalf of more than 70,000 Austrians of the deal signed in March with Austria's largest bank, Bank Austria, and its subsidiary Creditanstalt.

The campaign, to be launched in 22 languages and 142 magazines and newspapers worldwide on Friday, notifies potential claimants of their right to file for compensation by October 18.

In addition to Fagan's clients, another 4,000 Austrian Holocaust survivors in Israel and around 20,000 people worldwide could also benefit from the settlement, said Michael Koll Nesher, head of the umbrella organisation for Israeli Austrian and German survivors.

The Nazis, led by Germany's Adolf Hitler, killed six million Jews in the World War Two Holocaust.

Under the terms of the settlement, lawyers have been able to obtain access to the archives of the two Austrian banks and have uncovered information that could pave the way for a rash of similar suits, Fagan said.

"There is an enormous money trail and as we follow the money we find the money goes into every major bank in the world," he said, mentioning in particular Germany's Deutsche Bank AG and Dresdner Bank AG.

So far the two German banks have refused to produce documents relating to expropriated wartime assets.

"Think of (the Austrian banks) as the vacuum cleaner and the German guys as the entities who worked the machines...The Austrian bank settlement has opened doors previously closed to expose what Germany did," Fagan said.

Austria was annexed by Germany in 1938.

Fagan has also uncovered a Vienna bank account set up by Adolf Eichmann, a Nazi leader later entrusted with carrying out the Nazi genocide programme against the Jews.

The bank account was used to receive money extorted from Jewish communities in Paris in return for pledges of safety for Austrian Jews, and later money seized from Jews within Austria.

The Austrian settlement follows a settlement last year for $1.25 billion between Swiss banks and Holocaust victims who alleged the banks hoarded their wealth.

http://www.canoe.ca/ReutersNews/HOLOCAUST-AUSTRIA-ISR.html
Survivors eligible for claims: people who deposited assets later stolen from the two banks, people whose assets were looted and moved to the banks by the Nazis, people who sent money to concentration camp victims that was later diverted and slave labourers whose work profited the banks.
A federal court in New York will decide on November 1 whether the settlement should be given final approval.
Austrian banks 'siphoned Holocaust cash'

FROM SAM KILEY IN JERUSALEM

LAWYERS representing Nazi Holocaust victims and their survivors will today publish what they claim are sensational documents released by Austrian banks, including a memorandum from Adolf Eichmann, whose chief role was to deport Jews to the death camps.

According to Ed Fagan, the lawyer representing Holocaust victims, the documents include instructions on what to do with money extorted from Jews in Vienna and plans for the "siphoning" of the money back to Germany. The Eichmann memorandum identifies the accounts used to siphon funds back to Germany, Mr Fagan said.

The papers also include some of the wartime diaries of Hermann Abs, who was at the time head of the Creditanstalt, an Austrian finance house owned by Deutsche Bank which he later took over and is now one of the biggest banks in the world.

"The papers that we have obtained from the Austrian banks clearly show that there was a great deal more than just commercial motivations on the part of German banks in taking money from Jews," Mr Fagan said.

"They include evidence of how money sent to save Jews in Vienna from London and Paris was moved back into Germany, and altogether show that the German banks were actual willing collaborators with the regime. As they also profited, they shall be made to pay."
The German banks have refused to allow Mr Fagan full access to their wartime files. However, they have employed their own historians and have been anxious to settle the claims of Nazi profiteering as soon as possible with Jewish groups.

Mr Fagan yesterday refused to say how much he was demanding of the German banks, saying only that it was billions of dollars.

Mr Fagan, a colourful figure with a keen sense of how to embarrass organisations that profited from the Holocaust, said that until the German banks came up with a "realistic and fair settlement" he would continue to release the documents from Austria which will "keep cutting them until they bleed to death".

"I don't want them to force me into using their own documents against them," he said. "I want to leave them with one ounce of dignity, or I shall show them just how bad they were."

- Germany said that it would press reluctant companies to contribute to a compensation fund for Nazi slave and forced labourers. Count Otto Lambsdorff, Germany's negotiator in talks with the United States and victims' groups, also said that a failure to reach an agreement on the Holocaust fund could damage bilateral relations and hurt German companies.

If the talks, scheduled to resume in October were to fail, "there would be boycotts and sanctions on German products across the United States", he said.

Next page: Russia ready to blame 'scam' on reformers
Ex-slave laborers say German firms lack sensitivity to the victims in talks

By Douglas Davis

LONDON, Aug. 29 (JTA) -- British Jews forced to work as slave laborers in Nazi Germany are bitter about the attitude adopted by German negotiators at last week's compensation talks in Bonn.

"They don't seem to feel they owe us anything," said Rudy Kennedy of London, who attended the talks that ended with both sides still far apart.

German industrial interests are reported to have offered to create a fund of some $1.8 billion, matched by a similar amount from the German government, to compensate former slave and forced laborers.

In return, the former laborers would agree to abandon all other legal actions relating to Nazi-era labor issues.

The former laborers, however, are believed to have rejected the offer and to be insisting on a total settlement amounting to some $38 billion.

Kennedy, then 15, spent two years from March 1943 as a slave laborer with IG Farben at Auschwitz and later worked in the V2 rocket works at Dora.

He was rescued from Bergen-Belsen by liberating British troops and now represents more than 200 members of a British group called Claims for Jewish Slave-Labor Compensation.

Kennedy, an unofficial delegate to last week's talks, was shocked by the attitude of the German negotiators: They "behaved to my mind in a most terrible way," he said. "They feel they're doing us a big favor by offering us anything at all."
Lothar Evers, a German campaigner for the slave laborers, accused the companies of attempting to impose unacceptable conditions and said they demonstrated "an entire lack of sensitivity toward the victims" by seeking to limit payments to those who lived in guarded camps or closed ghettos.

More than 15 major Germany companies are jointly trying to negotiate an out-of-court settlement with their former forced laborers, of whom up to 2.3 million are thought to be still alive out of a total of 12 million.

The firms, which include BASF, Bayer, BMW, DaimlerChrysler, Ford, Krupp, Siemens and Volkswagen, as well as the Deutsche and Dresdner banks, are under pressure to reach a deal because the alternative -- class actions started by ex-slave laborers in U.S. courts -- could produce huge awards.

Many former slave laborers are angry that while the German government has compensated Jews who suffered under Nazism, German companies have refused to compensate the millions of people who were forced to work in their factories during the war.

Last week's talks did not address the issue of how much money should be paid to former slave laborers, but focused instead on who should be eligible for payments.

The average age of the former slave laborers is nearly 80 and there is concern that if the German companies continue to procrastinate, many more will die before any settlement is reached.

The companies say they have a duty to current shareholders and workers who built them up after the war to avoid major financial commitments for crimes committed more than 50 years ago.

Negotiations are expected to resume in Washington in early October.

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