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Briefing on the Washington Conference on Holocaust-Era Assets Conference and
release of proceedings of the conference, Washington, DC, May 20, 1999

It's a pleasure to be here with Judge Mikva, who was the conference chairman and who was significantly responsible for the success of the conference, and Sara Bloomfield, the director of the U.S. Holocaust Memorial Museum -- the new director. I want to congratulate her, and since the Museum was the co-sponsor of the conference, we wanted to have her here as well.

I have a detailed report which we'll hand out at the end of the conference for your use, and I'd like to especially also mention a few other people. J.D. Bindenagel, who coordinated the conference and did absolutely incredible work in getting 44 countries and 13 NGOs together; Bennett Freeman, who was by my side during this whole effort and who has played a special role in the Holocaust education piece that I'll talk about in a minute; Bill Slaney, our State Department historian, who was our intellectual leader for the development of our two Nazi gold and neutral reports; Ken Klothen, who is the Executive Director of the President's Advisory Commission on Holocaust Era Assets in the U.S., which I'll talk about in a moment; and then Ambassador Henry Clarke, who has been working with me on property restitution issues.

We're pleased to share the statements and presentations of our meeting . This has been gotten done in really record time -- all the proceedings and a CD ROM. And we want to discuss the progress since, because this was not a one-time event; it was an effort that has added momentum to activities that are still going on.

At the Washington conference, government delegations from 44 countries, together with representatives of NGOs, art museums, art dealers and auction houses reached consensus on what has now become known as the Washington Conference Principles on Nazi Confiscated Art. These principles would guide the purchase, sale, exhibition and international exchange of artwork and they envision a massive cooperative effort to trace this art, publicize the information and reconcile competing claims of ownership to produce just and fair results.

Many governments have now taken huge steps in light of the Washington Conference Principles. Some of the highlights include -- and you'll see more details in the background paper - Austria is continuing the task of adjudicating numerous claims to artwork and their national collection to return any that are shown to have been looted by the Nazis; a collection of artwork was recently returned to the Rothschild family by the Austrian Government and will be auctioned by Christie's of London on July 8. In France, French Government action is underway to find and return Nazi confiscated art. They have some 2,000 looted pieces which are now being displayed, and last month France returned to the Rosenberg family a

Monet which had been included in the Boston Museum of Fine Arts' late Monet exhibition. In Russia, a new NGO has been proposed to research Soviet archives; and while the new federal law is under challenge in the Russian Constitutional Court, research continues into archival holdings and art lost from the former Soviet Union is being catalogued.

Here in the U.S., the Association of Art Museum Directors recently reaffirmed its guidelines for dealing with Holocaust-era art which had served as a starting point for our draft of what later became the Washington Conference Principles. I met recently with Christie's and got a very good report about what major auction houses are doing in terms of additional research into the provenance of art.

The Council of Europe has also gotten involved since our conference, and as a result of our conference. Their cultural committee recently held a hearing on art where our State Department coordinator for Holocaust issues and director of the Washington Conference, J.D. Bindenagel, presented our views on these principles. As a result, the Council of Europe is now considering a proposal for all member states of the Council of Europe, which is based in Strasburg to implement the Washington principles into their own national laws. We've encouraged the Austrian Government and the Council of Europe to consider hosting a meeting on Nazi confiscated art in the Spring of 2000. There's much additional work on art that is going on that you'll see in the background paper.

Second, the Presidential Advisory Commission on Holocaust Assets in the U.S., chaired by Edgar Bronfman and I mentioned Ken Klothen's presence, is building on and continue the work begun by the interagency working group that produced our 1997 and 1998 reports, as well as the 1998 Washington Conference. Bill and a lot of his colleagues -- Bill Slaney -- are in the audience, and we appreciate the work that they did. This Commission is now fully operational. The Commission has three teams of researchers now at work investigating art, cultural property, gold and other financial assets of Holocaust victims that came into the possession or control of the U.S. Government. When the President signed the legislation creating the Commission, he said that the Commission would send a strong message at home and abroad that would determine to acknowledge and address the fate of Holocaust assets in the U.S. I'm confident that under the leadership of Mr. Bronfman and Ken Klothen -- and I'm pleased to serve on that Commission as well -- that its ongoing work and final report to the President will do precisely that.

The issue of Holocaust-era insurance claims was one of the most complex and difficult challenges facing the Washington Conference. The establishment of the International Commission on Holocaust-era insurance claims, chaired by former Secretary of State Larry Eagleburger, is a particularly encouraging development because it offers an efficient and effective means of advancing the swift and just resolution of this issue. By bringing together key actors, such as insurance regulators, insurance companies in Europe and Jewish groups, we're helping to ensure that the goals and purposes of the Commission will be met.

We, at the State Department, are fully committed to make every effort to find justice for Holocaust survivors in this area, and we're pleased with the progress of the international commission so far achieved. Indeed, at their May 6 meeting in London, a breakthrough was announced on the key issues of evaluation of policies -- the concept being to use real values issued before and during World War II -- and of the dating of when it would be the responsibility for countries whose insurers were nationalized to assume those responsibilities and when it would be the responsibility of

private companies.

The international commission has given evidence of its capacity to produce tangible results by beginning a fast track for payments to Holocaust survivors on claims already submitted to the National Association of Insurance Commissioners, to state insurance commissioners, and to European insurers.

There's more to be done. The member companies in the Eagleburger Commission represented only a minority of companies that issued insurance policies during the Holocaust era. Secretary Eagleburger, J.D. Bindenagel, and I have approached other European insurers who issued policies during the Holocaust era to encourage them to join this historic effort, and they're beginning to pay off.

France joined the commission soon after it was formed at the last meeting. The Polish Government joined and contributed to the Commission's successful claims decision process. Commission Chairman Eagleburger recently met with Czech President Havel, whose government will be joining at the next meeting. And in the private sector, there are companies, whether they are subject to Europe's regulatory jurisdiction or not, who are considering their participation also in this Commission.

In light of these developments, sanctions against companies participating in the Eagleburger Commission would gravely undermine the Commissions' work, to the ultimate disadvantage of Holocaust survivors. We appeal very strongly to all the insurance commissioners in all 50 states to recognize the importance of a safe harbor for all of those insurers who are actively working - and there are now five -- within the commission, with more coming -- as I've mentioned, the Polish and other insurers.

It would be a detriment to keeping those already in the Commission working in a cooperative way, opening their archives; and it would be a further detriment to the encouragement of additional companies to come into the Commission if companies were still subject to sanctions even if they're participating actively and cooperatively in the Commission's work.

On communal property, the Washington Conference was the first inter-governmental conference to address the restitution of communal property in any detail with the participation of NGOs. We're pleased that as a result of this exchange, the government of Poland offered to host a follow-up conference devoted specifically to communal property. Almost all countries of eastern and central Europe are returning property to religious groups, but the process is slow, delayed by bureaucratic and procedural problems, as well as by the difficulty of the decisions to be made and the dimensions of the problems. Still, countries realize that injustices were committed during the Nazi and Communist eras.

As these governments seek to join Western economic and political organizations and to integrate their economies more closely with ours, we expect them to adopt the highest international standards in the treatment of property. Adopting these standards would also help countries attract foreign investors, who want to be assured that there's a transparent, fair, and just property system in place. Let me say also that this was not just a one-time event with respect to communal property. The Polish Government agreed, in November of this year, to chair and host a follow-up conference on communal property to try to give additional impetus to the return of this.

On Holocaust education, we use the opportunity of the Washington Conference to highlight the importance of Holocaust education, remembrance, and research. It's important that the last word on the Holocaust for this century not be money alone. Included in these proceedings are numerous statements addressing Holocaust education from a breakout session we held on the Conference's second day, at the Holocaust Memorial Museum, and from the final day's plenary.

Since the Washington Conference, the task force now includes eight countries. Sweden was the pioneer, and again Bennett Freeman has done really yeoman's work on this. The task force has agreed to provide moral sponsorship to Yad Vashim's Holocaust Educators Conference, to be held October 10-14 in Jerusalem, and to assist Sweden with its January 26-28, 2000 Holocaust Conference for International Political, Religious, and Civic Leaders in Stockholm, where we hope to encourage countries to adopt Holocaust education in their school systems.

At this conference, the taskforce hopes to present a declaration on establishing national Holocaust remembrance days, to which other participating states can add their support. The task force is currently considering liaison projects with other countries seeking assistance in establishing or strengthening existing Holocaust education programs. The Czech Republic, for example, has already invited task force participation in its own international conference, called "Holocaust Phenomenon" that President Havel will host on October 6 in Prague, and is considering taskforce offers to conduct teacher training for Czech teachers and assist with the preparation of the conference on Holocaust education.

And last and most current, forced and slave labor. This is an issue not on the agenda at the Washington Conference, but which has since become the focus of our efforts in recent months. At my invitation and that of Minister Bodo Hombach, the Minister of the German Chancellery, we held an all-day discussion on May 12 with some 80 representatives of eight governments, about a foundation initiative of German enterprises. The initiative aims at material relief for forced and slave laborers and other victims of Nazi persecution that involved German industry. The foundation initiative envisions the creation of a future fund as well. The participants discussed the essential problem of legal closure for the German companies, which is the *sine qua nonto* make this initiative work.

The goal of this important initiative is to provide victims with payments through a cooperative, fair, and non-bureaucratic arrangement without regard to nationality or religion. In this connection, Minister Hombach and I expressed our understanding of the concern of German enterprises to achieve legal closure with respect to current and future lawsuits.

Gathering the affected parties together on May 12 was a significant accomplishment; it had all the actors necessary -- plaintiffs' attorneys, defendants' attorneys, NGOs and governments. Hence the commitment to meeting in working groups, which resulted in moving the process toward closure and making recommendations within 90 days.

Last week when President Clinton announced his intention to nominate me for Deputy Secretary, he asked me to continue to work on these issues, and we'll continue to do so in close cooperation with the State Department, which has created a new office headed by a special envoy for Holocaust issues to deal with on-going Holocaust issues. He'll work closely with me in my capacity as Special Envoy for the President and the State

Department.

I'm very pleased that the State Department's commitment to finding justice for survivors remains as strong as ever, as is the Secretary of State's continuing support.

I'd now like to present to you the proceedings of the Washington Conference-- all 1,146 pages of them. This collection of statements from presenters, national delegations, and NGOs represents a snapshot of contemporary work on the Holocaust era. The proceedings are available on the State Department's website and are also accessible through the Holocaust Museum's website. If we can just have Sara and Judge Mikva and -- this is the proceedings and the CD ROM.

Thank you very much again. If you'd like to make any --

MS. BLOOMFIELD: Just to say how delighted we are with the vision of Under Secretary Eizenstat and President Clinton and the other nations at the conference to add the component on education, research, and remembrance. We think that years from now, when the financial issues have been resolved, this will be the great legacy of this whole undertaking.

JUDGE MIKVA: When you think of how many people were involved in allowing the Holocaust to happen with its awful aftermath, and what a precious few it took to get the redress of some of the grievances of that Holocaust together -- and Secretary Eizenstat is one of those precious few, and he's made a tremendous difference. I must say when I read the headline that he was going over to the Treasury, I had mixed emotions until there was something in the middle of the story that said he takes this portfolio with him. And that's good news for all.

UNDER SECRETARY EIZENSTAT: Okay, we'll take questions.

QUESTION: You spoke about a background paper; is that available?

UNDER SECRETARY EIZENSTAT: It will be.

QUESTION: After this?

UNDER SECRETARY EIZENSTAT: Yes.

QUESTION: What is the current status of sanctions relating to the insurance issues? Could you just bring us up to date on that?

UNDER SECRETARY EIZENSTAT: Yes. A number of states have passed potential sanctions laws -- California, Florida, New York -- which have in them provisions that would defer sanctions on those insurers that are participating in the international commission.

There is a certain restlessness, which I understand, on the part of some insurers and other political leaders -- California, for example -- insurance commissioners -- to make sure that the International Insurance Commission is proceeding promptly. It is; it is doing yeoman's work. And it would be enormously counterproductive if in California, or other states, this safe harbor were to be removed. This is a really critical issue for the continued participation of insurance companies from Europe, and our ability to get additional insurers involved. I know that some people, like State Senator Hayden, have expressed some concerns. We share their sense of urgency, but again sanctions would be very counterproductive and not justified, given the progress which Secretary Eagleburger's commission has now made -- particularly with the May 6 agreement in London.

QUESTION: What do you mean by safe harbor?

UNDER SECRETARY EIZENSTAT: In other words, that if you're participating in the work of the Commission, you should not be subject to de-licensing in the state for failure to pay Holocaust era claims.

QUESTION: What about third parties?

UNDER SECRETARY EIZENSTAT: Well, one of the concerns we have is trying to broaden it because the number of insurers who are participating represented only about perhaps 30% or 40% of the insurance market. This gets to companies who were nationalized -- some of the Polish companies, for example -- who are not necessarily doing business in the United States and therefore wouldn't be subject to the jurisdiction of insurance commissioners in any event. We want to make sure that they participate even though they don't do business in the United States, as a moral gesture. That's why we're so pleased with the progress that's being made and trying to get countries like Poland and the Czech Republic to participate.

QUESTION: Can you give us -- or is there any time frame by which you would expect or hope all of these issues to be cleared up?

UNDER SECRETARY EIZENSTAT: Well, there are now 17 countries that have their own historical commissions, and Sara mentioned the importance of education. This is also a critical part of that education -- having countries -- from Brazil and Argentina to the Baltic countries to France to the U.K. and to neutral countries -- who have set up their own international commissions. We have urged, although it's obviously up to them, that all these be completed by December 31, 1999. We know that in some cases that will not be done. For example, the Bergier Commission in Switzerland, which has done first-rate scholarship -- really quite incredible self-analysis -- is likely to go into 2000 for their work. But we're urging that that be done as quickly as possible.

With respect to the slave and forced labor fund that the German industry has announced it is willing to create if we can deal with this legal closure issue -- because they don't want to pay twice, once into the U.S. court and once into the fund -- they are hopeful of setting that up by September 1, 1999, which would be the 60th anniversary of the outbreak of World War II. So each of these have sort of different deadlines, and the art principles are ongoing. But we're hopeful by the end of the millennium, by the end of this year, that a lot of this work, if it won't be completed, at least the groundwork and the framework will have been laid for everything that needs to be done in every one of these areas.

QUESTION: Just to have a clarification on the sanctions. You said that the legislation in these states exempts companies which are cooperating with the Commission. Why then do you feel the need to make an appeal for sanctions not to be applied in this situation?

UNDER SECRETARY EIZENSTAT: Because there's a certain restlessness on the part of some of the insurance commissioners that the work of the Commission was not proceeding at the pace they had hoped and that some of the tough issues, like valuation and when the insurance event would be triggered for purposes of when nationalization would be a factor, were not occurring fast enough. I hope with the progress that was made on May 6 in London that this will recede and the Commission will be given the time to work.

This commission will work, compared to the alternative, which is litigation, at a much faster pace. Litigation would take years, if not decades, to be completed. That would be the alternative if, in effect, the commission is somehow divested of its responsibilities because sanctions convince the companies that they have nothing to gain by participating in it. They might as well take the litigation route. That is in no one's interest.

QUESTION: It's still not clear. What would be the basis for sanctions against the insurance companies?

UNDER SECRETARY EIZENSTAT: Well, this is something you'll have to ask the insurance commissioners, but I mean, in general, insurance commissioners have a responsibility to see to it that companies that they license are paying claims in a prompt, fair, and transparent way. The contention here is that these are claims that should have been paid over the last 50 years. Now, obviously, this was a dormant issue for the last 49 of those years. But if they find that companies are willfully not paying policies that they should, there is a jurisdictional hook; and that would be it.

QUESTION: Have you received anything resembling an assurance from the commissioners that they would follow your advice?

UNDER SECRETARY EIZENSTAT: No, but the fact is that the insurance commissioners -- for example, Mr. Quackenbush in California, Mr. Levin in New York -- these are people who -- Mr. Pomeroy in North Dakota -- they helped create this. This is their baby, in a sense; they're the parents of this institution. So the fact that they have invested so much into its creation I hope will lead them to stick with it. These are the difficult issues like valuation - what currency do you value the policy in -- is it the old zloty, is it the dollar? How do you gross it up over 50 years, which is one of the issues the Volcker Commission had to look at. These are very, very tough issues. When is the nationalized company responsible and therefore, perhaps, the government? When is it not? But real progress is being made on these issues, so I hope that progress will be recognized.

QUESTION: Can I just follow up? When you say there's a certain restlessness, how -- are these people calling you and saying, hey, it's not happening fast enough?

UNDER SECRETARY EIZENSTAT: Yes. They're not only calling me, they're going public with --

QUESTION:-- sanctions threats?

UNDER SECRETARY EIZENSTAT:Yes. It's particularly, again, in California. Any other questions? Okay. Thank you very much.

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