

10 YEARS AFTER THE WASHINGTON AGREEMENT:
BACKGROUND SUCCESSES, AND THE FUTURE””
REMARKS BY AMBASSADOR STUART E. EIZENSTAT
FOREIGN POLICY AND UN ASSOCIATION OF AUSTRIA
JANUARY 19, 2001

I am deeply appreciative of the invitation by former Chancellor Wolfgang Schuessel to address your Association today on the 10th Anniversary of the historic Washington agreements between the United States and Austria dealing with compensation and restitution for victims of Nazi persecution, Jewish and non-Jewish. These agreements, which were made possible in significant part by the courageous leadership of Wolfgang Schuessel and his team, are a watershed in modern Austrian history. Despite the great difficulty in reaching the accord, the entire process has given the Austrian people a better sense of their own, complicated World World II-era history, and has made Austria a stronger country and a shining example and worldwide leader in the search for justice, however belated, for victims of the Shoah and other victims of Nazism.

Permit me to say at the outset, that in recent years no country has come further or faster in recognizing its moral responsibility and in taking concrete steps to address its roles during World War II.

HISTORICAL BACKGROUND

To appreciate the historical significance of our agreements, both a general and Austria-specific context is necessary.

After the destruction of the First Temple in Jerusalem by the Babylonian Empire in 786 BC and the Second Temple by the Romans in 70 AD, Jews were dispersed throughout the Middle East, North Africa, and Europe, although always maintaining both a continuous physical presence and a deep connection to the Holy Land. Before the creation of the State of Israel, although a disadvantaged minority, Jews were generally treated better in Muslim Arab lands than in Europe. The Inquisition of Jews in Spain occurred under Christian not Muslim rule. Jews

were expelled from England, Spain and Portugal, and subject to pogroms in much of Eastern Europe and Russia, where they were forced to live in the so-called Pale of Settlement. Vicious and false blood libel allegations against Jews were made as far back as 1144 in England, and continue into our own era.

Because the first European settlers to the “New World” came for religious freedom, Jews enjoyed for the first time a legally protected equality under the U.S. Constitution. But the right and the practice were different. Down to the mid-20th century, there was discrimination against Jewish Americans in employment, housing, education, and social acceptance, which ended only with the civil rights protections of the 1960s aimed primarily for African Americans but which also helped break down religious barriers.

The Roosevelt Administration paid little public attention to the emerging fate of European Jewry before, during, and even after World War II, despite the evident goals of Adolph Hitler to persecute and ultimately destroy the Jews of Europe. In part, this reflected a significant degree of public anti-Semitism in the United States, in part the belief that the best way to save European Jewry was to win the War as quickly and decisively as possible.

The fate of European Jewry was sealed at the 1938 Evian Conference, when the U.S., Canada and other western nations failed to agree to liberalize restrictive quotas on immigrants from Central and East Europe, which the U.S. Congress had passed in the late 1920s, sending a signal to Hitler that no country would take the Jews of Germany off his hands, and that he had freedom to treat the Jews as he wished. The Final Solution was not settled Nazi policy until the Wannsee Conference in 1942.

During the War there were no ringing Allied declarations about holding accountable those who persecuted Jews and other innocent civilians. State Department officials made it exceedingly difficult for refugees to enter the U.S. On a per capital basis, tiny Switzerland took far more Jewish refugees than the U.S. Canada took fewer than 100. It was only after Treasury Secretary Henry Morgenthau presented a report to President Roosevelt initially entitled by his staff “Report to the Secretary on the Acquiescence of This Government in the Murder of

the Jews”, that FDR established a War Refugee Board under Morgenthau’s leadership, which belatedly saved tens of thousands of Jews, particularly in Hungary.

Reports began to come out of Europe as early as 1942 of the genocide that was occurring. A courageous Polish diplomat Jan Karski, with the Polish government in exile in London, twice went into the Warsaw Ghetto and reported the brutality he found directly to President Roosevelt in the White House, who sent him to see his trusted confidant Supreme Court Justice Felix Frankfurter. The great Justice listened to Karski pouring out his heart, and then said, “Mr. Karski, I am not saying you are lying, but I choose not to believe you.” There were large rallies at Madison Square Garden, but the New York Times buried stories of the massive killing on their back pages, and often did not mention that Jews were special targets.

But no one could have imagined the massive dimensions of some aspects of the Nazi plan. During the War, Nazi Germany inducted 17 million men into its armed forces out of a population of 79 million, requiring conscripted labor, men, women, even children. from throughout occupied Central and Eastern European countries to run German factories and operate its farms. Most were Christian “forced laborers” who worked under difficult conditions but were seen as an asset of the state. Jewish slave laborers, by contrast, were literally worked to death or left to die of starvation, disease, or cold weather. At the height of the War, there were some 12 million forced and slave laborers.

After the War, things were little better. Great Britain rejected the request from President Truman to allow 100,000 refugees into Palestine as a humanitarian gesture, and from 1946 to 1949 kept 52,000 Shoah survivors trying to reach Palestine, in squalid camps in Cyprus. Those survivors who had the temerity to return to the homes and villages from which they were expelled by the Nazis and their collaborators were driven off or even killed, in places like the Lithuanian village of Eiskes and in Nowy Targ, Poland. Unable to return home, they drifted into Displaced Persons Camps.

Although U.S. military personnel treated the Displaced Persons with dignity in the camps they ran in post-War Europe, the DP camps had such poor conditions that

Earl Harrison, the U.S. Representative to the Intergovernmental Committee on Refugees, reported to President Truman, who asked him to investigate the camps, “As matters now stand, we appear to be treating the Jews as the Nazis treated them except we do not exterminate them.”

Negotiations with neutral nations during the War, including Switzerland, dragged on for years, and were inconclusive and unsatisfactory in recovering German assets for the benefit of survivors and refugees.

The immediate focus of the Allies after the War was understandably on emergency relief and reconstruction in war-torn Europe. As early as November 1943, Nahum Goldmann of the World Jewish Congress signed a memorandum to the UN Relief and Rehabilitation Administration calling for a Jewish relief program that focused on “emergency feeding, shelter, clothing, medical care, child care, repatriation and resettlement of the uprooted, occupational readjustment, and religious and communal rehabilitation”, rather than the property restitution and slave and forced labor compensation we focused-on during our Austrian negotiations.

At the 1945 Potsdam Conference, Allied leaders directed the Allied Control Council to manage all foreign-owned German assets, except gold, which the Allies recognized had been plundered by Nazi Germany from conquered countries. The largest trove of looted Nazi gold was found by American soldiers at the Merkers Salt Mine in the foothills of the Alps, worth \$520 million in wartime dollars. The Mine also housed over four hundred tons of Nazi-looted art, among the 600,000 artworks the Nazis stole, primarily from Jews. Some of the looted art was eventually returned to the countries, but not the people, from which they were stolen. And the gold was given to a Tripartite Gold Commission based in Brussels for return to the nations from which it had been taken, without recognizing some was taken from Shoah victims, including gold fillings in their teeth. As I will show, modern-day Austria has a very positive story to tell the world about its role in restituting art and in dealing with gold remaining in the Tripartite Commission.

There were efforts as early as 1947 to provide restitution and compensation to Nazi victims, and the U.S. military government in Germany enacted a restitution law to return all property that had been confiscated or transferred under Nazi duress, and

property taken from those who were killed without heirs: so-called “heirless” property, could be recovered by a charitable “successor organization”. In 1952, the governments of Israel and the newly formed Federal Republic of Germany created the Conference on Jewish Material Claims Against Germany, known as the “Claims Conference”. Since then, Germany has paid some 65 billion euros to survivors and their families, under their BEG law for damage to health, and deprivation of liberty, damage to profession careers and business and loss of life. No country in history defeated in a War has made the effort of post-War Germany to live up to its responsibilities for the damages it created.

But when the Cold War began, all energies of the West were focused on dealing with the threat to Europe from the Soviet Union, not with justice for Holocaust victims and their families. It appeared that justice for Shoah survivors, and other non-Jewish victims of World War II would evaporate into the mists of history. Authors like Elie Wiesel had difficulty getting their books published. No courses on the Holocaust could be found in any American college campus.

Yet something as monstrous as the Holocaust, the worst genocide in world history, ultimately could not be forgotten. The 1961 capture in Argentina by Israeli agents and trial in Jerusalem of Adolph Eichmann, one of the chief henchmen of the Third Reich, was a turning point of putting the Holocaust back on the world’s agenda. Major films like Claude Landsman’s “Shoah”, the NBC mini-series, the publication of numerous books, Steven Spielberg’s “Shindler’s List”, all contributed. Holocaust courses abounded.

PERSONAL BACKGROUND

I grew up in a Jewish household in Atlanta, Georgia, yet although my father and two uncles served in the military in World War II, they never discussed the Holocaust with me. I never met a Holocaust survivor nor took a course dealing with the Shoah in high school or college. Indeed, none existed on any campus in the United States at the time.

In 1968, while working on the presidential campaign of Vice President Hubert Humphrey, I met a fellow campaign aide, Arthur Morse, who had just published a path breaking book, “While Six Million Died”, which laid out for the first time what the Roosevelt Administration knew about the genocide during the War and failed to act on. This was a great shock and revelation for me.

In April 1978, I wrote a memorandum to President Jimmy Carter, for whom I served as chief White House domestic policy adviser, urging the creation of a presidential commission to propose a suitable memorial in Washington to Holocaust victims. Headed by Elie Wiesel, it recommended creation of the U.S. Holocaust Memorial Museum, which opened 15 years later in 2003, just before I left for Brussels to become U.S. Ambassador to the European Union. It is now the third most visited museum in Washington, with over 4000 visitors daily, three-quarters of whom are non-Jews, including school children from all over the nation.

The end of the Cold War, and the revolutions of 1989 not only changed the European political landscape, substituting democracies for Soviet bloc dictatorships, but also opened up opportunities to look back to the “unfinished business” of World War II, namely justice for forgotten survivors and for families of victims. Historical records were open, and journalists focused on areas like dormant Swiss bank accounts, created by Jews trying to shelter their assets from the onrushing Nazi army, who were unable to retrieve them after the War.

In 1994, while serving as U.S. Ambassador to the EU in Brussels, I was asked by the late, great Richard Holbrooke, then Assistant Secretary of State for European Affairs, to take on an additional assignment of helping return Jewish and non-Jewish communal property to the re-emerging communities following the fall of Communism, in the new, free, democratic countries in Central and Eastern Europe. Given my past involvement with Holocaust-era issues I could not turn him down. I embarked on this voyage, which ultimately involved negotiating settlements of class action lawsuits against Swiss banks, German and Austrian companies employing slave and forced labor and their insurance companies, French banks, and property restitution. Six years later some \$8 billion was obtained, the majority for non-Jewish forced laborers. I insisted in my negotiations with Germany and Austria that non-Jewish forced laborers from Eastern Europe, who had never

received any compensation, must also be covered. This was less of an issue with Austria then it was initially with Germany.

AUSTRIA'S ROLE IN WORLD WAR II AND THE IMMEDIATE AFTERMATH

Of all the nations embroiled in World War II, none had a history more complicated than Austria's. As Austrian President Klestil later recognized, Austria was both "first victim" of Nazism and a collaborator. Both Germany and Austria nursed wounds from their defeat in World War I, Germany strapped with burdensome reparations and Austria with the loss of its huge, cosmopolitan empire. Both suffered grievously from the worldwide Depression in the early 1930s, when pro-Nazi sentiment rose in Austria.

Austria was a "victim", forcibly losing its independence as a nation. The Wehrmacht marched across the border at the dawn on March 12, 1938, the day before there was to be a plebiscite on Austria's independence called by Austria's courageous Chancellor Kurt von Schuschnigg. Instead, Hitler signed a law incorporating his native land into the German Reich. The vote for Anschluss between the two countries on April 13 was a mere formality, winning approval by the totalitarian figure of 99.7%, hardly a true reflection of Austrian public feelings.

While it is important not to implicate the entire country, many Austrians willingly supported Hitler's evil aims and others acquiesced in them, with little resistance. Anti-Jewish actions proceeded in Austria with great ferocity, with sweeping orders for quick confiscation of Jewish property and businesses, frequently without any or only nominal compensation. Austrians called this the period of "wild Aryanization", with nearly 7000 Jewish businesses liquidated between March and June 1938. Jewish religious and cultural institutions-- synagogues, schools hospitals, the famous Hakoah Sports Club--were confiscated or destroyed. In May 1938 the infamous Nuremberg laws were extended to Austria. In August the Central Office for Jewish Emigration was created, its deputy director a nondescript

Austrian-educated SS officer named Adolph Eichmann. And on November 9, 1938, Kristallnacht in Germany extended to Austria, with some fifty synagogues burned and over 4000 Jewish-owned businesses looted in Vienna alone.

By the end of 1939, 126,000 of Austria's 185,000 Jews had fled, with stiff exit taxes, and many were pressured to relinquish their property to an Emigration Fund before they were handed their passports. The remaining 60,000 Austrian Jews were killed in Nazi death camps. By the autumn of 1944, 65,000 Hungarian Jews swelled the corps of 700,000 forced laborers on Austrian soil. Austrians played a disproportionately large role in the Third Reich. Although only 8 percent of the combined German-Austrian population, Austrians made up a larger percentage of the SS and the killing force in Auschwitz. Austrians joined the Nazi party at the same rate as Germans did. Hitler, Eichmann, and Ernst Kaltenbrunner, head of the Gestapo, were Austrian by birth.

During the immediate post-war period, part of the difficulty of accepting responsibility for restitution of confiscated Jewish property was that Austria stressed being the "first victim", which it was, over support for Nazi policies. The Allied powers fostered this attitude. In 1943 in Moscow, the foreign ministers of the US, Great Britain, and the Soviet Union promised Austria postwar independence and exoneration, declaring the Anschluss null and void, and Austria "the first victim of Hitlerite aggression." The Allied declaration also concluded by "reminding" Austria of its "responsibility which it cannot evade for participating in the war on Hitler's side". But this qualifying phrase was lost in the fog. While this declaration did not stiffen Austrian resistance to Hitler, it played a critical role in shaping Austria's collective postwar psyche, treating Austria as a liberated, not defeated nation. Austria, unlike Germany, was permitted to de-Nazify itself. Austria's de-Nazification was not as complete as Germany's, and few Nazis were convicted under Austria's war criminals law.

Under Allied coaxing, Austria passed seven laws between 1946 and 1949, to restore Nazi-seized property to Jews. But these had gaps and shortcomings, with inadequate worldwide notice and short claims periods. In framing the 1955 State Treaty that granted Austria its independence as a neutral democracy and barrier

against the Soviet bloc, U.S. government pressure led to language obligating Austria to compensate Holocaust victims for their property or to return it.

A newly free Austria became a model democratic country, with an excellent, transparent public administration, and a worldwide influence well beyond its small size. Austria was generous in accepting refugees from the Hungarian and Czech uprising against Communism, and was a significant contributor to development around the world.

Austria's positive role in coming to terms with its complex record in World War II began long before class action suits were launched against your companies. One of the most painful postwar episodes for Austria, which thrust Austria's complex role in the War back on the world's consciousness, was the disclosure in the late 1980s of the wartime record of Kurt Waldheim, who served two terms as UN Secretary General, before running for the President of his native Austria. In the midst of the presidential campaign, the World Jewish Congress disclosed evidence, that contrary to his own assertions, he had served in the Waffen SS and been in Yugoslav at the time of a huge slaughter of Yugoslavian Jews, and at Salonika, Greece, the site of mass deportations of Greek Jews. While he won by the presidency by a comfortable margin, he became the first head of state ever placed on the "watch list", precluding him from entering the U.S.

As painful as this episode was for Austria, it was a watershed for the country. It led Austria on its own volition, and without the pressures of class action suits or outside pressure to come to terms with its mixed role during the War. In 1987 Austrian Cardinal Franz Konig gave a speech implying that as Christians and Austrians his fellow citizen's shared responsibility for the Holocaust. In 1990 Chancellor Franz Vranitzky established a fund for Jewish victims who had been children in 1938 and ineligible for prior programs. In 1991 the Chancellor took the dramatic step of acknowledging Austria's culpability for Nazi persecution and its moral responsibility for assisting Jewish victims. In 1994, Austrian President Tomas Klestil became the first Austrian president to visit Israel, and in his speech in front of the Knesset, he unequivocally declared Austria's active participation and guilt in the Holocaust.

In 1995, in commemoration of the 50th anniversary of Austria's Second Republic, the National Fund for the Victims of National Socialism was created, under the inspired leadership of Hannah Lessing, to make payments of 70,000 shillings, about 5000 Euros, to Austrian Holocaust survivors, to support Jewish museums, synagogues, hospitals, old-age homes, counseling services, and education and to combat anti-Semitism. The National Fund has distributed some \$150 million to about 30,000 Holocaust survivors, with additional payments to the needy. A Holocaust memorial was designed at this time and inaugurated in Vienna's Judenplatz in 2000. And in 1998, before the first class action suits were filed against Austrian corporations, the Austrian government established a historical commission headed by Clemens Jabloner, president of the Austrian Administrative Court, to investigate the status of Austria's postwar restitution program. The Jabloner Commission was a key factor in identifying the gaps in the seven postwar restitution programs and opening up the basis for a settlement of our property claims negotiations.

Another example of Austria's courageous leadership on Holocaust issues in recent years came with the 1996 disclosure by the World Jewish Congress that there remained 6 tons of Nazi looted gold under the jurisdiction of the Tripartite Gold Commission that had never been distributed. The great bulk of the looted gold, about 330 metric tons, had been given over the past 50 years to the central banks of the ten European countries from whom it had been stolen. But none was returned to Holocaust victims, whose gold was also taken--jewelry, even gold fillings. I called a 1997 meeting of the ten countries at the Commission's offices in Brussels. Again, Austria took the lead. Ambassador Hans Winkler, one of your most distinguished diplomats, took the floor to pledge that all of Austria's remaining share of the gold should go to survivors--"We have a moral obligation to the survivors of the Holocaust, and to make their remaining days better", he declared. This broke the ice and one country after the other followed Austria's lead.

At the 1998 Washington Conference, we developed voluntary, nonbinding principles for the restitution of Nazi looted art. Many countries did not follow through on them. Austria again took the lead. I met with your Minister for Culture Elisabeth Gehrler, and was inspired that Austria enacted binding domestic legislation, and created a claims process. This has led to the return of hundreds of

artworks from Austrian federal museums and collection, estimated at several hundred million dollars. Another example is that Austria permits looted art without any living heirs to be given to the National Fund to be sold for the benefit of Holocaust survivors. A recent example was that your national library discovered 8,000 heirless books which had belonged to Jewish families, donated the books to the National Fund, and purchased the books back with the proceeds going to support survivors of the Holocaust. This is an extraordinary gesture. Austria can be proud of the fact it was the first European nation to adopt and implement art restitution legislation. It is important to keep the momentum of art restitution going when it comes to both minor and major artworks looted by Nazis.

In the 1999 parliamentary elections, the right wing party led by Jorg Haider won 27 percent of the vote. Wolfgang Schuessel, the leader of the People's Party won the chancellorship by bringing Haider's party into a coalition. This not only secured him the chancellorship, it helped neutralize the other party, whose vote in the 2002 parliamentary elections fell to only 10 percent.

Class action suits were filed by American lawyers against Swiss Banks for their dormant bank accounts; then against Germany companies, and later against Austrian companies, which used slave and forced laborers. These suits led to my being asked by all stakeholders to mediate a solution. By the time I commenced my negotiations on behalf of the Clinton Administration with Austria, the difficult, divisive and emotional negotiations with Swiss banks had already been concluded with a \$1.25 billion settlement, which generated much ill-will from Switzerland, forced to face a wartime record at variance with their self-image as a neutral country and bulwark against Nazi Germany. And we were nearing completion with our negotiations with German companies and the German government on what became a 10 billion DM, \$5 billion agreement, again with considerable acrimony from the German private sector.

From my vantage point, Austrian leaders were determined not to drag-out the negotiations, and to avoid public recriminations. Still the negotiations were difficult, especially those over property issues. The class action lawyers and the World Jewish Congress insisted on combining the slave and forced labor claims

with the more complex property negotiations, while Austria wanted them separated.

I was fortunate to have Wolfgang Schuessel as the Chancellor. I would never have been able to achieve the great breakthroughs without his leadership. He was a tough negotiator for Austria's interests, but he also recognized the need to squarely face Austria's moral responsibility, even in the midst of poisonous allegations by some of the key stakeholders in the process. Because of American concerns about having the FPO in the government, I became the first U.S. official to meet with the Chancellor.

One of his most brilliant first steps was his appointment of one of the truest Austrian treasures, and one of the most remarkable people I have ever met, Maria Schaumayer, the former head of the Austrian Central Bank. She was the model negotiating partner. She told me that she had grown up near the Hungarian border and had a haunting image of seeing the forced march of Hungarian Jewish slave laborers in the bitterly cold winter of 1944-45, but had not realized what this was until half a century later when she heard a historian's presentation. Maria had a clear sense of what she wanted to accomplish, and we concluded the labor phase of our negotiations in record time. She wanted to go beyond the German slave and forced labor agreement, without the lengthy haggling we had with the German companies. She did not want to struggle like the Germans over the status of agricultural workers; they would be covered. The German agreement depended upon the German private sector paying half the total 10 billion DM (\$5 billion). She improved the payments in the German agreement, announcing on her own that the Austrian government would create a fund of 6 billion Shillings, approximately 436 million euros for 132,000 Jewish and non-Jewish slave and forced laborers, with the bulk of the funds for non-Jewish forced laborers. Austria actually paid out 352 million euros, with the remainder going to the National Fund and other humanitarian-related projects, especially Austria's Future Fund. The government picked up about three fifths of the total and the Austrian business community two fifths. The labor agreement was signed on October 24, 2000, following a last second side letter agreement I reached to have the Austrian labor fund pay the Jewish Claims Conference an additional \$15 million for Jewish slave laborers at

Mauthausen and the Dachau subcamps in Austrian, in case there was a shortfall in payments to them from the German agreement.

Since Maria made clear her mandate was only for slave and forced labor, the second crucial decision Chancellor Schuessel made was to appoint the late Ernst Sucharipa, dean of the Austrian Diplomatic Academy, as his envoy on the much more difficult property restitution issues. Ernst was a prince of a person and a reliable counterpart. I feel his premature passing deeply. Because of their complexity and political sensitivity, the Chancellor was directly involved in the negotiations as well. The appointment of a respected judge, Clemens Jabloner, to head a historical commission examining past compensation and property programs was an important step, as I have noted. The Jabloner Commission's final report was released in 2003, but their preliminary report identified one major gap in past programs of the 1950s, namely long-term leases and household property of Jewish victims in Vienna. This led the way to an agreement with Mr. Sucharipa and the Chancellor in October 2000 for the payments of \$150 million, representing about \$7000 per family to some 23,000 survivors and heirs of victims for leased apartments, businesses and household furnishings.

On October 5, 2000, the Chancellor and I, often meeting alone, and then joined by our negotiating teams, had all-night negotiations, interrupted only by Chancellor Schuessel sending out for pizza from his favorite Italian restaurant, Ninfea. We called these the Pizza Negotiations. They led to a framework agreement, which together with another face-to-face negotiation with Chancellor Schuessel on January 10, set the stage for the last negotiations with only a few days left in the Clinton Administration. I wondered if the Chancellor would wait until a new Administration came into office, perhaps less committed to finish this process. But again the Chancellor, as his country, rose to the occasion. Although it took frantic phone calls back to him in Vienna, and intense negotiations with some of the recalcitrant lawyers and with Mr. Muzicant himself, the final agreement was reached as the hourglass for the Clinton Administration ended. We added Nazi-confiscated insurance policies, as an expert from the Jabloner Commission reported that the Austrian insurance holders received only about 5 percent of the 1938 cash surrender value, with no accounting for the passage of time.

We agreed finally that Austrian would establish a \$210 million General Settlement Fund that would pay compensation for a wide range of property losses, including insurance benefits. There were essentially two programs, one for the return in rem of any property held by the Austrian state, and the other for compensation for property now in private hands. This process has been very professionally managed by Hannah Lessing of the National Fund. Frankly, as much as a breakthrough as it was, it has been inadequate to meet the needs. The total value of claims submitted to the GSF was \$1.5 billion. Thus, the money in this fund could cover only about 14 percent of the value of the claims. On the other hand, there were dramatically improved social benefits for Holocaust survivors.

There are unsung heroes in these negotiations: Herbert Pichler, Managing Director of the Austrian Federal Economic Chamber, and Christian Leitl, the Chamber's president. When Chancellor Schuessel felt he could not contribute more from the state treasury, Mr. Pichler and Mr. Leitl rallied the Austrian private sector to make up the difference I needed to satisfy all the parties.

LESSONS FOR THE FUTURE

Why were the Austrian and other Holocaust negotiations important and what broader significance did they have? Was this simply a short-term effort at getting more money by pressuring governments and private companies? Did they actually lead to a rise in anti-Semitism?

First, there obviously was a monetary element at the heart of the negotiations to settle American class action cases, as there always is in civil litigation to correct wrongs done by one party to another in any country with a rule of law. But in the Holocaust cases, this provided belated and only imperfect justice to human beings who suffered grievous injuries on a scale without historic precedent. This included brutal slave and forced labor, much by private companies that left lifelong physical and psychological scars that had never been healed or compensated, unpaid insurance policies, unreturned looted art and cultural artifacts, and the confiscation

or forced sale of family homes, businesses and personal effects that were never returned.

While the overall amounts seem large, (in Austria's case, including funds from the National Fund and our U.S.-Austrian agreement some \$1 billion; in Germany's \$5 billion) the actual payments to individuals were small. Slave laborers received a one time payment of roughly \$7500 and forced laborers \$2500, no more than a symbolic payment. And those whose property in Austria was torn from them have received a tiny fraction of their actual value. And all of these payments came only over 50 years later. Nor did the class action lawyers enrich themselves, as some believe. I assured that in the final settlements, they received only about one percent of the total amount.

But from the Austrian and German settlements, almost one and half million forced and slave labor victims were paid something. For most the amount of money was less important than the simple recognition that their suffering had in their final years not been forgotten; that there was some accountability.

Moreover, despite the small individual payments, they were at least modest help in assuring that those who suffered so grievously in their early years, would have some relief from the poverty many are enduring in their last years. Recent studies indicate that of the 520,000 remaining Holocaust survivors, fully one half live below the poverty line. This includes some 25 percent in the U.S., 35 percent in Israel, and over 80 percent in Central and Eastern Europe. One of their most pressing needs is home care. Here, again, Austria has been a far-sighted leader. Beginning in 2001, your country has provided assistance for nursing home care to Austrian Holocaust victims wherever in the world they live, on a scale equal to what you provide your own citizens; this has been estimated to amount to \$112 million over 10 years.

But the recipients who may be most in need were the Christian forced laborers from Central and Eastern Europe, who had never been compensated by any government at any time, unlike many Holocaust victims, many of whom had received some funds from Germany.

In addition, a significant part of our work was to return communal property to the re-emerging communities in the former Soviet-dominated East who survived the twin evils of the 20th century, Nazism and Communism -- churches, synagogues, schools, community centers, even cemeteries—so they would have the physical infrastructure to rebuild their shattered communities. This work continues, and often imposes financial burdens on the Jewish communities to renovate deteriorating properties.

Second, I do not believe our negotiations actually increased anti-Semitism in Europe over the long-term. In Switzerland, the bitter, public negotiations and recriminations, the shock to the Swiss public of learning about their country's mixed role during the war and the misconduct of their banks in never returning Holocaust-era bank accounts appeared to lead to a temporary rise in anti-Semitism. Christoph Blocher used the controversy to vault his People's Party into the second largest political group in the Swiss Parliament, in by stating in a 1997 speech that "The Jews are only interested in money". I believe this negative sentiment has markedly receded in Switzerland, and that indeed, Switzerland is a stronger country for having gone through the trauma of these negotiations.

While Jorg Haider attacked Ariel Muzicant, the head of Austria's Jewish community, with slurs against his name, when Chancellor Schuessel brought Haider's party, into the coalition, his Freedom Party's vote dropped by more than half in the next election. Moreover, Haider's party supported the outcome of our negotiations. Editorial comment and public opinion polls in Austria, Germany and France supported the justice provided to Holocaust victims. Anti-Semitism decreased as a result of Austria's own efforts at reconciling with its past and the results of US/Austrian negotiations. Lingering anti-Semitism is partly a vestige of ancient forms of anti-Semitism, rather than an outgrowth of our work. Much of the lingering European anti-Semitism today comes from left wing academic and student circles, a small residue of the right, or small parts of the Muslim population who equate all Jews with Israeli policies with which they disagree. It is unrelated to our negotiations.

It is important to point out that of the \$8 billion in total settlements for the entire Holocaust negotiations of recent years, the majority went to Christian victims of

Nazi brutality. Ours was not just a Jewish effort; it was designed to help all those who suffered at the hands of the Nazis, although Jews were Hitler's primary target.

At the same time and apart from the Holocaust negotiations, anti-Semitism and now anti-Islamic attitudes, remain in small parts of the European and Austrian public. There has been a growth of right wing, nationalist, anti-immigrant parties in many countries throughout Europe. In Austria, such parties received a significant percentage of the vote in your last elections.

With the historic page that Austria has turned through the Holocaust negotiations we commemorate today, it is important that Austria continue to make certain its better angels prevail in fighting darker impulses, particularly at a time of economic distress, high unemployment, and significant immigration. It is important to learn lessons from the past and build on the success of the negotiations by continuing to stress tolerance towards minorities and those with different backgrounds.

When I was last in Vienna, I met with Barbara Prammer, leader of the Austrian parliament, just as she was confronted with almost simultaneous events. One involved a young high school student on an Austrian-sponsored Holocaust education trip to a concentration camp, who was sent home for alleged comments about the Jews deserving their fate. This caused concern among Austrians about the need for better Holocaust education. It coincided with derogatory statements by a right-wing party official, directed at Mr. Muzicant, which led to calls for the official to have his parliamentary immunity lifted. The need for continued education on tolerance was later emphasized by an incident at Ebensee, where several young people tried to intimidate Holocaust survivors and other attendees of a commemoration ceremony.

Third, the most important part of our efforts were about memory, not money, about finding out the truth and learning its lessons, not seeking unrealistic financial recoveries. We have a historical obligation to search for the truth to the survivors, to the six million Jews killed in the Holocaust, including one and half million children, and the millions of non-Jewish victims of Nazism, including Christians, Roma, and Jehovah's Witnesses.

This was a cataclysmic event in world history, the most barbarous genocide in world history, and it must be understood in all its facets to assure future genocides are prevented.

One of the most important things which came out of our efforts to deal with the effects of Nazi tyranny was Holocaust education. This took several forms, in all of which Austria played a significant role.

In January 2000, with the leadership of Swedish Prime Minister Persson, we launched the International Holocaust Education Task Force, which now has over 25 countries, who have made Holocaust education a part of their educational curriculum, including Austria. This is not simply to look back at the horrors of the past, but to learn the lessons of how intolerance to differences, and racial and religious prejudices, must be combated through education at an early age.

We also have held five international conference, each with over 40 countries attending, to explore various facets of the Holocaust and World War II history: the 1997 London Gold Conference to explore the Nazi theft of vast amounts of gold from the nations they occupied and from Jewish victims; the 1998 Washington Conference on Holocaust-era assets, including Art, which developed voluntary principles for the return to their rightful owners of some of the 600,000 pieces of art stolen by the Nazis; the January 2000 Stockholm Conference on Holocaust Education; the October 2000 Vilnius Conference on Cultural property looted by the Nazis; and the 2009 Prague Conference on Holocaust-Era Assets. The Terezin Declaration concluding the Prague Conference was the most sweeping of all of our international conferences. It covered the social welfare needs of impoverished victims of the Third Reich, restitution or compensation for confiscated immovable (real) property, as well as art, protection of cemeteries, Judaica and Jewish Cultural property, the need to open archives, Education, Remembrance, Research and Memorial Sites.

Austria has again taken a leadership role. For example, at the 2009 Prague Conference on Holocaust Assets, one of the key points of emphasis was dealing with the social needs of Holocaust survivors, half of whom, as I have said, live in poverty. In 2001, Austria introduced a new social program in which former Jewish

citizens or long-term residents of Austria who either fled the country or were otherwise persecuted can today obtain an Austrian government pension and generous nursing home benefits, regardless of where they live in the world.

Having dealt with your own private property issue through the creative General Settlement Fund, underfunded as it is, I hope that Austria will also take a leadership role in encouraging other European countries to implement the private, immovable property pledges in the 2009 Terezin Declaration and the 2010 Guidelines and Best Practices for the Restitution and Compensation of Immovable (Real) Property Confiscated or Otherwise Wrongfully Seized by the Nazis, Fascists and Their Collaborators during the Holocaust (Shoah) Era between 1933-1945. Both resulted from the 2009 Prague Conference and were endorsed by over 40 nations.

Twenty one countries, from Argentina and Brazil to Latvia and Lithuania and Austria, established some 28 historical commissions, to examine their role during World War II or their efforts at restitution and compensation. The Jabloner Commission did an excellent job for Austria. The most comprehensive and searching self-examinations were undertaken by the Bergier Commission in Switzerland and the Matteoli Commission in France.

The truth about the past, about a country's role in World War II, the dimensions of the massive theft of property and the efforts at restitution, the efforts made by the Nazis to sustain their war effort with looted gold and millions of coerced laborers, can be painful, but also liberating and educational. In 1994, long before there were any class action suits or outside pressures, Austrian President Thomas Klestil, delivered an emotional apology before the Israeli Knesset for Austria's role in World War II. And in the grand Hofburg Palace when we signed the Austrian labor agreement on October 24, 2000, President Klestil said the following: "We Austrians are finally looking in the eye of the historical truth—indeed, the entire truth. All too often we have spoken about Austria as the first country that lost its freedom and independence to National Socialism, and all too seldom about the fact that many of the most malicious executioners of the National Socialists' dictatorship were Austrians". Then in my presence and Austrian survivors like Kurt Ladner, he added, "In the name of the Republic of Austria, I bow with deep

sorrow before the victims of that time...At the end of the 20th century we are finally making an effort to overcome the last barriers on the way to a better future, and this based on a shared commitment to the principle, 'Never Again'."

Herbert Pichler of the Austrian Federal Economic Chamber told me that "These talks have had a great impression on me. It is hard for my generation to understand and appreciate the extent of the suffering."

To their great credit, Germany's private sector, as part of our 2000 U.S.-Germany agreement established a Future Fund to support projects related to tolerance, combating anti-Semitism, supporting human rights, and remembrance. Austria used the surplus from the Reconciliation Fund for forced and slave laborers to endow an Austrian Future Fund, and address some lingering claims from the Austrian Jewish community. The Austrian Fund will have long-term impact after all the money to victims and their families will have been allocated.

One distinctively Austrian Holocaust education program to which your government committed itself in our agreement was to contribute to the Holocaust education program established at the Salzburg Seminar. I hope Austria will continue to annually recognize the importance of this educational forum as an appropriate interpretation of our agreement.

Last, there are even broader ramifications to our work, which sparked other efforts to deal with human rights violations.

For example, class action suits were brought by Korean and Chinese comfort women against the Japanese for forced prostitution; by American POWs against the Japanese for their slave labor; by Chinese, Korean and Filipino nationals against Japanese corporations for their wartime slave labor; and by Armenians against New York Life Insurance Company for failing to pay policies held by Armenian victims during World War I. In Spain, claims for reparations were pressed on behalf of some 400,000 Republican prisoners of war and conscripted Republican sympathizers who, on the Nazi model, were rented out by the government of General Francisco Franco to the nation's largest corporations during the Spanish Civil War. In 2002, class action cases were filed against a

number of American employers, financiers and insurers of slave during the American civil war. And victims of South African apartheid brought a class action suit against private corporations patterned on the Holocaust cases.

One of the lessons I learned is that class action suits and American courts are not the best venues to resolve historical injustices, but they may catalyze diplomatic efforts.

One excellent model for dealing with internal civil wars is the Truth and Reconciliation Commission established by President Nelson Mandela, to explore the injustices of the apartheid era, without seeking vengeance and criminal prosecutions.

Our Holocaust negotiations were another step forward in the ongoing progress in dealing with human rights violations and crimes against humanity. This began with the post-World War II Nuremberg trials, were embodied in the 1948 UN Genocide Treaty, and now find their current examples in the International Criminal Court in the Hague and special tribunals dealing with everything from the human rights violations during the Serbian War; Charles Taylor's regime in Liberia; President Basheer in the Sudan over the Darfur genocide; and the investigation of Hezbollah over the assassination of Lebanese Prime Minister Harari.

In addition, one of the unrecognized breakthroughs of our negotiations was that for the first time in history, private corporations paid substantial sums for wartime injuries they inflicted. Our efforts underscore a growing and positive trend of major multinational corporations having a much greater awareness of the reputational and legal risks of engaging in activities that threaten the environment, that employ workers in what are considered sweat-shop conditions, and cooperating with regimes with poor human rights records. OCED Codes of Conduct for multinational corporations, the UN Compact, and the Extractive Industries Transparency Initiative all promote this higher level of conduct by major corporations.

Moreover, our work was effectively a massive alternative dispute resolution process through one giant set of separate mediations by the U.S. government with

multiple stakeholders. This could lead to a 21st century direction for American and global diplomacy to deal with new issues on the foreign policy agenda that do not themselves to traditional state-to-state relations, like climate change, AIDS prevention, and human rights protections.

Fourth, it is encouraging that Austria's efforts did not end with our agreement 10 years ago and are continuing. For example, the Austrian Government is providing assistance to the Judische Berufs Bildungs Zentrum (JBBZ) to help rebuild a small Jewish community by encouraging well-educated Jewish citizens in Europe who can make a contribution to Austria to get German language training and professional training to immigrate to Austria under the new red-white-red card program. The Lauder Business School is also assisting. Moreover, the Finance Ministry has entered into a landmark 20 million euro, multi-year program to help repair over 60 Jewish cemeteries throughout Austria, including five in Vienna, which requires funds from both the Jewish community and municipalities. I hope the municipalities will follow the example of the federal government.

In conclusion, as we commemorate the 10th anniversary of the U.S.-Austria agreements, Austria has much of which it can be proud. It is a stronger country, more certain of its future, because it has learned more about its past, and made a major effort to rectify its wrongs. I congratulate you.

Stuart E. Eizenstat held a number of senior positions in the Clinton Administration (1993-2001) including U.S. Ambassador to the European Union; Under Secretary of Commerce for International Trade; Under Secretary of State for Economic, Business & Agricultural Affairs; and Deputy Secretary of the Treasury. While holding these positions, he was also Special Representative of the President and Secretary of State for Holocaust-Era Issues. During the Carter Administration (1977-1981), he was the President's chief domestic policy adviser in the White House and director of the White House Domestic Policy Staff. He is currently Special Advisor to the U.S. Secretary of State on Holocaust-Era Issues.