

Memorandum of Understanding

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE WORLD JEWISH RESTITUTION ORGANIZATION

and

THE WORLD JEWISH CONGRESS

representing also the

JEWISH AGENCY and Allied Organizations

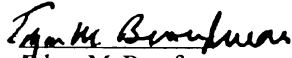
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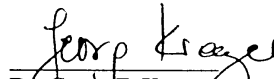
THE SWISS BANKERS ASSOCIATION

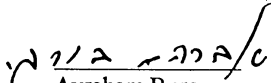
- (1) An Independent Committee of Eminent Persons will be appointed. Three persons will be appointed by the World Jewish Restitution Organization (WJRO) and three persons will be appointed by the Swiss Bankers Association (SBA). The Committee of six will jointly appoint an additional member as Chairperson. Furthermore, each side will nominate two alternates.
- (2) The Chairperson will administer the budget of the Committee which will be funded by the SBA.
- (3) The Committee of Eminent Persons will appoint an international auditing company; this company must be licensed by the Federal Banking Commission (FBC) to operate in Switzerland. The SBA will assure the auditors unfettered access to all relevant files in banking institutions regarding dormant accounts and other assets and financial instruments deposited before, during and immediately after the Second World War.
- (4) The Committee of Eminent Persons will instruct the auditing company as to the scope of its duties. It will examine the methodology of the individual banks, the Swiss Bankers Association and the Office of the Ombudsman as regards the search for accounts and assets in question. The Independent Committee will also be authorized to retain the services of other experts, as necessary. The Independent Committee will publish progress reports from time to time.
- (5) The parties of the agreement will cooperate to assure that the Swiss Government will deal with the question of looted assets in Swiss banks or other institutions which were not reported or returned under the relevant laws during the years before, during and immediately after the Second World War.

- (6) All negotiations will be handled in an environment of absolute discretion with a view of reaching an amicable resolution of all issues.
- (7) As soon as the contents of this Memorandum are agreed upon, there will be a summit meeting of the presidents and their delegations to affix their signatures and to announce the names of the members of the Committee and the scope of its task to the public.

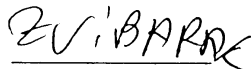
Signed and agreed:
New York, New York, May 2, 1996



Edgar M. Bronfman


Dr. Georg F. Kraye


Avraham Burg


Dr. Josef Ackermann


Zvi Barak


Hans J. Baer


Israel Singer

Letter from the Late Prime Minister Yitzhak Rabin to Mr. Edgar M. Bronfman

ראש הממשלה
Prime Minister

September 10, 1995
ט"ו באלול התשנ"ה


Dear Edgar,

I was pleased to learn during our conversation that you will be meeting in Switzerland with the Bankers Association and the Government Banking Commission, in the matter of restitution of Jewish assets deposited in Switzerland, along with the issues of restitution of Jewish property which you have been dealing with in countries of Central and Eastern Europe.

I look forward to hearing of your success in this matter in which, as President of the World Jewish Restitution Organization, you represent the Jewish people and the State of Israel.

With best regards,

Sincerely yours,


Yitzhak Rabin

Mr. Edgar M. Bronfman
President
World Jewish Congress
375 Park Avenue
New York, NY 10152
U.S.A.

Jerusalem, Israel

Declaration of the Swiss Federal Council on Dormant Accounts from World War II

German

Erklärung des Bundesrates über herrenlose Vermögen von Holocaust-Opfern

Der Bundesrat begrüsst die Unterzeichnung der Vereinbarung vom 2. Mai 1996 zwischen jüdischen Organisationen und der Schweizerischen Bankiervereinigung, welche ein gemeinsam ernanntes Komitee von Persönlichkeiten einsetzt, um Abklärungen der Schweizer Banken über herrenlose Vermögenswerte aus dem zweiten Weltkrieg zu überprüfen. Diese Vereinbarung bildet eine eichtige Grundlage, um eine transparente und umfassende Aufklärung über das Schicksal dieser herrenlosen Vermögen in gegenseitigem Vertrauen zu fördern.

Der Bundesrat hat ebenfalls das an ihn gerichtete Eruchen der Parteien der Vereinbarung zur Kenntnis genommen, sich der Frage anzunehmen, ob Schweizer Finanzinstitutionen geraubte Vermögenswerte aus der Zeit vor, während und unmittelbar nach der Zweiten Weltkrieg entgegengenommen haben. Er ist bereit, im Geiste der Transparenz und Disponibilität geeignete Massnahmen zu prüfen, um diesem Anliegen Folge zu leisten. Er hat eine Ad-hoc-Arbeitsgruppe unter dem Vorsitz von Botschafter Krafft beauftragt, ihm so rasch als möglich entsprechende Vorschläge zu utnerbreiten.

08.05.96

Der Vizekanzler, Achille Casanova

French

Déclaration du Conseil fédéral sur les dépôts en déshérence des victimes de l'holocauste

Le Conseil fédéral salue la signature, intervenue le 2 mai 1996, d'un accord entre l'Association suisse des banquiers et les organisations juives, portant création d'une commission paritaire chargée de vérifier les travaux de recherche des banques suisses sur les avoirs déposés en Suisse dans le

courant de la Seconde Guerre mondiale. Cet accord constitue une base importante en vue d'apporter toute la lumière – dans un climat de confiance mutuelle – sur le sort des dépôts en déshérence.

Le Conseil fédéral a également pris connaissance de la demande que lui ont adressée les parties à l'accord de se pencher sur la question de savoir si des institutions financières suisses ont accepté en dépôt – des biens dérobés aux victimes de l'holocauste. Il est prêt, dans un esprit de transparence et de disponibilité, à examiner les moyens les plus adéquats pour donner suite à cette requête. Il a donné mandat au group de travail ad hoc présidé par l'ambassadeur Krafft de lui faire des propositions dans les meilleurs délais.

08.05.96

Le Vice-chancelier, Achille Casanova

English Translation

The Swiss Federal Council welcomes the conclusion of the Memorandum of Understanding of May 2, 1996 between Jewish organizations and the Swiss Bankers Association establishing a joint committee of eminent persons whose task it will be to review the investigations of Swiss banks into dormant accounts from World War II. This agreement constitutes an important basis for promoting in mutual confidence a transparent and thorough investigation into the fate of those dormant accounts.

The Federal Council has also taken note of the request addressed to it by the parties to the agreement to look into the question of whether Swiss financial institutions deposited looted assets in the period before, during and immediately after World War II. It is prepared to review appropriate measures to comply with this request in a transparent and cooperative spirit. It has mandated an ad hoc working group under the chairmanship of Ambassador Mathias Krafft to submit proposals to that effect as soon as possible.

May 8, 1996

ICEP Press Releases

August 15, 1996 – Press Release

COMMITTEE OF EMINENT PERSONS ESTABLISHED BY SWISS BANKERS AND THE WORLD JEWISH RESTITUTION ORGANIZATION MEETS IN NEW YORK. PAUL VOLCKER NAMED CHAIRMAN.

The Independent Committee of Eminent Persons, appointed under the Memorandum of Understanding between the Swiss Bankers Association and the World Jewish Restitution Organization (WJRO), held its first meeting in New York yesterday.

The Committee was organized as part of a major effort of Swiss Banks and the World Jewish Restitution Organization to resolve outstanding questions surrounding the disposition of assets placed in Switzerland before and during World War II. At the unanimous request of all the members of the Committee, Mr. Paul A Volcker agreed to serve as the Chairman of the Committee and chaired the meeting.

The group focused on the role of the Committee in identifying any dormant accounts, financial instruments or other assets that were deposited or otherwise conveyed to the custody of Swiss banks before, during, or immediately after the Second World War. The Committee approved the process for selecting auditors to examine the methodology of the individual Swiss banks in maintaining and identifying dormant accounts and other assets and to conduct a thorough investigation of these matters.

In carrying out this task, the Committee will assist the Swiss Ombudsman in identifying assets and, as appropriate, recommend dispositions of such funds. The Committee will cooperate with the Swiss Government in any investigations it may wish to make of the fate of Jewish assets in Switzerland between 1933 and 1945.

The Committee heard statements by Mr. Edgar M. Bronfman, president of the WJRO, and Dr. Georg Kraye, President of the Swiss Bankers Association, who are signatories to the Memorandum of Understanding, although they are

not members of the Committee. They emphasized the historic importance of the work of the Committee and the need for close cooperation in carrying out the Committee's mandate.

Finally, the Committee will assist the World Jewish Restitution Organization and the Swiss Bankers Association in their effort to assure that the Swiss Government will deal with the question of "looted assets" in Swiss banks or other institutions which were not reported or returned under relevant laws during the years before, during, and immediately after the Second World War.

The Committee will meet periodically.

The Committee members and alternates are:

Paul A. Volcker
Chairman

Members

Mr. Reuben Beraja
Mr. Avraham Burg
Prof. Dr. Curt Gasteyger
Prof. Dr. Alain Hirsch
Prof. Dr. Klaus Jacobi
Mr. Ronald S. Lauder

Alternates

Mr. Hans Baer
Mr. Zvi Barak
Dr. Peider Mengiardi
Mr. Israel Singer

October 18, 1996 – Press Release

The Independent Committee of Eminent Persons met for the second time today in Zurich, Switzerland, under the chairmanship of Mr. Paul A. Volcker, to continue work on the task assigned to the Committee under the May 1996 Memorandum of Understanding between the Swiss Bankers Association and the World Jewish Restitution Organization. At its meeting today the Committee focused mainly on the mandate and instructions for the international audit firms the Committee will retain to carry out the investigative audit envisioned by the MOU. It reviewed the work done by a Subcommittee that had met with audit firms on September 12-13, 1996, to receive their presentations.

The Committee discussed the mandate and instructions

to international audit firms for the first phase of the audit. It will ask these firms to make formal proposals on how they would propose to implement the mandate and instructions. Once the Committee has received the proposals of these firms, the firms will be selected and the audit work will promptly commence.

The Committee will meet again at a date to be set in early November to continue the work of carrying out the Mandate established by the MOU.

The Committee members and alternates are:

Paul A. Volcker
Chairman

Members	Alternates
Mr. Reuben Beraja	Mr. Hans Baer
Mr. Avraham Burg	Mr. Zvi Barak
Prof. Dr. Curt Gasteyger	Dr. Peider Mengiardi
Prof. Dr. Alain Hirsch	Mr. Israel Singer
Prof. Dr. Klaus Jacobi	
Mr. Ronald S. Lauder	

November 19, 1996 – Press Release

SWISS BANK – WORLD JEWISH RESTITUTION ORGANIZATION COMMITTEE APPOINTS FIRMS TO AUDIT DORMANT ACCOUNTS IN SWISS BANKS.

Mr. Paul A. Volcker, Chairman of the Independent Committee of Eminent Persons, announced today that the Committee had completed its Mandate and Instructions for the investigative audits of dormant accounts, financial instruments, and other assets deposited in Swiss banks by the victims of Nazi persecution. It has selected three international audit firms to begin immediately on the First Phase of the work. The firms selected are Arthur Andersen, KPMG Peat Marwick, and Price Waterhouse.

The Committee undertook the responsibility of appointing auditors and overseeing their work in accordance with a Memorandum of Understanding of May 2, 1996 between the World Jewish Restitution Organization, acting with other representative Jewish organizations, and the Swiss Bankers Association.

The Committee completed work on the Mandate for the auditors after taking into account the comments that were made by several international audit firms at meetings in Zurich on September 12 and 13, 1996, and their formal written proposals submitted to the Committee on November 4, 1996. The full text of the Mandate is attached, together with the Memorandum of Understanding of May 2, 1996, a fact sheet, and a list of current members of the Committee.

The three firms were chosen for their overall experience, expertise in forensic auditing, knowledge of the Swiss banking system, understanding of the work program of the Com-

mittee, and ability to commit their personnel and other resources to carrying out the Mandate promptly and effectively. It is contemplated that individual banks will be audited by firms that are not normally engaged in audit work for the specific bank under review. All the selected firms have been previously approved by the Swiss banking authorities for work on audits of Swiss banks. In accordance with Swiss law, individual account names will not be revealed to the Committee.

The Committee was very pleased that it received highly qualified proposals by all of the international audit firms authorized to do bank auditing work in Switzerland. On behalf of the Committee, Chairman Volcker expressed his deep appreciation to each of the firms for their cooperation with the Committee and their interest in furthering its work. He noted that, as the audit proceeded, additional firms may be called upon to facilitate and speed the work.

The Mandate instructs the selected audit firms to determine whether there are any previously unreported dormant accounts, financial instruments, and other assets that were deposited in Swiss banks before, during or immediately after the Second World War. This search for dormant accounts also includes an examination of whether or not accounts that would otherwise have been dormant have been extinguished by actions that, whether or not inadvertent or deliberate, were illegal or in breach of fiduciary duties. Indications that third party intermediaries abused their responsibilities or evidence of the existence of looted assets revealed during the audits will be brought to the attention of the Committee, which in turn can notify the Swiss Government of this evidence.

In recognition of the complexity of the task assigned to the Committee, and the fact that so many years have passed since the events under scrutiny took place, the Mandate sets out a two-phase work program to assure that the audits are carefully prepared and that they will be thorough and complete. In the First Phase, the auditors will engage in data gathering and analysis to establish the legal and practical framework in which deposits were made in Swiss banks to serve as a basis for subsequent pilot audits. The audit plan that will be derived from this work will then be tested in pilot audits of a representative sampling of Swiss banks.

Based on this experience, a full scale audit program will be initiated in about six months. In this audit process, relevant banks will have a complete and thorough audit with full access to their records. The Committee has been assured of the full cooperation of the Swiss Banking Commission in carrying out this audit.

The Committee expects that the process of full audits may require a year to be completed. The Committee will closely supervise and coordinate the work of the auditors and will, among other measures, establish a liaison subcommittee. Status reports will be made from time to time on progress. Estimates of quantitative or other findings would be premature until detailed audits are completed.

The Committee will cooperate fully with the parallel historical and juridical investigation authorized by legislation

underway in the Swiss Parliament. Mr. Volcker has expressed to the Swiss authorities his appreciation of their intention to provide the Committee with appropriate cooperation and assistance in its work.

November 19, 1996 – Fact Sheet

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons (the “Committee” or “ICEP”) was established by a Memorandum of Understanding (“MOU”) of May 2, 1996, between the World Jewish Restitution Organization (“WJRO”), the World Jewish Congress (“WJC”) (representing also the Jewish Agency and Allied Organizations), and the Swiss Bankers Association (“SBA”). The ICEP was mandated by the MOU to conduct an investigation to determine whether there are any dormant accounts, financial instruments, and other assets of the victims of Nazi persecution that were deposited before, during, and immediately after the Second World War in banks located in Switzerland. The MOU provides that the ICEP will appoint an international auditing firm to implement this mandate and instruct the firm as to the scope of its duties.

The persecution of minorities by the Nazis and others, prior to and during World War II, made it likely that many of the victims sought to move their assets to safety in neutral or Allied countries. In view of neutral Switzerland’s borders with the perpetrators of this persecution, Swiss banks and other Swiss financial intermediaries were recipients of at least some of the assets in search of safety. The loss of life that accompanied the pre-war and wartime persecution has resulted in the concern that the victims were unable to claim these assets entrusted to others for safekeeping, and that they remain as dormant accounts in the institutions in which they were placed for safety.

In 1962, the Swiss Government adopted a Federal decree, designed to identify and describe any unclaimed assets that belonged to the victims of Nazi persecution. At that time, SFr. 9.5 million were reported to the Federal authorities, 75 percent of which were distributed to the rightful owners, and the remaining 25 percent to the Swiss Jewish Society and the Swiss Organization for Refugees.

Nevertheless, concerns still remain that there are unclaimed assets that had been deposited with Swiss banks. In response to these concerns, the SBA launched a survey of Swiss banks, and on January 2, 1996, the SBA announced the interim results of this statistical survey that identified a total of 775 accounts amounting to SFr. 38.7 million that had been opened by foreign customers before May 8, 1945, and that had been dormant at least since 1985. Since the interim results of the SBA survey have been published, some banks have identified additional accounts and amounts of foreign

customers, which the SBA estimates could increase the total amount of such dormant accounts by 10 percent. Continuing concerns that an independent investigation be made of dormant accounts led to the formation of the ICEP.

The ICEP met on August 14, 1996, and, among other actions, authorized a subcommittee to interview international audit firms operating in Switzerland to ascertain their views on the means, methods, and personnel that would be employed to carry out the mandate of the ICEP as established by the MOU. Six major international auditing firms including Arthur Andersen, Atag Ernst & Young, Deloitte & Touche Experta, KPMG Peat Marwick, Price Waterhouse, and STG-Coopers & Lybrand, responded to this invitation, and presentations were made by each of these firms to the subcommittee on September 12 and 13, 1996. In addition, on November 4, 1996, in response to a request from the Committee, these six firms submitted formal proposals that confirmed their agreement to implement the mandate, described their program for implementing the mandate, including the personnel and other resources that will be employed, and furnished the ICEP with the amount of the charges for their services.

In the light of the MOU, the presentations made to the subcommittee, and the proposals submitted by the six international accounting firms, the Committee drafted a mandate for the audit firms and provides the instructions to the selected audit firms as to their duties, functions, and procedures for the First Phase of the work of the ICEP which will consist of a program to prepare for audits, followed by pilot audits of five Swiss banks. The firms selected to do the investigative audit are Arthur Andersen, KPMG Peat Marwick and Price Waterhouse.

The assignment of the Committee is of historic importance. The goal of the ICEP is to conduct a comprehensive, thorough and independent investigation that can satisfy the reasonable demands of public opinion that these matters be definitively settled. In carrying out this task, the intention of the ICEP is to provide as clear answers as the presently existing record will now permit about assets entrusted by victims of Nazi persecution to the custody of banks in Switzerland through an intensive investigation based on unfettered access to relevant Swiss bank files and personnel. In the same manner, the investigation will examine the methodology of the Swiss banks, the SBA and the office of the Ombudsman as regards the search for accounts and assets in question and to record its conclusions. The Committee fully recognizes the great difficulty of the task ahead as it requires following an audit trail that is now dimmed by the passage of more than fifty years. Because of the historic importance of the work assigned to the Committee and its difficulty, extraordinary efforts of forensic auditing and historical analysis will be required by the auditors, and usual audit practices, such as sampling to verify the accuracy of records, must be effectively supplemented by the more rigorous disciplines of forensic auditing. The Committee expects the audit work to be completed by approximately June 1998.

January 31, 1997 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons, chaired by Mr. Paul A. Volcker, held its fourth meeting in Zürich, Switzerland on January 30-31, 1997. It reviewed progress in the Investigative Audit to determine whether there are any unreported dormant accounts and other assets and financial instruments of the victims of Nazi persecution that were deposited in Swiss banks before, during or immediately after the Second World War. In this connection, the Committee met with Chairman Hauri and Director Zuberbühler of the Swiss Federal Banking Commission (SFBC) and also with Professor Bergier, Chairman of the newly appointed Swiss Historical Commission.

The Committee dealt with a series of key issues:

- the urgent matter of preserving relevant documents for the Investigative Audit and other related investigations
- review of preparatory work by the Committee selected Auditors
- support by the Swiss Federal Banking Commission for the Investigative Audit, and
- cooperation with Swiss Historical Commission.

On the issue of document preservation, the Committee received a briefing from Union Bank of Switzerland (“UBS”) concerning the recent destruction of certain of the historical records held by the Bank. To assure the Committee’s ability to effectively carry out the Investigative Audit, it agreed to make priority special audits of the document retention practices of a sample of Swiss banks. The Committee also welcomed the statement by the representatives of the SFBC about the importance of compliance by all parties with the requirement for preservation of relevant documents contained in the Decree of December 13, 1996 and the SFBC’s intention to keep compliance by banks under review.

The Committee noted the report of the Auditors that they are well advanced in their preparations for the Investigative Audits. They reported on their preliminary review of the 1962 Decree requiring notification and the turning over to the Swiss Government of the dormant accounts of the victims of Nazi persecution. This report indicated that only 26 banks had made notifications and suggested that for a number of reasons fewer assets were declared than a more thorough search might have revealed.

In their meeting with Messrs. Hauri and Zuberbühler, the Committee welcomed the important decision of the SFBC to establish the Committee’s Investigative Audit as a special Audit under Swiss banking law. In providing explicit legal authority for the Committee’s Auditors to carry out the Committee’s Audit mandate, any question about the capacity of the Committee to implement its planned auditing activity should be ended.

At the meeting with Professor Bergier it was noted that while the Committee’s focus is on dormant accounts, and that of the Historical Commission includes looted assets, there are important areas of mutual interest with respect to these matters. The Committee and Professor Bergier agreed on the need for close cooperation and coordination on these matters of common concern as envisaged in the Memorandum of Understanding of May 2, 1996, that established the Committee.

Finally, Chairman Volcker reported on the application of the Investigative Audit to the relevant branches of Swiss banks in New York, and the intent of the New York State Banking Department to cooperate with this effort.

The Members of the Independent Committee of Eminent Persons are: Paul A. Volcker (Chairman), Dr. Ruben Beraja, Mr. Avraham Burg, Mr. Ronald S. Lauder, Prof. Dr. Klaus Jacobi, Prof. Dr. Curt Gasteyger, Dr. Peider Mengiardi and the alternate members are Mr. Zvi Barak, Mr. Israel Singer, Prof. René Rhinow and Mr. Hans J. Bär.

June 3, 1997 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons, chaired by Paul A. Volcker, held its fifth meeting in Jerusalem, Israel, on June 2-3, 1997. This provided the Members with the opportunity to call on Prime Minister Benjamin Netanyahu, to meet at the Knesset with members of the Restitution Committee, and to exchange views on speeding up the search for unclaimed bank accounts of victims of the Holocaust. The Committee formally noted the establishment of an Association as the legal entity for implementing the Investigative Audit. That audit is designed to identify whether such accounts and other assets and financial instruments of the victims of Nazi persecution were still deposited with Swiss banks.

The Committee heard a report from the three audit firms that are mandated to undertake this investigation -- Arthur Andersen, KPMG, and Price Waterhouse. The Preparatory Phase is almost complete, and the first stage of on-site investigations of banks can now begin, with completion of this phase scheduled for early fall.

Five banks have been selected for the pilot audits providing a necessary test for the full scale audits of all banks to be started when the pilot stage is done. These banks are: Credit Suisse, Swiss Bank Corporation, Spar und Leihkasse Berne, Banque Cantonale Vaudoise, and Pictet & Cie. In addition, five banks have been selected for document retention audits: Banque Baumann, Banque Cantonale de Geneve, Bank Julius Baer, St. Gallische Kantonalbank, and UBS. The Committee stressed that these banks are intended to be representative of the Swiss banking system as a whole in order to test the audit

program against a variety of different types of institutions, and that the pilot bank selections are in no way intended to suggest that any conclusions had been reached about these banks.

The Committee also agreed on the importance of a claims settlement procedure. At its meeting in January it had come to the conclusion that as the Investigative Audit developed the names of the account holders, a claims adjudication procedure is necessary to match assets with heirs and successors. After 50 years, an expeditious judicial process working under liberal rules of evidence should fairly and objectively determine without delay the legitimate owners or heirs.

The Committee decided to recommend a set of procedures for such a process tailored to the special circumstances of long dormant accounts, and needy, potential beneficiaries.

A Committee meeting in early September, 1997, was scheduled to receive and review the results of the pilot audits as the basis for implementing the full scale investigative audit program.

June 25, 1997 – Joint Press Release

Mr. Kurt Hauri, Chairman of the Swiss Federal Banking Commission (SFBC), and Mr. Paul A. Volcker, Chairman of the Independent Committee of Eminent Persons (ICEP), announced today agreement among the following institutions – the SFBC, the ICEP, and the Swiss Bankers Association (SBA) – on a comprehensive claims resolution process (CRP) for dormant accounts in Swiss banks dating from prior to the end of World War II.

The CRP has six major elements:

- An SFBC circular letter to Swiss banks requiring them to report the accounts of residents and non-residents of Switzerland that have been dormant since 1945
- Publication of the names and other information on these accounts, with additional names publications to follow when other dormant accounts are identified by the Swiss banks or the ICEP process
- The establishment of a center to receive claims to ownership of the published dormant accounts to be administered by Atag Ernst & Young (Basle)(E&Y), accountants, who will provide information to claimants, register all submitted claims, and prepare the file on each claim for use in the claims resolution process
- An independent and objective international claims resolution panel to definitively and equitably decide claims, operating under liberal rules of evidence, with its decisions, in the form of written opinions, taken after due consideration of the representations of the claimants
- Institution of the claims resolution panel by the SBA in consultation with ICEP from among persons with experience in adjudication and banking, with a majority of international members, and a Swiss chairman

- (A similar claims resolution panel may be established for Swiss dormant accounts if the need arises.)

Because of the urgency of this matter, tight deadlines are being set for all phases of the CRP:

- Reports of the names and other identifying data for all foreign dormant accounts for the pre-1945 period from banks under the SFBC order must be submitted to E&Y by July 7, 1997, and for domestic accounts (including passbook accounts and those persons of unknown residence or domicile) by September 15, 1997
- The first list of “foreign” dormant accounts (i.e., those of foreign residents or nationals) to be published on July 23, 1997, and disseminated widely around the world
- An information booklet and claims forms for potential claimants to be submitted to E&Y to be available as of July 23, 1997 at contact offices in Switzerland, Israel, the United States and other countries
- The second list of Swiss dormant accounts to be published on October 20, 1997
- Publication of additional dormant accounts to be made promptly as the information becomes available to Swiss banks or to ICEP, with an expected date of December 1998 for the completion of its work

For the same reasons, the claims resolution process must also be accomplished expeditiously:

- Claims of depositors or their successors in interest must be filed with Atag Ernst & Young within 6 months of publication of the name of a dormant account holder
- The claims resolution panel will decide reported claims to the dormant accounts of foreign nationals or foreign residents of Switzerland, as well as those of Swiss residents in which victims of Nazi persecution have an interest, taking into account the results of ICEP’s analysis of such claims, and the panel shall be the judge of its jurisdiction
- The international claims resolution panels will be required to decide claims, with interest or other appropriate adjustments related to fees or other charges, within 6 months after the end of the period for the submission of claims
- Any dormant accounts of the victims of Nazi persecution for which no valid claimants are determined by the claims resolution panel will be used for charitable purposes to be decided after consultation with all interested parties
- Provision should be made, as a matter of equity, for honoring meritorious cases of claims filed out of time or other situations requiring an equitable result

Chairmen Hauri and Volcker noted that future legislation could facilitate the contribution of foreign dormant accounts for charitable purposes. They stressed that the CRP is aimed at providing prompt and final results with full justice for the claimants, and that their institutions (SFBC and ICEP) would, in addition to the specific actions announced today, continue to provide supervision of the CRP. They called upon all interested persons to assist the CRP in achieving its objectives.

September 4, 1997 – Press Release

The Independent Committee of Eminent Persons, chaired by Paul A. Volcker, held its sixth meeting in Zurich, Switzerland, on September 4, 1997. At this meeting the Committee considered a full agenda focusing principally on (1) formulation of the work program for the Second Phase of its forensic investigation of dormant accounts, (2) the launching of the claims settlement process, and (3) cooperation and coordination between the Committee and the Bergier Commission.

To prepare for its decision on the Second Phase, the Committee heard a report on the First Phase of the investigation by the three audit firms – Arthur Andersen, KPMG and Price Waterhouse – on the results of their preparatory work and on the pilot and document retention investigations of ten Swiss banks, as well as on their recommendations for pursuing the Second Phase investigation. Based on this background, the Committee decided on the prompt launching of the Second Phase Investigation based on a formal mandate to audit firms now being prepared.

On the claims settlement process, the Committee endorsed the establishment of a foundation to sponsor the claims settlement process with a Board of Trustees whose appointment will be announced within a short period of time. The Committee noted that a very large number of claims forms had been requested and that over 700 claims had already been filed. It welcomed the progress that has been made toward setting in place the mechanism for dealing with these claims and others that may be filed.

The Committee also welcomed Prof. Jean-François Bergier and Ambassador Thomas G. Borer to its meeting to discuss cooperation and coordination between the work of the Committee and that of the Bergier Commission. They reviewed the existing close cooperation in areas of mutual interest and agreed to establish a working group to carry this work further. Prof. Bergier invited members of ICEP to attend meetings of his Commission. The Committee was also very pleased that Mr. Daniel Zuberbühler, Director of the Swiss Federal Banking Commission (“SFBC”) was able to join the meeting of the Committee, demonstrating the close cooperation between the Committee and the SFBC.

The Committee agreed to meet again in December 1997.

September 29, 1997 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons (“ICEP”) announced today that three of its members – Paul A. Volcker, René Rhinow, and Israel Singer – would become members of the Board of Trustees of the Independent Claims Resolution Foundation now being established to operate the Claims

Settlement Process (“CSP”) for resolving claims to published dormant accounts in Swiss banks dating from the period prior to the end of World War II. Paul Volcker, Chairman of ICEP, will serve as Chairman of the Board of Trustees. ICEP members Rhinow and Singer will serve as the other two members of the Board.

Mr. Volcker was formerly Chairman of the Federal Reserve Board. Mr. Rhinow is a Senator in the upper house of the Swiss Parliament, and Professor of Constitutional Law. Mr. Singer is Secretary General of the World Jewish Congress.

The CSP provides an essential missing piece to complete the program launched by the Swiss Bankers Association and the World Jewish Restitution Organization in the agreement that established ICEP.

The mandate of the ICEP is to identify accounts in Swiss Banks of which ownership properly lies with victims of the Holocaust or other refugees of Nazi persecution. The CSP will provide a vehicle for the impartial adjudication of claims to ownership of those assets of victims of Nazi persecution identified by Swiss banks and by the Committee’s investigation. It will provide claimants with an expedited procedure that will be international in character, cost-free, and objective. Procedures to govern this process are now in preparation and will be published in the next few weeks. In addition, the Trustees will commission a panel of experts to report to them on the proper adjustment of claims awards to take into account interest and other similar issues.

The Board of Trustees will appoint up to 15 foreign and Swiss arbitrators with experience in international adjudication to hear these claims under relaxed standards of proof that recognize the difficulty of presenting evidence in the tragic circumstances of the Holocaust and of World War II. The arbitrators will preside over a fast track procedure involving a single arbitrator for uncomplicated cases, and in panels of three arbitrators for more complicated or contested cases.

Over 1,700 names of account holders have already been published, and many more names of account holders of foreign and domestic Swiss origin will be published in October, with others published as ICEP identifies any additional accounts. More than 2,000 claims have already been filed.

October 31, 1997 – Press Release

INDEPENDENT CLAIMS RESOLUTION FOUNDATION

The Board of Trustees of the Independent Claims Resolution Foundation announced the appointments of Professor Hans Michael Riemer as Chairman of the Claims Resolution Tribunal, and the establishment of a Panel of Experts on Interest Fees and Other Charges to be chaired by Henry Kaufman. The Foundation, established by the Swiss Bankers Associa-

tion, was formed to provide an international, independent, and objective forum to adjudicate claims to dormant accounts of non-Swiss individuals published by Swiss banks or as a result of the investigations by the Independent Committee of Eminent Persons -- the Volcker Committee. It will operate under the supervision of the Swiss Federal Banking Commission and the Volcker Committee.

In addition to Chairman Riemer, Professor of Private Law at the University of Zurich, as well as a Judge and arbitrator, up to fifteen additional arbitrators will be appointed. The names of some of the additional arbitrators to be appointed to the Tribunal will be announced within a short time. The law firm of Schellenberg & Haissly will serve as the interim secretariat of the Tribunal.

The function of the Interest and Fees Panel is to make recommendations to the Board on adjustments to interest or other returns on dormant deposits or managed accounts of victims of Nazi persecution, as well as to fees and charges on these accounts, to reflect the unintended long-term character of these assets. Chairman Kaufman, former chief economist of Salomon Brothers, will serve on this Panel together with Walter Ryser, Emeritus Professor of Tax and Commercial law at Berne University, and Elhanan Helpman, Professor of Economics at Harvard University and former Professor at Tel Aviv University.

These decisions were taken at the first organizational meeting of the Board of the Foundation on October 15, 1997. The Board of Trustees is composed of Paul A. Volcker, René Rhinow (Professor of Law and Swiss Senator), and Israel Singer, Secretary General, World Jewish Congress. In addition to the appointments described above, the Board approved the Charter, By-laws, and Rules of Procedure for the Claims Resolution Process. Based on these initial steps, the Claims Resolution Tribunal will now be able to begin the process of deciding the more than 2,500 claims that have been submitted in response to the list of names of dormant account holders published by the Swiss Bankers Association on July 23, 1997. Additional claims are anticipated as the result of publication of the names of additional dormant account depositors on October 29, 1997 by the SBA.

April 7, 1998 – Press Release

INDEPENDENT CLAIMS RESOLUTION FOUNDATION

The Board of Trustees Reviews Progress in Adjudicating Claims

The Board of Trustees of the Claims Resolution Foundation, chaired by Paul A. Volcker, met yesterday in New York to review the progress of the Claims Resolution Tribunal in adjudicating claims to dormant accounts in Swiss banks. The Foundation was established to provide a forum to adjudicate

claims to dormant accounts of non-Swiss nationals and residents published by Swiss banks, or as a result of the investigations by the Independent Committee of Eminent Persons (ICEP). It operates under the supervision of the Swiss Federal Banking Commission and ICEP. The other two members of the Board of Trustees are René Rhinow (Professor of Law and Senator, Swiss Parliament) and Israel Singer (Secretary-General, World Jewish Congress).

The Board reviewed the substantial progress of the Tribunal in establishing an effective judicial forum for promptly resolving claims to dormant accounts. The Trustees noted that the Tribunal's distinguished arbitrators had met several times, and the procedures to decide the large volume cases have been established. The Tribunal is supported by a 23-person international secretariat. The Trustees concluded that the Tribunal is now in a position to meet the goal of completing the adjudication of submitted claims within the year period envisaged by the Foundation. Although the six months time period for filing claims against the dormant accounts published by Swiss banks in July and October 1997 expired at the end of March, the Trustees agreed to hold the door open for late filed claims for an additional three months.

Over 12,500 claims have been submitted. Of these claims, 4,800 are general claims to unidentified Swiss accounts. These claims are forwarded to ICEP auditors for use in their dormant account investigation. The remaining 7,700 claims are to the dormant accounts that have been published by Swiss banks in July and October 1997.

Processing has already begun on 5,000 of these claims to identified dormant accounts. This processing begins with an initial screening procedure in which banks make a preliminary recommendation on whether the claimant has presented enough information to justify release to the claimant of the name of the bank holding the dormant account and the amount of money in the account. Through the end of March, 2,700 claims have been screened by the banks, and disclosure to the claimant of the name of the bank and the amount in the account was approved in 1,156 cases. As soon as arbitration agreements are signed by the claimants, these cases will come before the Tribunal for either "fast track" or "ordinary procedure" decisions.

For initial screening cases still under review, the Tribunal has requested additional information from the relevant banks in 28 cases, and in 43 other cases a similar request was made of the claimant. When the bank initial screening recommendation is negative, the Tribunal makes an independent review and decision. It has so far reviewed 139 of these cases, and disclosure was approved in 25 of them. Claimants for whom initial recognition is not approved nevertheless still have the right to a hearing before a three arbitrator panel by simply resubmitting their claim within 30 days.

Of the cases cleared for arbitration, and in which an arbitration agreement has been signed, the Tribunal has decided 13 cases that have resulted in approval decisions involving the payment of awards in the amount of almost SFr. 2,000,000.

These decisions, where they involve Holocaust victims, are subject to upward adjustment based on the recommendations of the Interest and Fees Panel chaired by Henry Kaufman. With many cases now in the pipeline, the pace of decision making will accelerate.

In order to assist the Tribunal to hear the growing volume of cases, the Foundation today agreed to appoint ten additional arbitrators to add to the six appointed in September 1997. With these additions, five of the arbitrators will be from Switzerland, four from the United States, four from Israel, and one each from Canada, Cyprus, and the United Kingdom. The arbitrators are distinguished lawyers and bankers with finance, arbitration, and international experience. A list of the arbitrators is attached.

The Claims Resolution Process establishes a vehicle for the impartial adjudication of claims to ownership of those assets of victims of Nazi persecution and others identified by Swiss banks and by the investigation of ICEP. It provides claimants with an expedited procedure that is international in character, cost-free, and objective. The Tribunal hears claims under relaxed standards of proof recognizing the difficulty of presenting evidence in the tragic circumstances of the Holocaust and of World War II.

Claims Resolution Tribunal for Dormant Accounts in Switzerland

ARBITRATOR BIOGRAPHIES

Chairman

Hans Michael Riemer (Switzerland) is a Professor of Private Law at the University of Zurich and an ordinary judge of the Court of Cassation of the Canton of Zurich. Since 1991, he has served as a substitute judge of the Swiss Federal Supreme Court.

Current Arbitrators

Robert Briner (Switzerland) is President of the ICC Court of International Arbitration and a Partner in a Geneva law firm. Formerly, he was President of the Iran-U.S. Claims Tribunal in The Hague.

L. Yves Fortier (Canada) is a Senior Partner of the law firm Ogilvy Renault in Montreal. Formerly, he served as Canada's Ambassador and Permanent Representative to the United Nations in New York. From 1984 to 1989, he was a Member of the Permanent Court of Arbitration in The Hague.

David Friedmann (Israel) is a banker of long experience, formerly CEO of Bank Leumi and currently Chairman of the Board of Union Bank of Israel.

The Right Hon. Lord Higgins (United Kingdom) was a Member of Parliament and Chairman of the Treasury Committee of the House of Commons. As a current member of the House of Lords, he is a Conservative Party spokesman on

social issues.

Roberts B. Owen (United States) is Senior Counsel (retired) of the law firm Covington & Burling in Washington. He is the presiding arbitrator (appointed by the International Court of Justice) for the Brcko Controversy in Bosnia-Herzegovina. Formerly, he was the Legal Adviser of the U.S. State Department.

Newly Appointed Arbitrators

Thomas Buergenthal (United States) is a Professor at the George Washington University Law School. He is the U.S. national member of the 18-member United Nations Human Rights Committee and served as a judge, Vice President and President of the Inter-American Court of Human Rights from 1979 to 1991.

Hadassa Ben-Itto (Israel) retired from her service of 31 years as a judge in Israeli courts at all levels, including as Vice President of the Tel-Aviv District Court and as Acting Justice of the Supreme Court of Israel.

Howard Holtzmann (United States) is an international arbitrator of long experience and was the senior U.S. member of the Iran-U.S. Claims Tribunal in The Hague from 1981 to 1994. He currently concentrates on international arbitration activities.

Andrew J. Jacovides (Cyprus) is an Ambassador/Special Advisor of the Cyprus Mission at the United Nations and a Member of the Advisory Group of the Commonwealth. He has been a member of the Foreign Service of Cyprus since 1960 and served as Ambassador to the United States and Germany.

Franz Kellerhals (Switzerland) is a Partner in the law firm Kellerhals & Partner in Berne and a Professor of Civil Procedure at Berne University. He has served as president, member and counsel in various international arbitrations.

Hans Nater (Switzerland) is a Partner in the law firm Stiffler & Nater. He specializes in arbitration and is on the Swiss list of ICC-Arbitrators.

William W. Park (United States) is a Professor of Law at Boston University and Counsel at the law firm Ropes & Gray in Boston. He is Vice President of the London Court of International Arbitration.

Doron Shorrer (Israel) is a former Commissioner of Insurance and Director General of the Ministry of Transport of Israel. He is now an independent economic and financial adviser.

Zvi Tal (Israel) is a distinguished legal scholar and a former Member of the Supreme Court of Israel.

Jean-Luc Thévenoz (Switzerland) is a Professor at the Law Faculty of the University of Geneva and Director of the Center for European Legal Studies—Banking & Financial Law. He is a consultant and arbitrator in various international commercial litigations and is a member of the Swiss Arbitration Association.

June 9, 1998 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

List of Audited Banks Released

In response to public media interest in Switzerland and abroad, the Independent Committee of Eminent Persons released the names of the Swiss banks where the four international audit firms mandated by the Committee are now conducting the Second Phase of the forensic accounting investigation of dormant accounts in Swiss banks from the World War II and pre-war period. These four firms - Arthur Andersen, Coopers & Lybrand, KPMG and Price Waterhouse - are currently working at the three largest banks - Credit Swiss, Swiss Bank Corp., and Union Bank of Switzerland and their affiliates - as well as at twenty-four private and cantonal banks where the investigation has already begun or is about to begin. (See attached list.)

The priorities for the selection of the banks are based on size, geographic location, and the desire for representation of different types of banks. The purpose of the investigation is to identify any dormant accounts of victims of Nazi persecution and others that were deposited in Swiss banks before 1946 and unclaimed thereafter.

The Committee's target is to complete the major elements of its investigation by the end of this year. The investigation is time consuming, especially at the largest three Swiss banks, because of the extensive but also widely dispersed and incomplete documentary record that remains from the war-time and pre-war period.

The forensic audit work now underway at these three banks is expected to continue for the remainder of the year. However, the investigation at smaller banks should be completed more expeditiously, with new banks added as the first audits are completed.

Second Phase Onsite Forensic Audit Investigation for Dormant Accounts in Swiss Banks

Banks Selected for Audit (as of June 1, 1998)

Aargauische Kantonalbank
Banca dello Stato del Cantone Ticino
Bank Falck & Co. AG
Bank Sarasin & Cie
Basellandschaftliche Kantonalbank
Basler Kantonalbank
Berner Kantonalbank
Bordier & Cie
Coutts Bank (Schweiz) AG

Credit Suisse
Dreyfus Söhne & Cie AG, Banquiers
E. Gutzwiller & Cie Banquiers
Gonet & Cie
Graubündner Kantonalbank
La Roche & Cie., Banquiers
Landolt & Cie, Banquiers
Mirabaud & Cie
Rahn & Bodmer, Banquiers
Schaffhauser Kantonalbank
Schwyzer Kantonalbank
St. Gallische Kantonalbank
Swiss Bank Corporation
Thurgauer Kantonalbank
Union Bank of Switzerland
Wegelin & Co. Gesellschafter Bruderer, Hummler & Co.
Zuger Kantonalbank
Zürcher Kantonalbank

June 24, 1998 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons, chaired by Paul A. Volcker, held its ninth meeting in New York on June 24, 1998. At this meeting, the Committee focused on the Second Phase of the investigation of Swiss banks for the dormant accounts of victims of Nazi persecution and others and reviewed the progress of the Claims Settlement Tribunal established to adjudicate claims to these dormant accounts. The Committee also received a draft report of the panel on interest and fees chaired by Henry Kaufman, with the final report to be submitted to the Board of Trustees of the Claims Resolution Tribunal.

The Committee considered progress reports from the four international audit firms now implementing the Second Phase Mandate. The four firms--Arthur Andersen, Coopers and Lybrand, KPMG, and Price Waterhouse who are deploying over 375 auditors in their investigative efforts--are now working at 27 Swiss banks. These include the three major banks, Credit Swiss, Swiss Bank Corp., and Union Bank of Switzerland, as well as 24 private and cantonal banks. (Banks are chosen for the investigation based on size, type of bank, and location.)

The First Phase of the Committee's work program involved historical research and pilot and document retention investigations of ten Swiss banks. The Audit Firms reported that they are now well along in implementing the Committee's Second Phase Mandate. The emphasis of the Second Phase investigation is on identifying the accounts of Holocaust and other victims of Nazi persecution by taking advantage of the extensive record of accounts in Swiss banks that were opened

in the period from 1933 through 1945 that is still available after more than fifty years. This record, although by no means complete, will make an important contribution to the process of identifying dormant accounts.

The basic approach is to prepare internal bank databases of relevant accounts and to compare those account databases with databases of victims of Nazi persecution that have been developed or will be developed. As known from the start of the investigation, identification of refugee accounts that may have been closed, and therefore are not among present dormant accounts, present a particular investigative challenge. Although the Committee recognizes that the remaining work will continue to require substantial investigative resources, it reaffirmed its target of completing the major elements of its investigation by the end of 1998. The Committee also contemplated making an estimate of the value of refugee accounts not specifically identified.

The Committee also reviewed the progress of the Claims Resolution Tribunal, chaired by Prof. Hans Michael Riemer of Switzerland, who together with 15 other highly qualified Arbitrators, are adjudicating the claims to the 5,570 accounts published by Swiss banks in July and October 1997, as well as the additional dormant accounts to be published in the future as a result of the ICEP investigation. The aim of the Tribunal to resolve cases in the shortest possible time is facilitated by the use of relaxed standards of proof, but it reaches decisions only after a careful assessment of all available facts. With the experience in processing cases gained since the beginning of the year, the Tribunal is substantially accelerating the pace of case processing.

The processing begins with an initial screening procedure in which banks, subject to Tribunal review, make a preliminary recommendation on whether the claimant has presented enough information to justify release to the claimant of the name of the bank holding the dormant account. Disclosure to the claimant of the name of the bank and the amount in the account has been authorized by the banks and the Tribunal in more than 2,360 cases. As soon as arbitration agreements are signed by the claimants, these cases will come before the Tribunal for either “fast track” or “ordinary procedure” decisions. The four countries from which the largest number of claims have been submitted are the United States (1,918), Israel (1,138), Germany (1,095) and France (1,011).

In concluding this meeting, members of the Committee reiterated the importance they attach to completing its historic effort in an orderly and effective way. They recognize that what is at stake is justice for individual victims of Nazi persecution and a fair accounting of financial issues presented for Swiss banks. Moreover, the Committee’s work is an important ingredient in reaching a moral accounting for present and future generations of the events surrounding World War II.

The Committee agreed to meet again in September 1998.

September 4, 1998 – Press Release

INDEPENDENT CLAIMS RESOLUTION FOUNDATION

The Board of Trustees Announces Open Meeting

The Board of Trustees of the Claims Resolution Foundation, chaired by Paul A. Volcker, today announced that it will hold an open meeting on September 11, 1998. The other two members of the Board of Trustees are René Rhinow (Professor of Law and Senator, Swiss Parliament) and Israel Singer (Secretary-General, World Jewish Congress).

The Foundation was established to provide a forum to adjudicate claims to dormant accounts of non-Swiss nationals and residents published by Swiss banks, or as a result of the investigations by the Independent Committee of Eminent Persons (ICEP). The Claims Resolution Foundation is the supervisory body for the Claims Resolution Tribunal for Dormant Accounts in Switzerland.

The open meeting will be held on **Friday, September 11, 1998, at 9:00 a.m.** at the offices of Jones, Day, Reavis & Pogue, 599 Lexington Ave., 37th Floor, New York, New York.

At this meeting, the Secretariat of the Claims Resolution Tribunal will explain the functioning of the Tribunal and the results so far of the claims resolution process.

September 17, 1998 – Press Release

STATUS REPORT FROM THE INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons (“ICEP”) has released today a Status Report. The report reviews the background, current status, and results achieved so far by the forensic accounting investigation being conducted at Swiss banks by ICEP. Earlier reports have been made through periodic Committee announcements to the press, at meetings with the press, and through letters of Chairman Volcker to District Judge Edward R. Korman, the Judge presiding over the Holocaust victims’ assets litigation. Progress in the second phase of ICEP’s investigation, together with the settlement of the class action litigation before Judge Korman, provide the occasion for this review of the present status of the investigation.

As an Annex, the Status Report also includes a copy of the final Report of the Panel of Experts on Interest, Fees, and Other Charges. The Panel has made recommendations concerning the amount of interest to be paid on dormant accounts, and these recommendations will be considered by the Board

of Trustees of the Independent Claims Resolution Foundation as the basis for the preparation of guidance on interest and fees for the Claims Resolution Tribunal for Dormant Accounts in Switzerland.

The Status Report also reviews the progress of the Claims Resolution Tribunal in adjudicating the 9,500 claims that have been made to the 5,570 accounts published by the Swiss Bankers Association in July and October 1997. To help describe the work of the Tribunal, in another Annex, the report contains a series of slides that were used in a presentation by the Secretariat's staff in an open meeting of the Board of Trustees of the Independent Claims Resolution Foundation on September 11, 1998.

The Committee's central purpose was established by a Memorandum of Understanding by its founding private organizations – the World Jewish Restitution Organization (and allied organizations) and the Swiss Bankers Association. It is to provide the basis for restitution of monies owed to victims of Nazi persecution or their heirs who entrusted funds to Swiss banks for safekeeping before and during World War II, to make as full an accounting as feasible of the custody of these funds by Swiss banks, and to satisfy the historic need for a moral accounting for present and future generations of critical events surrounding World War II. The Status Report lists the names of the banks that are currently being investigated and those banks that are to be investigated by the end of the year.

January 27, 1999 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons, chaired by Paul A. Volcker, held its 11th meeting in Zurich on January 27, 1999. At this meeting, the Committee focused on plans and objectives for bringing the investigation of Swiss banks for dormant accounts of victims of Nazi persecution to a conclusion.

As a result of intensive work over the past months, the basic data collection and analysis of Swiss banking deposits originating in the period before and during World War II is approaching completion. The Committee, just yesterday, has received the first installment of an anticipated continuing flow of data on the names of victims of Nazi persecution from Yad Vashem, the Holocaust Memorial in Jerusalem. This is an important element in the effort to identify dormant accounts of Jewish victims.

In the light of these developments the Committee was able to establish Firm Goals for the completion of its work. The Committee is committed to achieving the basic data collection in the banks by the end of March 1999. Similarly, for the final phase of the Committee's statistical work, the matching of the victim and accounts databases and the researching of the results of these matches, is targeted for completion by

the end of May, with the same firm intention to finish this job in this time period. To the extent circumstances require the extension of this work in a few banks for a short period beyond the indicated dates, the Swiss Banking Commission will be informed and consulted.

While it will never be possible to fully reconstruct the past, especially as it involves records of more than half a century ago and the use of aliases and intermediaries, the Committee expects to be able to place the picture of the wartime dealing in bank deposits and other bank assets in Switzerland in broad context, as well as identifying additional dormant accounts of victims. The Committee, as a result of its experience, has concentrated the work to be accomplished over the next several months in the most relevant areas. Specifically, the Committee found it could target the matching process most effectively by focusing on the accounts of nonresidents of Switzerland – that is, those who were directly at risk from the terrors of Nazi persecution.

Consistent with these clearly established timing goals and strategic decisions, the Committee had a preliminary discussion of plans for drafting and publishing its final report. This report will contain an overall statistical review of the findings of the auditors and a broad analysis of the handling of dormant accounts by Swiss banks after World War II. Recommendations will be made on the publication of the names of relevant dormant account holders from the 1939-1945 period so that the account holders themselves or their descendants may lay claim to these accounts.

April 22, 1999 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons, chaired by Paul A. Volcker, held its 12th meeting in New York on April 22, 1999. At this meeting, the Committee reviewed the progress since its last meeting on January 27, 1999, of the audit firms mandated to investigate Swiss banks for dormant accounts of victims of Nazi persecution.

At its January meeting, the Committee had set a firm target of March 31, 1999 for achieving the completion of data collection in the banks. It also set a firm target of the end of May 1999 for the completion of the auditors' work within banks on matching of the victim and accounts databases and the researching of the results of these matches.

The auditors reported that they had essentially completed the accounts databases and other investigation work in the banks by the end of March. They also informed the Committee that they are confident, based upon the matching and research work already accomplished and their plans of the work still to be done to complete the necessary remaining matching and research work by the end of May.

The Committee noted that a key element of its investigative procedure involves the matching of the names of victims of Nazi persecution against databases of account names that were open or opened in Swiss banks during the period 1933-1945. As a part of this effort, name lists are now being provided to the Committee by the Israeli Holocaust Memorial in Israel, Yad Vashem. To supplement other lists of victims of Nazi persecution developed by the Committee amounting to over 700,000 names, over 2.5 million victim names have been received from Yad Vashem, and the work on providing additional names is well under way. The timely delivery of the remaining victim names will be of great assistance to the Committee and the auditors in meeting the timetable established by the Committee for completion of the matching and research, as well as the final report of the Committee scheduled for September 1999.

On-time implementation of the Committee's firm targets also depends on the continued full cooperation of Swiss banks with the investigation. The Committee welcomed the fact that the Swiss banks have so far fully cooperated. A question about the participation of a very few banks has however arisen. Intensive discussions have been undertaken with these institutions. The Committee has made a commitment that it would inform the public of any failures by Swiss banks to cooperate with the investigation.

The Committee will closely monitor developments in the closing phase of the investigation by receiving regular reports from the auditors on the results of their work as it proceeds to its conclusion. The Committee will meet again in July to review the results of the auditors' efforts and to prepare its final report.

August 31, 1999 – Press Release

INDEPENDENT COMMITTEE OF EMINENT PERSONS

The Independent Committee of Eminent Persons, chaired by Paul A. Volcker, held its 13th meeting in New York on August 30-31, 1999. At this meeting, the Committee heard a report from each of the audit firms. These audit firms briefed the Committee on the results of their examination of 61 Swiss banks representing 255 Swiss banks that existed in 1945. The audit firms participating in the investigation are: Arthur Andersen, Deloitte & Touche, KPMG, and PricewaterhouseCoopers.

The Committee received a presentation by economist Helen Junz on a study she had prepared at the request of the Committee on the Pre-War Wealth Position of the Jewish Population in Nazi-Occupied Countries, Germany and Austria. It also reviewed arrangements for the archiving of the

documents and electronic databases of the investigation, and the progress of the Claims Resolution Tribunal based on a report by its Vice Chairman Thomas Buergethal.

Taking account of these written and oral reports, the Committee had a preliminary discussion on the substance of, and the procedure for, drafting its final report. The report will describe the origin of the problem that the Committee set out to resolve, detail the methods and procedures of the investigation, record its findings on the identification of dormant accounts in Swiss banks originating in the 1933-1945 period, and evaluate the overall results of the investigation.

Now that the basic investigative work has been completed, and the results of this work has been made available to the Committee by the auditors, the Committee expects to be able to complete its work and publish a definitive report before the end of November.

September 10, 1999 – Press Release

Independent Committee of Eminent Persons

Paul A. Volcker, Chairman of the Independent Committee of Eminent Persons, expressed his regrets today about the premature and poorly informed speculation on the results of the three-year investigation of dormant accounts of victims of Nazi persecution in Swiss banks. He said that:

The media stories that have circulated so far are a mixture of fiction and misinterpreted fact that seriously distort the results of a very complex, thorough, and intensive investigation. The premature reports incorrectly anticipate a report that is now in an incomplete draft containing over 300 pages and recording an investigation employing over 500 forensic accountants to review millions of documents.

Chairman Volcker also emphasized that numbers of accounts in isolation and taken out of context are meaningless, and that the Committee is still in the process of drafting its report that, when completed, will be made available in full to the media and the public. He said the Committee would complete its work and present its findings in an organized, careful manner that will preserve the context of its results. He urged all concerned to avoid partial and competing disclosures of portions of the draft report taken out of context.

Chairman Volcker said that a balanced assessment of the results of the investigation can only be possible when the report and its full documentation become available. He said the Committee will seek to accelerate its work to assure that the report will be available in a timely manner to Judge Korman and to potential claimants in the class action Holocaust Victims' Assets lawsuit.

Audit Firm Mandate and Instructions – The First Phase

INDEPENDENT COMMITTEE OF EMINENT PERSONS

MEMORANDUM

November 19, 1996

Audit Firm Mandate and Instructions – The First Phase

I. INTRODUCTION

(1) This memorandum provides the mandate and instructions to audit firms to implement the work program of the Independent Committee of Eminent Persons (the “Committee” or “ICEP”) under a Memorandum of Understanding (“MOU”) of May 2, 1996, between the World Jewish Restitution Organization (“WJRO”), the World Jewish Congress (“WJC”) (representing also the Jewish Agency and Allied Organizations), and the Swiss Bankers Association (“SBA”). After introductory material, this memorandum describes the mandate and instructions to audit firms for the first phase of audit work, including preparations for audits of Swiss banks and pilot audits of five of these banks.

II. THE ROLE OF THE ICEP

(2) ICEP was established to conduct an investigation to determine whether there are any dormant accounts and other assets and financial instruments of the victims of Nazi persecution that were deposited before, during, and immediately after the Second World War in banks located in Switzerland. The MOU provides that the ICEP will appoint an international auditing firm to implement this mandate and instruct the firm as to the scope of its duties. The ICEP met on August 14, 1996, and, among other actions, authorized a subcommittee to interview international audit firms operating in Switzerland to ascertain their views on the means, methods, and personnel that would be employed to carry out the mandate

of the ICEP as established by the MOU. Six major international auditing firms including Arthur Andersen, Atag Ernst & Young, Deloitte & Touche Experta, KPMG Peat Marwick, Price Waterhouse, and STG-Coopers & Lybrand, responded to this invitation, and presentations were made by each of these firms to the subcommittee on September 12 and 13, 1996. In addition, on November 4, 1996, in response to a request from the Committee, these six firms submitted formal proposals that confirmed their agreement to implement the mandate, described their program for implementing the mandate, including the personnel and other resources that will be employed, and furnished the ICEP with the amount of the charges for their services.

(3) In the light of the MOU, the presentations made to the subcommittee, and the proposals submitted by the six international accounting firms, this memorandum establishes the mandate of the audit firms and provides the instructions to the audit firms that have been selected as to their duties, functions, and procedures for the First Phase of the work of the ICEP which will consist of a program to prepare for audits, followed by pilot audits of five Swiss banks.

III. BACKGROUND

(4) The persecution of minorities by the Nazis and others, prior to and during World War II, made it likely that many of the victims sought to move their assets to safety in neutral or Allied countries. In view of neutral Switzerland’s borders with the perpetrators of this persecution, Swiss banks and other Swiss financial intermediaries were recipients of at least some of the assets in search of safety. The loss of life that accompanied the pre-war and wartime persecution has resulted in the concern that the victims were unable to claim these assets entrusted to others for safekeeping, and that they remain as dormant accounts in the institutions in which they were placed for safety.

(5) In 1962, the Swiss Government adopted a Federal decree, that applied not only to banks, but to every person in Switzerland in possession of unclaimed assets belonging to victims of racial, religious, or political persecution by the Nazi regime, designed to identify and describe any unclaimed assets that belonged to the victims of persecution. At that time, SFr. 9.5 million were reported to the Federal authorities, 75 percent of which were distributed to the rightful owners, and the remaining 25 percent to the Swiss Jewish Society and the Swiss Organization for Refugees.

(6) Nevertheless, concerns still remain that there are unclaimed assets that had been deposited with Swiss banks. In response to these concerns, the SBA launched a survey of Swiss banks, and on January 2, 1996, the SBA announced the interim results of this statistical survey that identified a total of 775 accounts amounting to SFr. 38.7 million that had been opened by foreign customers before May 8, 1945, and that had been dormant at least since 1985. Since the interim results of the SBA survey have been published, some banks have identified additional accounts and amounts of foreign customers, which the SBA estimates could increase the total amount of such dormant accounts by 10 percent.

(7) Continuing concerns that an independent investigation be made of dormant accounts led to the formation of the ICEP. It is for the purpose of initiating this independent investigation that the First Phase mandate and instructions contained in this memorandum have been formulated.

(8) The assignment of the Committee is of historic importance. The goal of the ICEP is to conduct a comprehensive, thorough and independent investigation that can satisfy the reasonable demands of public opinion that these matters be definitively settled. In carrying out this task, the intention of the ICEP is to provide as clear answers as the presently existing record will now permit about assets entrusted by victims of Nazi persecution to the custody of banks in Switzerland through an intensive investigation based on unfettered access to relevant Swiss bank files and personnel. In the same manner, the investigation will examine the methodology of the Swiss banks, the SBA and the office of the Ombudsman as regards the search for accounts and assets in question and to record its conclusions. The Committee fully recognizes the great difficulty of the task ahead as it requires following an audit trail that is now dimmed by the passage of more than fifty years. Because of the historic importance of the work assigned to the Committee and its difficulty, extraordinary efforts of forensic auditing and historical analysis will be required by the auditors, and usual audit practices, such as sampling to verify the accuracy of records, must be effectively supplemented by the more rigorous disciplines of forensic auditing.

IV. FIRST PHASE MANDATE AND INSTRUCTIONS

(9) The major objective of the investigative audit of Swiss banks to be governed by this mandate and instructions is to determine whether there are any previously unreported dormant accounts and other assets and financial instruments that were deposited or otherwise conveyed to the custody of Swiss banks before, during or immediately after the Second World War, regardless of the domicile of the client (hereinafter “dormant accounts”). The scope of the audit includes not only the determination of the existence of previously unreported dormant accounts, but also an examination of whether there were accounts that would presently exist as dormant accounts in Swiss banks but for the fact that actions by the depository Swiss banks or others caused these accounts to be categorized as other than dormant accounts as a result of actions that were inconsistent with the banks’ legal or fiduciary duties.

(10) In carrying out this audit, with respect to each bank audited, the auditors shall, *inter alia*, examine bank records and other available sources of information to determine:

- (a) The scope and effectiveness of
 - (i) the methodologies and guidelines of the SBA and the office of the Ombudsman, and
 - (ii) the methodologies and implementation procedures of individual Swiss banks, as well as the banks’ compliance with Swiss laws and regulations, as well as directives of the SBA, as regards previous searches for dormant accounts;
- (b) the accuracy and integrity of bank record keeping for accounts that became dormant accounts both before and after they became dormant accounts, and compliance with Swiss laws and regulations on destruction of bank records;
- (c) policies and practices on the payment of interest on dormant accounts, as well as with respect to the application of fees and charges on such accounts, including any differences in such interest, fees and charges for dormant accounts compared with accounts held by persons with non-dormant accounts;
- (d) the number of dormant accounts, the total value of the amounts in these accounts; the number and the total amount in such accounts where there have been contacts with account holders or other authorized persons since 1945; and an estimate on how much of the total amount of such accounts may have been opened by persons who were victims of persecution for religious, racial or political reasons during the period 1934-1946.

(11) The Auditors shall determine whether or not there is any evidence of:

- (a) any deliberate or inadvertent record keeping errors or misclassifications of accounts, missing records, irregularities in record keeping, as well as any evidence of misapplication or embezzlement of dormant accounts; and

(b) any lapses from accepted standards of ethical behavior expected of bank or other fiduciaries at the time any such actions were taken.

(12) In addition, to cooperate fully with the historical and juridical investigation to be established by the Swiss Government under legislation now pending before the Swiss Parliament, particularly with respect to the focus of this investigation on the identification of any assets that may have been looted by the Nazis and placed for safekeeping in Switzerland, the auditors shall report to the ICEP any evidence relevant to this investigation that comes to their attention in the course of conducting the audit as instructed in this Section IV, including evidence of accounts containing looted assets or information indicating a breach of fiduciary duty by fiduciaries, so that the ICEP can take appropriate action on a case-by-case basis to report this information to the Swiss Government.

(13) For the purpose of implementing this mandate and instructions the following definitions shall apply:

(a) The term “account” means accounts, assets or financial instruments of every kind, including, but not limited to cash, securities, art, jewelry, collectibles, gold and other valuable metals, held by a Swiss bank in any form and under any legal regime, e.g., general deposits, special deposits, safety deposit boxes or other trust, custody or funds management arrangements.

(b) The term “dormant account” means an account

(i) with respect to which there have been no withdrawals or additions by, and no correspondence or other contacts with the account holder(s) or their representative(s) or with the beneficiary(ies) for a period of at least ten years in arrears from November 1, 1996; or

(ii) whose holder(s) or representative(s) (physical person(s) or legal entity(ies)) are connected with the bank and with respect to which the only activity for a period of at least ten years in arrears from November 1, 1996, have been charges of fees and/or costs of administration or other action by the bank.

V. THE FIRST PHASE OF WORK – PREPARATIONS AND PILOT AUDITS

(14) The First Phase of the audit work shall consist of data gathering and analysis to prepare for the pilot audits, followed by pilot audits of five Swiss banks. The first three months of the First Phase shall be devoted to preparing for the audit. To carry out this First Phase, a preparatory committee shall be established which shall be composed of a chairman and members selected by the ICEP taking into account the recommendations of the audit firms. This preparatory committee will have the responsibility for gathering information that is necessary to prepare for the audit and for assigning the work projects specified in this Section V or other-

wise approved by the ICEP to the individual selected audit firms for implementation.

(15) In developing the necessary information, including the information referred to in paragraphs (16) and (17) below, the audit firms should draw upon their knowledge and experience about the Swiss banking system and Swiss bank procedures and controls, and where such knowledge exists in the audit firms they should not perform *de novo* research to develop this information. In addition, to expedite the preparatory work, on-site visits to banks to obtain information from records and personnel, as well as the use of questionnaires directed to banks, techniques which are expected to be used extensively in the pilot audits and in the Second Phase audits, should be minimized in the preparatory work, and used where necessary to form an overview of operational methods and procedures to serve as a basis for on-site auditing in the pilot and Second phases of the audit program.

(16) As part of this preparatory work, an analysis shall be made of the procedures, methods and techniques that were used by the victims of Nazi persecution to place assets with Swiss banks, and include:

(a) the timing of historical events that created the atmosphere that generated the flow of assets in search of safekeeping, taking into accounts any contemporary records or reports, including reports of the destination of such funds from newspaper reports or other contemporary documents;

(b) in connection with (a) above, an analysis of the usefulness to the audit of any official or other documentation that recorded capital or other financial flows into Switzerland, as well as any other contemporary official documents such as the 1945 Swiss census of German assets in Switzerland, and the “Safehaven” documents in the archives of the United States and the United Kingdom;

(c) a review of the records of the Swiss bank Ombudsman and other accounts of victims’ claims to assets in Swiss banks for any assistance such records may provide in conducting the audit;

(d) a list of the names of the Swiss banks that were open in the 1934-1946 period, as well as any available information on the likelihood of their having received assets from victims of persecution, and, if they no longer exist, the place of disposition of their records;

(e) the procedures and methods used to open accounts that later became dormant;

(f) an analysis of balance sheets and other financial data that may be available on Swiss banks during the period 1934-1946 to determine their usefulness in carrying out the audit objectives;

(g) a compilation of the laws and regulations in Switzerland governing the opening of accounts during the 1934-1946 period, and record keeping with respect to such accounts from the time of opening until the present; and

(h) the Swiss laws and regulations, and bank policies and procedures, for paying interest and crediting dividends; as well as for assessing fees, commissions or other similar charges, on open and dormant accounts from 1934 to the present.

(17) As part of the First Phase preparatory work, the preparatory committee shall also:

(a) review the work of previous surveys of dormant accounts in 1962 and 1996;

(b) review the record keeping practices of individual banks at the time of account opening during the 1934-1946 period, and subsequently; the banks' practices with respect to the retention and destruction of records including account opening, closing, transactional and other record keeping; records storage or archiving systems; the chain of custody for relevant bank records, and other related matters relevant to the audit; all as may be necessary to establish a general understanding of such bank facilities and systems as a basis for the auditing of individual banks in the pilot audits and in the audits to be made in the Second Phase.

(c) determine the feasibility of creating a database of all accounts opened by Swiss banks in the period 1934-1946 and of any relevant information available on such accounts up to the time of closing of such accounts; and

(d) for the purpose of making the pilot audits, recommend for selection by the ICEP for inclusion in the pilot audits two offices of the largest Swiss banks, one Cantonal bank, one private bank, and one regional bank, based upon the probability that they would have been likely to have received funds in search of safety because of a reputation as a recipient of such funds, or because of a location close to a border.

VI. THE FIRST PHASE PILOT AUDITS

(18) Once the preparatory work provided for in Section V has been completed, and the ICEP has chosen the Swiss banks to be audited in the pilot audit program, as well as the audit firms to audit these banks, the auditors shall promptly commence the pilot audits of the banks so selected. In making this audit of Swiss banks, the auditors shall, in consultation with the ICEP, employ all necessary auditing and investigative techniques and procedures, including the examination of records, the interview of bank personnel and others with knowledge of the matters under review, and data analysis using advanced data processing techniques. The ICEP expects the pilot audit program to take three months. The principal objective of the pilot audit program is to assist the ICEP in developing final audit instructions for the Second Phase audits.

(19) With respect to access to information and bank secrecy, the MOU provides that the SBA will assure the auditors unfettered access to all relevant files in banking institutions regarding dormant accounts and other assets and finan-

cial instruments deposited before, during and immediately after the Second World War. In addition, representatives of the Swiss Banking Commission ("SBC") have assured the ICEP that the SBC will cooperate with the ICEP with a view to assuring that information requested by the audit firms of banks will be made available to them. However, the ICEP itself would be subject to the information availability restrictions of Swiss bank secrecy law. Nevertheless, the SBC has also assured the ICEP that it would be able to have access to all the information developed by the auditors except for the names of account holders or information that would necessarily reveal the name of an account holder and the auditors are so instructed not to provide such information to the ICEP. The SBC representatives also confirmed that the audit firms could use non-Swiss personnel from their offices outside of Switzerland to assist in the performance of the audits.

VII. REPORTS

(20) Auditors shall keep such logs and records of their work as necessary to document fully the techniques and procedures used to carry out the audit as well as all actions taken during the course of the audit. The preparatory committee shall prepare brief progress reports for the ICEP on the results of their work at monthly intervals, and a comprehensive report on the conclusion of the preparatory work.

(21) Each audit firm selected to audit a bank or banks in the pilot audit program shall make a brief progress report to the ICEP at the end of each month of work and a final comprehensive report on the pilot audits that shall include a description of the auditing methods and procedures, of all information reviewed, all findings and conclusions, as well as their recommendations for any changes to the scope of the audit. Counsel to the ICEP will receive the reports of the preparatory committee and from the audit firms in the First Phase, and will serve as a contact point for conveying any further instructions from the ICEP, as well as to receive comments from the audit firms conducting the pilot audits. Responding firms should be aware that price of services will be only one of the factors that will be taken into account in making the selection of firms to carry out the audit.

VIII. THE SECOND PHASE

(22) Based on the preparatory work and pilot auditing in the First Phase, the ICEP will formulate a final mandate and instructions for the auditing of the Swiss banks that the ICEP determines are to be audited taking into account the advice of the audit firms. The ICEP, after consulting the audit firms, will designate the banks to be audited by each firm and will take the necessary steps to establish reporting requirements and coordinate the work of the audit firms in order to obtain comparable results. The ICEP now expects this Second Phase to begin in June 1997 and to be completed by approximately June 1998.

Decree of The Federal Assembly of the Swiss Confederation

Bundesbeschluss

betreffend die historische und rechtliche Untersuchung des Schicksals der infolge der nationalsozialistischen Herrschaft in die Schweiz gelangten Vermögenswerte

vom 13. Dezember 1996

Die Bundesversammlung der Schweizerischen Eidgenossenschaft,

gestützt auf die Artikel 64 und 64^{bis} der Bundesverfassung,
nach Einsicht in den Bericht vom 26. August 1996¹⁾ der Kommission für Rechts-
fragen des Nationalrates

und in die Stellungnahme des Bundesrates vom 16. September 1996²⁾,

beschliesst:

Art. 1 Gegenstand

¹⁾ Untersucht werden Umfang und Schicksal von Vermögenswerten aller Art, die von Banken, Versicherungen, Anwälten, Notaren, Treuhändern, Vermögensverwaltern oder anderen natürlichen oder juristischen Personen oder Personengemeinschaften mit Wohnsitz oder Sitz in der Schweiz erworben, diesen zur Verwahrung, Anlage oder Übermittlung an Dritte übergeben oder von der Schweizerischen Nationalbank entgegengenommen wurden. Die Untersuchung bezieht sich auf Vermögenswerte, die:

- a. Personen gehörten, die Opfer der nationalsozialistischen Herrschaft wurden oder von denen infolge dieser Herrschaft zuverlässige Nachrichten fehlen und deren Vermögen seither von den Berechtigten nicht beansprucht wurden;
- b. infolge der Rassengesetze oder anderer diskriminierender Massnahmen im Einflussbereich des nationalsozialistischen Deutschen Reiches ihren rechtmässigen Eigentümern entzogen wurden; oder
- c. von Mitgliedern der Nationalsozialistischen Deutschen Arbeiterpartei, vom nationalsozialistischen Deutschen Reich, seinen Institutionen oder Vertretern sowie diesen nahestehenden natürlichen oder juristischen Personen stammen, eingeschlossen alle Finanztransaktionen, die mit diesen Vermögenswerten durchgeführt wurden.

²⁾ Die Untersuchung erstreckt sich ebenfalls auf die von der Schweiz seit 1945 getroffenen staatlichen Massnahmen, welche Vermögenswerte nach Absatz 1 zum Gegenstand hatten.

³⁾ Der Bundesrat kann auf Antrag der Expertenkommission oder von sich aus den Gegenstand der Untersuchung neuen Erkenntnissen oder den Arbeiten anderer Untersuchungskommissionen anpassen.

SR 984

¹⁾ BBl 1996 IV 1165

²⁾ BBl 1996 IV 1184

Infolge nationalsozialistischer Herrschaft in die Schweiz
gelangte Vermögenswerte. BB

AS 1996

Art. 2 Durchführung der Untersuchung

¹ Der Bundesrat setzt eine unabhängige Expertenkommission ein, welche den Umfang und das Schicksal der Vermögenswerte nach Artikel 1 historisch und rechtlich untersucht. Der Kommission gehören Expertinnen und Experten aus verschiedenen Fachrichtungen an.

² Die Expertenkommission orientiert den Bundesrat regelmässig über den Stand der Arbeiten, namentlich wenn sich im Laufe der Untersuchung konkrete Hinweise auf Vermögensansprüche nach Artikel 1 ergeben.

Art. 3 Vertraulichkeit der Untersuchung

Die mit der Durchführung der Untersuchung betrauten Personen sowie ihre Mitarbeiterinnen und Mitarbeiter unterstehen dem Amtsgeheimnis. Der Bundesrat regelt die Einzelheiten in den Untersuchungsaufträgen.

Art. 4 Pflicht zur Aktenaufbewahrung

Akten, die der Untersuchung nach Artikel 1 dienlich sein könnten, dürfen nicht vernichtet, ins Ausland gebracht oder sonstwie schwerer zugänglich gemacht werden.

Art. 5 Pflicht zur Gewährung der Akteneinsicht

¹ Die in Artikel 1 erwähnten Personen und Institutionen, ihre Rechtsnachfolger sowie Behörden und Amtsstellen sind verpflichtet, den vom Bundesrat bestimmten Mitgliedern der Expertenkommission und den von ihnen beigezogenen Forscherinnen und Forschern Einsicht in alle Akten zu gewähren, die der Untersuchung dienlich sein könnten.

² Diese Pflicht geht jeder gesetzlichen und vertraglichen Geheimhaltungspflicht vor.

Art. 6 Verfügung über die Untersuchungsmaterialien

Sämtliche Untersuchungsmaterialien stehen in der alleinigen Verfügungsbefugnis des Bundesrates.

Art. 7 Veröffentlichung der Untersuchungsergebnisse

¹ Der Bundesrat veröffentlicht die Untersuchungsergebnisse vollständig.

² Personendaten werden für die Veröffentlichung anonymisiert, sofern überwiegende schutzwürdige Interessen lebender Personen dies erfordern.

Art. 8 Rechtsschutz

¹ Bei Streitigkeiten über die Pflicht zur Aktenaufbewahrung und zur Gewährung der Akteneinsicht entscheidet das Departement auf Antrag der Experten.

² Gegen den Entscheid des Departementes kann innert zehn Tagen Verwaltungsgerichtsbeschwerde beim Bundesgericht erhoben werden.

Infolge nationalsozialistischer Herrschaft in die Schweiz
gelangte Vermögenswerte. BB

AS 1996

³ Das Departement und das Bundesgericht entscheiden unverzüglich.

⁴ Das Bundesgesetz vom 19. Juni 1992¹⁾ über den Datenschutz ist nicht anwendbar.

Art. 9 Strafbestimmungen

¹ Wer vorsätzlich Artikel 4 oder einer gestützt auf Artikel 5 Absatz 1 erlassenen Verfügung zuwiderhandelt, wird mit Haft oder mit Busse bis zu 50 000 Franken bestraft. Handelt der Täter fahrlässig, so ist die Strafe Busse bis zu 10 000 Franken.

² Die Strafbarkeit von Verletzungen des Amtsgeheimnisses nach Artikel 320 des Strafgesetzbuches²⁾ bleibt vorbehalten.

³ Für Widerhandlungen in Geschäftsbetrieben sind die Artikel 6 und 7 des Verwaltungsstrafrechtsgesetzes³⁾ anwendbar.

⁴ Die Strafverfolgung ist Sache der Kantone.

Art. 10 Finanzierung

Die Bundesversammlung bewilligt einen mehrjährigen Verpflichtungskredit für die Durchführung der Untersuchung nach Artikel 1.

Art. 11 Schlussbestimmungen

¹ Dieser Beschluss ist allgemeinverbindlich.

² Er wird nach Artikel 89^{bis} Absatz 1 der Bundesverfassung als dringlich erklärt und tritt einen Tag nach der Verabschiedung in Kraft.

³ Er untersteht nach Artikel 89^{bis} Absatz 2 der Bundesverfassung dem fakultativen Referendum und gilt bis zum 31. Dezember 2001.

Nationalrat, 13. Dezember 1996

Die Präsidentin: Stamm Judith

Der Protokollführer: Anliker

Ständerat, 13. Dezember 1996

Der Präsident: Delalay

Der Sekretär: Lanz

8539

¹⁾ SR 235.1

²⁾ SR 311.0

³⁾ SR 313.0

**Arrêté fédéral
concernant les recherches historiques et juridiques
sur le sort des avoirs ayant abouti en Suisse
à la suite de l'avènement du régime national-socialiste**

du 13 décembre 1996

L'Assemblée fédérale de la Confédération suisse,

vu les articles 64 et 64^{bis} de la constitution;

vu le rapport de la Commission des affaires juridiques du Conseil national, du 26 août 1996¹⁾;

vu l'avis du Conseil fédéral du 16 septembre 1996²⁾,

arrête:

Article premier Champ d'investigation

¹ Les recherches portent sur l'étendue et le sort de toute forme de valeurs patrimoniales qui ont été, soit confiées en dépôt ou placement, ou pour transmission à un tiers, à des banques, à des assurances, à des avocats, à des notaires, à des fiduciaires, à des gérants de fortune ou à d'autres personnes physiques ou morales ou associations de personnes ayant leur domicile ou leur siège en Suisse, soit reçues par ces personnes physiques ou morales ou associations de personnes, soit reçues par la Banque nationale suisse, et qui:

- a. appartenaient à des victimes du régime national-socialiste disparues ou réputées disparues et dont le patrimoine n'a pas été réclamé par les ayants droit;
- b. ont été confisquées à leurs propriétaires légitimes en vertu des lois raciales ou d'autres mesures discriminatoires prises sous l'influence du régime national-socialiste; ou
- c. provenaient de membres du Parti national-socialiste, de l'Etat national-socialiste, de ses institutions, de ses représentants ou de personnes physiques ou morales qui lui étaient proches, compte tenu de toutes les opérations financières subséquentes.

² Ces recherches doivent également porter sur les mesures prises par les autorités suisses depuis 1945 relativement aux valeurs patrimoniales visées au 1^{er} alinéa.

³ Sur proposition des experts ou de sa propre initiative, le Conseil fédéral peut modifier le champ des recherches afin de tenir compte d'éléments nouveaux ou de travaux menés par d'autres commissions d'enquête.

RS 984

¹⁾ FF 1996 IV 1171

²⁾ FF 1996 IV 1190

Recherches sur le sort des avoirs déposés en Suisse
à cause du régime national-socialiste. AF

RO 1996

Art. 2 Conduite des recherches

¹ Le Conseil fédéral nomme une commission d'experts indépendante qui examinera sous l'angle historique et juridique l'étendue et le sort des valeurs patrimoniales visées à l'article premier. La commission se compose d'experts de disciplines diverses.

² La commission d'experts informe régulièrement le Conseil fédéral de l'état des travaux, notamment lorsque les recherches révèlent l'existence d'indices concrets de prétentions patrimoniales telles que celles qui sont visées à l'article premier.

Art. 3 Confidentialité des recherches

Les personnes chargées de procéder aux recherches et leurs collaborateurs sont soumis au secret de fonction. Le Conseil fédéral en précise les modalités dans les mandats de recherche.

Art. 4 Obligation de conserver les pièces

Il est interdit de détruire les pièces susceptibles de servir les recherches visées à l'article premier, de les transférer à l'étranger ou d'en compliquer la consultation d'aucune autre manière.

Art. 5 Consultation des pièces

¹ Les personnes physiques ou morales visées à l'article premier, leurs ayants cause ainsi que les autorités et services publics sont tenus de laisser les membres de la commission d'experts nommée par le Conseil fédéral et leurs collaborateurs consulter tous les documents qui peuvent être utiles à leurs recherches.

² Cette obligation prime toute obligation légale ou contractuelle de garder le secret.

Art. 6 Utilisation des documents et pièces liés aux recherches

Le Conseil fédéral a la disposition exclusive de l'ensemble des documents et pièces liés aux recherches.

Art. 7 Publication des résultats des recherches

¹ Le Conseil fédéral publie intégralement les résultats des recherches.

² Les références personnelles sont supprimées avant la publication si des personnes vivantes y ont un intérêt prépondérant digne de protection.

Art. 8 Protection juridique

¹ En cas de litige concernant l'obligation de conserver les documents et de les laisser consulter, il revient au département de décider si les experts le demandent.

3488

Recherches sur le sort des avoirs déposés en Suisse
à cause du régime national-socialiste. AF

RO 1996

² Un recours de droit administratif contre la décision du département peut être déposé dans les dix jours auprès du Tribunal fédéral.

³ Le département et le Tribunal fédéral statuent dans les plus brefs délais.

⁴ La loi fédérale du 19 juin 1992¹⁾ sur la protection des données n'est pas applicable.

Art. 9 Dispositions pénales

¹ Celui qui, intentionnellement, aura contrevenu à l'article 4 ou à une décision fondée sur l'article 5, 1^{er} alinéa, sera puni des arrêts ou de l'amende jusqu'à 50 000 francs. Si l'auteur a agi par négligence, la peine sera l'amende jusqu'à 10 000 francs.

² La sanction d'une violation du secret de fonction prévue à l'article 320 du code pénal²⁾ reste réservée.

³ Les infractions commises dans une entreprise sont régies par les articles 6 et 7 de la loi sur le droit pénal administratif³⁾.

⁴ La poursuite pénale incombe aux cantons.

Art. 10 Financement

L'Assemblée fédérale ouvre un crédit pluriannuel d'engagement pour le financement de la conduite des recherches visées à l'article premier.

Art. 11 Dispositions finales

¹ Le présent arrêté, qui est de portée générale, est sujet au référendum facultatif.

² Il est déclaré urgent en vertu de l'article 89^{bis}, 1^{er} alinéa, de la constitution, et il entre en vigueur le lendemain de son adoption.

³ Il est sujet au référendum facultatif, conformément à l'article 89^{bis}, 2^e alinéa, de la constitution, et il a effet jusqu'au 31 décembre 2001.

Conseil national, 13 décembre 1996

La présidente: Stamm Judith
Le secrétaire: Anliker

Conseil des Etats, 13 décembre 1996

Le président: Delalay
Le secrétaire: Lanz

N38716

¹⁾ RS 235.1

²⁾ RS 311.0

³⁾ RS 313.0

English Translation

Federal Decree

Concerning the Historical and Legal Investigation of the Fate of Assets Which Reached Switzerland as a Result of National Socialist Rule

of December 13, 1996

The Federal Assembly of the Swiss Confederation,

based on Articles 64 and 64bis of the Federal Constitution, after examination of the report of August 26, 1996¹ by the Legal Committee of the National Council and of the comments of September 16, 1996² by the Federal Council,

decrees:

Article 1 Subject Matter

1. The investigation covers the extent and fate of assets of all kinds which were transferred to banks, insurance companies, attorneys, notaries, fiduciaries, asset managers or other physical or legal persons or groups of persons residing or headquartered in Switzerland for deposit, investment or transfer to third parties, or were acquired by such physical or legal persons or groups of persons or were received by the Swiss National Bank and
 - a. belonged to persons who became victims of National Socialist rule or about whom, because of this rule, reliable information is not available, and whose assets have since then not been claimed by legitimate claimants;
 - b. as a consequence of the racial laws or other discriminatory measures within the sphere of the National Socialist German Reich were taken from their rightful owners; or
 - c. originate from members of the NSDAP, from the National Socialist German Reich, its institutions or representatives as well as physical or legal persons closely connected with it, including all financial transactions which were carried out with these assets.
2. The investigation also covers the government measures taken by Switzerland since 1945, involving assets covered by Paragraph 1.
3. At the request of the commission of experts [appointed pursuant to Art.2] or on its own initiative, the Federal Council may modify the scope of the investigation in the light of new findings or the work of other commissions.

Article 2 Execution of the Investigation

1. The Federal Council will appoint an independent commission of experts charged with conducting the historical and legal investigation of the extent and fate of assets under Article 1. Experts from various fields will form the commission.
2. The commission of experts will regularly inform the Federal Council on the progress of their work, especially if, during the course of the investigation, specific indications relating to claims covered by Article 1 emerge.

Article 3 Confidentiality of the Investigation

The persons entrusted with conducting the investigation as well as their staff members are bound by official secrecy. The Federal Council will regulate the related issues in the investigation mandates.

Article 4 Obligation to Preserve Records

Actions by which existing records that could be useful to the investigation covered by Article 1 are destroyed, transferred abroad or otherwise made less accessible are prohibited.

¹ 1996 Federal Gazette IV 1165

² 1996 Federal Gazette IV 1184

Article 5 Obligation to Grant Access to Records

1. The persons and institutions mentioned in Article 1, their legal successors as well as authorities and government offices are obligated to grant access to all records pertaining to the investigation to the members of the commission of experts appointed by the Federal Council and researchers appointed by them.
2. The obligation to grant access to the records takes precedence over any legal or contractual secrecy obligation.

Article 6 Control of the Results of the Investigation

The Federal Council has sole control over all material related to the investigation.

Article 7 Publication of the Results of the Investigation

1. The Federal Council will publish the results of the investigation in full.
2. Personal data will be published anonymously if required by living persons' interests which are predominantly worthy of protection

Article 8 Legal Protection

1. In the event of disputes concerning the obligation to preserve records and to grant access to them, the Department shall decide upon the request of the experts.
2. An administrative appeal against the decision of the Department can be filed with the Federal Court within ten days.
3. The Department and the Federal Court will make their decisions in the most expeditious manner.

4. The Law on the Protection of Data of June 19, 1992,³ is not applicable.

Article 9 Criminal Provisions

1. Whoever deliberately contravenes Article 4 or a decision made under Article 5. Paragraph 1, will be punished by imprisonment or a fine of up to 50,000 Swiss francs. If the contravention is negligent, the punishment will be a fine of up to 10,000 Swiss francs.
2. The punishability for violations of official secrecy under Article 320 of the Criminal Code⁴ is reserved.
3. For infringements in business enterprises, Articles 6 and 7 of the Federal Law on Administrative Criminal Matters⁵ are applicable.
4. Prosecution is the responsibility of the Cantons.

Article 10 Financing

The Federal Assembly authorizes a multi-annual guarantee credit for the execution of the investigation according to Article 1.

Article 11 Final Provisions

1. This federal decree is general and binding.
2. Under the urgency procedure according to Article 89bis of the Federal Constitution, it shall enter into force the day after it is adopted.
3. It is subject to the optional referendum according to Article 89bis of the Federal Constitution and remains valid until December 31, 2001.

³ Systematic Compilation of Federal Law 235.1.

⁴ Systematic Compilation of Federal Law 311.0.

⁵ Systematic Compilation of Federal Law 313.0.

Letter of Support from the Swiss Federal Banking Commission



EIDGENÖSSISCHE BANKENKOMMISSION
COMMISSION FÉDÉRALE DES BANQUES
COMMISSIONE FEDERALE DELLE BANCHE
FEDERAL BANKING COMMISSION

Berne, 29 January 1997

Mr Paul A. Volcker
Chairman of the Independent Committee of Eminent Persons
599 Lexington Avenue
New York 10022
USA

Dear Mr Volcker

Support of the Independent Committee of Eminent Persons by the Swiss Federal Banking Commission

At its meeting of 22 January 1997 the Swiss Federal Banking Commission (SFBC) took note of the Independent Committee of Eminent Person's (ICEP) memorandum of 19 November 1996 outlining the Mandate and the instructions for the auditors in this first phase of the audit work. The SFBC had an intensive discussion on the support it could give to ICEP's work.

Even before the start of the public debate initiating ICEP the SFBC had a strong interest in the issue of dormant accounts in Swiss banks. The SFBC inspired the existing self-regulatory rules by the Swiss Bankers Association on dormant accounts which it enforces as a supervisory minimal standard applicable to all Swiss banks under the licensing requirements of a proper conduct of business operations and the adequacy of the internal organisation.

The SFBC strongly believes that the work undertaken by ICEP to determine whether there are any dormant accounts and other assets and financial instruments that were deposited before, during, and immediately after the Second World War in banks located in Switzerland is extremely valuable and important.

The SFBC has its own genuine interest in the investigations planned by ICEP. The auditors' reports may contain information which would enable the SFBC to assess the systems and controls of the reviewed banks and the quality of their management in order to take remedial action if necessary.



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Therefore, the SFBC decided to support ICEP's work by declaring the audits carried out by the audit firms licensed by the SFBC, and their international partner firms appointed by ICEP as official special audits under Art. 23bis Para. 2 of the Swiss Banking Act 1934 and Art. 49 Para. 2 of the Swiss Banking Ordinance 1972. This decision removes any doubts about the auditors' legal powers to have full and unfettered access to all relevant files in the banks including customer files protected by bank secrecy legislation. The SFBC is prepared to render an enforceable decision in case a bank would oppose the audit.

As a consequence of the SFBC's special audit decision the officers and employees of the relevant audit firms undertaking the audits and any other persons whose services they retain will themselves be bound - except vis-à-vis the audited bank and the SFBC - by the bank customer secrecy obligation and be subject to the penalties of Art. 47 of the Swiss Banking Act 1934. They are therefore prohibited from disclosing the identity of individual customers, or information that would necessarily identify them, to third parties, including the ICEP.

Because of their role as special auditors, the SFBC will have to receive from the auditors appointed by the ICEP and supported by the SFBC's special audit decision, the identical reports as those which the ICEP will receive under their Mandate to the Auditors at the same time as they are provided to the ICEP. This parallel reporting duty to the SFBC is required due to their simultaneous functions as auditors implementing the Mandate of the ICEP and as special auditors under the Swiss Banking Act 1934. However, the SFBC will not interfere in any way with the auditors' obligations under their Mandate from the ICEP.

We hope that the decision of the SFBC will enhance the work of ICEP and we confirm our commitment to co-operate closely within the framework of the Swiss Banking Act 1934.

Yours sincerely

SWISS FEDERAL BANKING COMMISSION

Dr. Kurt Hauri
Chairman

Daniel Zuberbühler
Director

Rules of Procedure for the Claims Resolution Process

Adopted on October 15, 1997 by the Board of Trustees of the Independent Claims Resolution Foundation

Foreword to these Rules of Procedure

On July 23, 1997, the Swiss Bankers Association published the names of holders of accounts that were opened by non-Swiss nationals and residents prior to the end of the Second World War (May 9, 1945) and that have been dormant ever since. A second simultaneously published list includes the names of persons holding powers of attorney to these accounts. Additional names will be published in October 1997 and later on, as the search for dormant accounts goes on by investigations of the **Independent Committee of Eminent Persons** (the **“ICEP”**) chaired by Paul A. Volcker, or by means of internal efforts of the Swiss banks.

All persons who believe that they are the rightful owners of a published dormant account have been invited to file their claims within six months after publication. In order to resolve all of these claims to dormant accounts in an equitable and expeditious manner, a Claims Resolution Process (the **“CRP”**) has been established to be funded by the Swiss Bankers Association and supervised by the Swiss Federal Banking Commission and ICEP. **The Independent Claims Resolution Foundation** to carry out the CRP will be governed by a Board of Trustees (the **“Board of Trustees”**). The Board of Trustees will select the members of a Claims Resolution Tribunal to serve as independent, impartial and objective arbitrators of claims to dormant accounts.

These Rules of Procedure have been adopted by the Board of Trustees to govern the procedure before the Claims Resolution Tribunal, and are designed to provide justice to both the claimants and the Swiss banks and to offer them an equitable and cost-free speedy procedure operating under relaxed standards of proof to resolve all claims to dormant accounts of non-Swiss customers.

In order to provide rapid resolution of uncomplicated claims, a sole member of the Claims Resolution Tribunal (the

“Sole Arbitrators”) will, except as provided by Article 13, decide these cases under a fast-track procedure, and all other claims shall be decided in the ordinary procedure by panels composed of three members of the Tribunal (the **“Claims Panels”**) or by Sole Arbitrators.

I. Jurisdiction of the Claims Resolution Tribunal

Article 1 Scope of Application

These Rules of Procedure govern all claims submitted to the Claims Resolution Tribunal

(i) to accounts opened by non-Swiss nationals or residents that are dormant since May 9, 1945 and were made public by the Swiss Bankers Association on July 23, 1997 or at a later date; and

(ii) to accounts opened by Swiss nationals that are dormant ever since May 9, 1945 and will be made public by the Swiss Bankers Association in October 1997 or at a later date, IF AND TO THE EXTENT a Sole Arbitrator determines, after consultation with ICEP, that such accounts may have been held by a Swiss intermediary for a victim of Nazi persecution.

For the purposes of these Rules of Procedure, the term **“account”** shall include all kinds of accounts, including, without limitation, current, savings and securities accounts, pass-books, safety deposit boxes, and any other form of dormant bank liability, including, without limitation, bank cheques, bonds and Kassenobligationen.

Article 2 Submission of Claims Resolution Agreement

Claims are submitted to the Claims Resolution Tribunal by filing, directly or through a Ernst & Young contact office or otherwise, a signed claims resolution agreement.

Swiss banks may elect to enter into a master arbitration agreement with the Independent Claims Resolution

Foundation submitting to the jurisdiction of the Claims Resolution Tribunal all claims to their dormant accounts for which a claimant submits a signed claims resolution agreement. The Claims Resolution Tribunal shall immediately notify the respective Swiss bank of any filed claims resolution agreements.

Article 3 Adjudication Bodies of the Claims Resolution Tribunal

All decisions of the Claims Resolution Tribunal shall be rendered by

- (i) Sole Arbitrators or
- (ii) Claims Panels composed of three arbitrators.

Article 4 Jurisdiction of Panel Members acting as Sole Arbitrator

A member of the Claims Resolution Tribunal acting as a Sole Arbitrator shall decide:

- (i) all claims submitted to the fast-track procedure in accordance with Article 11 et seq.; and
- (ii) all claims that are not approved in the fast track procedure but relate to dormant accounts with a current balance of 3,000 Swiss francs or less, as reported to the Central Contract Office of ATAG Ernst & Young AG, Basel (the “CCO”) pursuant to the directive of the Swiss Federal Banking Commission of June 25, 1997, and subject to the same requirements as are applied to Fast Track cases under the provisions of Article 12 and Article 13.

Article 5 Jurisdiction of the Claims Panel

Claims Panels composed of three members of the Claims Resolution Tribunal shall decide all cases that are not resolved by Sole Arbitrators.

II. Appointment of Claims Panels and Sole Arbitrators

Article 6 Appointment of Claims Panel and Sole Arbitrator

Upon submission of the case in accordance with Article 2, the Chairman of the Claims Resolution Tribunal shall appoint to every claim a Claims Panel or a Sole Arbitrator.

Any member of the Claims Resolution Tribunal may be appointed as Sole Arbitrator in addition to serving as a member of a Claims Panel. The Chairman of the Claims Resolution Tribunal may act as a Sole Arbitrator.

Each Claims Panel shall comprise one Swiss member of the Claims Resolution Tribunal and two international members.

The parties shall be notified by the Chairman of the Claims Resolution Tribunal of the names, addresses, telephone and telefax numbers of a Sole Arbitrator or the members of the Claims Panel (the “Panel Members”).

Article 7 Incapacity or Resignation of Sole Arbitrators or Panel Members

If a Sole Arbitrator or a Panel Member becomes incapacitated, or unable to perform the duties of his or her office, or resigns, a substitute for such Sole Arbitrator or Panel Member shall be appointed in the same manner as the person who is replaced.

The procedure continues with the new arbitrator where his or her predecessor left it.

Article 8 Challenge of Sole Arbitrator or a Panel Member

A Sole Arbitrator or a Panel Member may be challenged if circumstances exist that give rise to legitimate doubts concerning his or her independence or integrity.

The challenge petition shall be submitted to the Chairman of the Claims Resolution Tribunal immediately after the party making such challenge becomes aware of the relevant facts. It shall specify the facts and circumstances upon which the challenge is based.

If the Sole Arbitrator or the Panel Member contests the challenge, the Board of Trustees of the Independent Claims Resolution Foundation shall finally decide on the challenge.

Article 9 Removal of Sole Arbitrator or a Panel Member

If a Sole Arbitrator or Panel Member does not fulfill his or her duties despite having been called to them by the other Panel Members or the Chairman of the Claims Resolution Tribunal, the Board of Trustees may, at the request of the Chairman of the Claims Resolution Tribunal, remove such Sole Arbitrator or Panel Member. The decision of the Board of Trustees is final.

III. Initial Screening

Article 10 Initial Screening by a Sole Arbitrator

Within twenty (20) days after receipt of a claim, the Swiss bank shall inform the CCO whether it agrees that the name of the bank and the amount held in the dormant account be disclosed to the claimant.

If the bank does not respond within twenty days to the CCO, or if it declines to disclose its name and the amount held in the dormant account, the CCO shall present the claim to the Claims Resolution Tribunal for an initial screening by a Sole Arbitrator.

The Sole Arbitrator shall order that the name of the bank and the amount held in the dormant account be disclosed to the claimant, unless he or she determines in the initial screening that

(i) the claimant has not submitted any information on his or her entitlement to the dormant account, or

(ii) if it is apparent that the claimant is not entitled to the dormant account, in which case the Sole Arbitrator shall not accept the claim for further processing and shall not disclose to the claimant the name of the bank or the amount held in the dormant account. The claimant may re-submit a claim for decision by a Claims Panel within thirty (30) days upon receipt of the Sole Arbitrator's decision.

A written claims resolution agreement in accordance with Article 2 is not required for the initial screening.

IV. Fast Track Procedure

Article 11 Initiation and Timing of Fast Track Procedure

Claims may be submitted to a Sole Arbitrator for fast track review at the request of the Swiss bank or upon agreement of all parties involved.

Claims submitted to a Sole Arbitrator shall be resolved within thirty (30) days after submission to the fast-track approval.

Article 12 Scope of Fast Track Review

To make an award to a claimant using the Fast Track procedure, a Sole Arbitrator shall decide:

(i) that the claimant has a valid claim applying the standards of proof provided for in Article 22, provided that such a conclusion is possible by simple legal and factual inquiries, taking into account any sworn written or oral statement from the claimant in accordance with Article 24; and

(ii) that the payment offered by the Swiss bank to the claimant complies with the guidelines on interest and fees recommended by an international panel and as adopted by the Board of Trustees (the “**Interest Guidelines**”); and

(iii) that the claim does not have to be referred to a Claims Panel under the provisions of Article 13.

Article 13 Referral to a Claims Panel by the Sole Arbitrator

A claim submitted to the fast track procedure shall be referred to a Claims Panel for decision in the ordinary procedure if the Sole Arbitrator

- (i) has reason to believe that
 - (a) the named account holder may have acted as an intermediary for a victim of Nazi persecution;
 - (b) the claimant may have submitted a fraudulent claim; or
 - (c) the assets deposited in the account may have been looted from victims of Nazi persecution.

In making these determinations, the Sole Arbitrator

may request factual information related to the matters referred to in

- (i) (a) - (c) above from ICEP; or
- (ii) determines that
 - (a) the entitlement of the claimant cannot be verified by simple inquiries in accordance with Article 12 (i);
 - (b) the determination of the amount due to the claimant requires detailed and complicated calculations or inquiries; or
 - (c) a full review by a Claims Panel is appropriate for other reasons.

V. Ordinary Procedure

Article 14 In General

All claims that are not approved in the fast track procedure shall be resolved in the ordinary procedure before a Sole Arbitrator or Claims Panel. The ordinary procedure involves a full review of the claim and all available evidence in an expedited procedure.

Article 15 Resolution of Claims

A claim shall be approved if the entitlement of the claimant can be established to the satisfaction of the Sole Arbitrator or Claims Panel in accordance with the standards of proof provided for in Article 22.

Notwithstanding the above, the Sole Arbitrator or Claims Panel shall reject a claim if, by a preponderance of the evidence, it is established that

- (i) the published account holder was acting as an intermediary for a victim of Nazi persecution; and
- (ii) the assets deposited in the account were looted from victims of Nazi persecution.

In making these determinations, the Sole Arbitrator and Claims Panels may obtain the advice of the ICEP.

VI. Applicable Law

Article 16 Applicable Substantive Law

The Sole Arbitrator and the Claims Panels shall apply the law with which the matter in dispute has the closest connection in deciding matters concerning the relationship between the published account holder or holder of power of attorney and the claimant (e.g., to inheritance matters or fiduciary agreements). At the request of all involved parties other than the Swiss bank, inheritance matters may be resolved according to Talmudic law.

The relationship between the claimant and the Swiss bank shall be governed by Swiss law, except as provided by these Rules of Procedure. In deciding matters relating to interest, fees and charges, the Sole Arbitrators and Claims Panels shall apply the Interest Guidelines.

VII. Procedural Rules

Article 17 Conduct of the Proceedings

A Sole Arbitrator and the Claims Panels shall

(i) conduct the proceedings in an informal manner and under relaxed procedural rules that are convenient for the claimants and take into account their age, language and residence. The Sole Arbitrators and the Claims Panels shall have full discretion to the extent necessary to ensure an expeditious and equitable determination of all claims to dormant accounts;

(ii) conduct on their own such factual and legal inquiries as may appear necessary to assess as comprehensively as possible all submitted claims;

(iii) order the parties to submit any relevant documents or other evidence in their possession or under their control pertaining to the assets at issue;

(iv) conduct, to the extent possible, the proceedings as a documents-only arbitration, calling, if necessary, hearings at any place deemed appropriate to examine the parties, interview witnesses, and hear oral arguments;

(v) prepare and distribute the required copies of documents submitted by the parties and arrange for the necessary translations of documents and oral statements; and

(vi) appoint the necessary experts.

Article 18 Submission of Information

With the notification of the nomination of the Sole Arbitrator or the Claims Panel in accordance with Article 6, the claimant shall be invited to file any additional information not yet submitted with the claim form that may be helpful in resolving his or her claim.

Each party shall produce the documents upon which it relies in conjunction with its submissions.

A Sole Arbitrator or the Chairman of the Claims Panel shall specifically inquire of all parties whether they have any further statements or information to offer. Upon negative replies, or after the expiry of the time-limit set for the replies, a Sole Arbitrator or the Claims Panel shall declare the main proceedings closed.

Article 19 Deadlines

The Sole Arbitrators or the Claims Panels shall set deadlines by indicating the date of expiry. A deadline is deemed to have been complied with if the submission has been mailed, or was transmitted by telefax, before the expiry of the deadline. Requests for extensions of deadlines must be submitted before the deadline has expired. The extension requested should be specified.

Article 20 Multi-Party Proceedings

The Claims Resolution Tribunal shall join all relevant claims in one procedure before the same Claims Panel or Sole Arbitrator, if

(i) a specific dormant account is claimed by several persons;

(ii) one person claims dormant accounts with several banks; or

(iii) a combination of (i) and (ii) occurs.

If a claim with respect to a dormant account is pending and a third party submits a claim with respect to the same account to the Claims Resolution Tribunal, the Chairman of the Claims Resolution Tribunal shall assign the new case to the already competent Sole Arbitrator or Claims Panel.

Article 21 Participation of Third Persons

If the Sole Arbitrators or the Claims Panels deems the participation of third persons, such as other heirs of the account holder, intermediaries or beneficiaries, appropriate, they may invite such third persons to participate in the proceedings.

The Claims Panels may reduce any award entered in favor of a claimant accordingly if third persons who, in the opinion of the Sole Arbitrator or Claims Panels, hold an entitlement to the published dormant account in addition to the claimant (such as other heirs) do not participate in the CRP.

VIII. Evidence

Article 22 Relaxed Standard of Proof

The claimant must show that it is **plausible** in light of all the circumstances that he or she is entitled, in whole or in part, to the dormant account. The Sole Arbitrators or the Claims Panels shall assess all information submitted by the parties or otherwise available to them. They shall at all times bear in mind the difficulties of proving a claim after the destruction of the Second World War and the Holocaust and the long time that has lapsed since the opening of these dormant accounts. A finding of plausibility requires, *inter alia*,

(i) that all documents and other information have been submitted by the claimant regarding the relationship between the claimant and the published account holder that can reasonably be expected to be produced in view of the particular circumstances, including, without limitation, the history of the claimant's family and whether or not the published account holder was a victim of Nazi persecution; and

(ii) that no reasonable basis exists to conclude that fraud or forgery affect the claim or evidence submitted; or that other persons may have an identical or better claim to the dormant account

Article 23 Taking of Evidence by one Member of a Claims Panel

At the discretion of a Claims Panel, evidence may be taken in the presence of only one member of the Claims Panel and the parties, except where a party is absent.

Article 24 Statements by the Parties and Third Persons

The Sole Arbitrators or the Claims Panels may hear the parties and third persons as unsworn witnesses or under oath. Where the circumstances require it, or with the agreement of the parties, oral testimony may be substituted by a sworn statement (affidavit).

IX. The Claims Resolution Tribunal

Article 25 Composition of the Claims Resolution Tribunal

The Claims Resolution Tribunal is composed of

- (a) a Chairman;
- (b) a Vice Chairman; and
- (c) up to 15 Arbitrators.

The Chairman, Vice Chairman, and Arbitrators shall be appointed by the Board of Trustees.

Article 26 Organization

The Claims Resolution Tribunal shall organize itself and may, if necessary, promulgate rules of its practice and internal rules consistent with these Rules of Procedures.

Article 27 Procedures of the Claims Resolution Tribunals

In meetings of all members of the Claims Resolution Tribunal, the presence of the majority of all members shall constitute a quorum. Absent members cannot be represented. Resolutions of the Claims Resolution Tribunal are adopted by a majority vote of the members of the Claims Resolution Tribunal present. In case of a tie, the Chairman shall have the casting vote.

Article 28 Functions of the Chairman

The Chairman shall perform the following functions:

(a) **Appointment of Fast Track Arbitrators:** The Chairman shall appoint three or more members of the Claims Resolution Tribunal to decide cases under the fast-track procedure. He shall distribute the case workload fairly and equitably among these arbitrators consistent with the objective of expedited decisions of uncomplicated and uncontested cases.

The Chairman shall maintain diversity of nationality between claimants and arbitrators.

(b) **Appointment of Sole Arbitrators and Claims Panels:** The Chairman shall appoint to every claim submitted to the ordinary procedure a Claims Panel, composed of a chairperson and two co-arbitrators, or a Sole Arbitrator chosen from among the members of the Claims Resolution Tribunal. He shall distribute the case load fairly and equitably among the members of the Claims Resolution Tribunal taking into account their availability and the language of the claimants. Any member of the Claims Resolution Tribunal may be appointed as Sole Arbitrator in addition to serving as a member of a Claims Panel.

(c) **Consultation with Members of the Tribunal:** In making the appointments pursuant to Article 6, the Chairman shall consult with the other members of the Claims Resolution Tribunal as he deems appropriate.

(d) **Reports to Board of Trustees:** The Chairman shall submit to the Board of Trustees a monthly written report on the activities and the conduct of the Claims Resolution Tribunal.

(e) **Administration of Claims Resolution Tribunal:** The Chairman shall administer the Claims Resolution Tribunal in accordance with the Rules of Procedure and the Swiss law on international arbitration. The Tribunal shall keep an arbitration docket, maintain books and records as may be appropriate and keep a copy of every award that is entered by a Sole Arbitrator or a Claims Panel.

(f) **Meetings:** The Chairman shall convene, and preside over, meetings of all members of the Claims Resolution Tribunal to resolve matters of importance to all claims and to issue, if appropriate, rules of its practice and internal rules consistent with the Rules of Procedure.

(g) **Financial Control:** The Chairman shall administer the Claims Resolution Tribunal's financial planning and control. He shall prepare a quarterly financial statement on the cost and expenses of the Claims Resolution Tribunal, and submit a quarterly budget to the Board of Trustees.

(h) **Other Functions:** The Chairman shall fulfill all other functions assigned to him by the Rules of Procedure or the Board of Trustees.

Article 29 Function of the Vice Chairman

The Vice Chairman shall replace the Chairman if he is absent or temporarily not able to fulfill his functions.

Article 30 Secretary of the Claims Resolution Tribunal

The Board of Trustees may appoint, in consultation with the Claims Resolution Tribunal, a law firm to act as the Secretary of the Claims Resolution Tribunal. The Secretary may

be assigned to, *inter alia*,

(a) assist the Chairman in the performance of his functions;

(b) assist the Sole Arbitrators and Claims Panels in the administrative arrangements for the proceedings, including, without limitation, preparation of a file for use in the CRP and factual and legal research on behalf of the Sole Arbitrators and Claims Panels;

(c) attend and keep minutes of all hearings of the Sole Arbitrators and Claims Panels;

(d) attend and keep minutes of all meetings of the members of the Claims Resolution Tribunal; and

(e) perform all other functions assigned by the Board of Trustees or the Chairman.

X. Award

Article 31 Deliberation and Vote

The Sole Arbitrators shall decide alone.

The Claims Panels shall decide by a simple majority of all its members. The members of the Claims Panels may not abstain from voting.

Article 32 Binding Effect of Prayers

The Claims Panels, or the Sole Arbitrator in cases under Article 4 (ii), may enter a larger or smaller award than the claimant has prayed for.

Article 33 Form and Content of the Award

The award shall be made in writing and signed by the Sole Arbitrators or the Chairperson of the Claims Panels and at least one Panel Member. The award shall contain:

(i) the name(s) of the Sole Arbitrator or the Panel Members;

(ii) the designation of the parties;

(iii) a description of the factual findings and the applicable law;

(iv) the decision on the merits;

(v) the date of the award.

XI. Miscellaneous Provisions

Article 34 Seat of the Claims Resolution Tribunal

The seat of the Claims Resolution Tribunal, Claims Panels and Sole Arbitrators is in Zurich, Switzerland. Hearings may be held at places outside Switzerland.

Article 35 Language of the Claims Resolution Procedure

The Sole Arbitrators and the Claims Panels shall determine the language of each claims proceeding by taking into account

the languages spoken by the parties. Absent such determination, the procedure shall be conducted in English. The Claims Panels and the Sole Arbitrators shall provide, if necessary, the translation of documents and oral statements delivered in any language other than English into the language of the proceeding.

These Rules of Procedure may be translated into languages other than English, but the English version shall prevail and be applied by the Claims Resolution Tribunal.

Article 36 Publication of the Decisions

The decisions of the Claims Resolution Tribunal shall be made public in an appropriate manner to be determined by the Board of Trustees. If the claimant requests confidentiality, the members of the Claims Resolution Tribunal shall keep confidential all information relating to the identity of the account holder and the claimant, unless otherwise required by applicable law.

Article 37 Time is of the Essence

The Claims Resolution Tribunal shall resolve all claims in an expedited procedure and shall render its decision within six (6) months after submission of the claim to the Claims Resolution Tribunal.

Article 38 Communications

Orders, decisions and awards under these Rules shall be notified to the parties by registered mail, or, if necessary, by private courier. For other communications, the Claims Resolution Tribunal shall determine the appropriate means of communication between itself and the parties.

Article 39 Representation

Any party may be represented and assisted in the CRP by persons of their choice, including counsel provided by voluntary organizations. Each party shall bear at its own expense all costs, including fees and expenses of lawyers, accountants and other professionals, incurred in connection with such representation.

If a claim is admitted in the ordinary procedure pursuant to Art. 14 et seq., the Claims Panels or Sole Arbitrator may award to the claimant a full or partial reimbursement up to a maximum of USD \$5,000 of his or her costs and expenses (a) in case of needy claimants, or (b) if the complexity of a case calls for special efforts by a claimant to prove his or her entitlement.

Article 40 Costs of the Payment Process

All costs and expenses of the Claims Resolution Tribunal shall be borne by the Independent Claims Resolution Foundation, and no part of the costs shall be charged to the claimant(s).

Article 41 Exclusion of Liability

The members of the Claims Resolution Tribunal shall not be liable to any party for any act or omission in connection with any CRP conducted under these Rules, except that they may be liable to a party for the consequences of conscious and deliberate wrongdoing. The liability of the members of the Claims Resolution Tribunal shall be governed by Swiss law.

Article 42 Interpretation of Rules

These rules shall be construed by the Claims Resolution Tribunal so as to accomplish the purpose of fair and expeditious disposition of all claims. The Claims Resolution Tribunal shall have the right to enact such guidelines and procedures, consistent with these Rules, as are required to fill gaps in these Rules and to deal with unforeseen circumstances.

Charter of the Independent Claims Resolution Foundation

CHARTER of the Independent Claims Resolution Foundation Zurich

Preamble

In cooperation with the Independent Committee of Eminent Persons (the "ICEP") chaired by Paul A. Volcker, and the Swiss Federal Banking Commission, the Swiss Bankers Association published on July 23, 1997 the names of non-Swiss holders of accounts that are dormant since the end of the Second World War (May 9, 1945).

All parties involved are undertaking this publication with the intention to find the rightful owners of the published dormant accounts and to provide them an expeditious, equitable, unbiased and easy procedure to establish their entitlement and claim assets rightfully belonging to them.

In this endeavor and with the objective to assure the integrity and objectivity of the payment procedure, the Swiss Bankers Association has resolved, in close consultation with the ICEP, to set up a Foundation that is independent from the Swiss banks. This Foundation shall supervise and administer the transparent and equal resolution of all claims to dormant accounts.

1. Name

A Swiss Foundation is established under the name of

Independent Claims Resolution Foundation

in accordance with art. 80 et seq. of the Swiss Civil Code and this Charter.

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2. Domicile

The Domicile of the Foundation shall be in Zurich, Switzerland.

3. Purpose

The purpose of the Foundation is to set up and supervise a Claims Resolution Tribunal that shall provide persons, organizations or entities, or their heirs or successors in interest, an easy accessible, expedited and equitable procedure to resolve their claims to Swiss bank accounts that

- (i) are dormant since the end of the Second World War (May 9, 1945) and
- (ii) were opened by
 - (a) persons of non-Swiss nationality or residence or
 - (b) Swiss citizens who may have acted as intermediaries for victims of Nazi persecution.

The rules of the Claims Resolution Tribunal and the procedure best suited for achieving the purpose of the Foundation and for resolving claims to dormant accounts shall be determined in Rules as adopted and amended, from time to time, by the Board of Trustees.

4. Assets

4.1 Initial Contribution

The Founder dedicates an initial amount of CHF 150'000.– to the Foundation.

4.2 Additional Contributions

Upon its establishment, the Foundation may accept additional contributions by the Founder or third parties.

All interest and earnings of the Foundation's assets shall accumulate and belong to the Foundation.

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5. Board of Trustees

5.1 Function

The Board of Trustees shall have the ultimate direction of the affairs of the Foundation. It shall maintain, control, supervise and administer the Foundation and shall have the following non delegable and inalienable powers:

- (i) to promulgate the statutes and rules of procedure of the Claims Resolution Tribunal;
- (ii) to appoint a chairperson to the Claims Resolution Tribunal and to define his functions;
- (iii) to appoint unbiased and objective arbitrators with experience in banking and finance to serve as members of the Claims Resolution Tribunal and to define their functions;
- (iv) to appoint the legal staff of the Claims Resolution Tribunal;
- (v) to decide on challenges and the removal of members of the Claims Resolution Tribunal and its legal office;
- (vi) to promulgate substantive rules for decisions by the Claims Resolution Tribunal on interest, charges and fees on dormant accounts;
- (vii) to adopt and amend the Foundation's regulations;
- (viii) to administer the financial planning of the Foundation and approve the annual report and the financial statements;
- (ix) the ultimate direction of the Foundation and the supervision of the persons entrusted with the conduct of the Claims Resolution Tribunal in view of their compliance with the law, the Charter, Regulations and instructions, subject to the judicial independence of the Claims Resolution Tribunal;
- (x) to represent the Foundation.

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The Board of Trustees itself shall not resolve any claims to dormant accounts. It is authorized to delegate the management of the Foundation within the limits of the law and the Charter, to employees or to third parties by virtue of promulgating regulations governing the internal organization. It may appoint and remove consultants, counsel, agents, auditors or other professionals as it deems fit.

5.2 Composition

The Board of Trustees shall be composed of three persons one of whom shall be of Swiss Nationality. The initial Board of Trustees shall be Paul A. Voicker (Chairman), René Rhinow (Member), and Israel Singer (Member). In the case of the resignation or death of any member, the remaining members shall elect the successor member in consultation with the founder and the ICEP and shall maintain the balance of representation as established in the initial composition. If the two remaining members are unable to reach agreement on the successor member, such successor shall be elected by the founder.

5.3 Meetings

The Board of Trustees shall convene as often as is necessary to duly fulfill its functions. The Board of Trustees shall constitute itself and adopt regulations governing its organization, meetings, voting procedures and delegation of functions.

6. Accounts and Audit

The business year of the Foundation shall be the calendar year. The first business year shall close on December 31, 1998.

The Board of Trustees shall appoint an auditor who shall be a recognized auditing firm to examine the Foundation's financials. The auditor shall submit a report on its findings to the Board of Trustees.

7. Official Languages

The official version of this Charter, as it affects third parties, shall be in the German language. The English language version of the Charter shall be controlling for internal purposes.

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8. Supervision

The Foundation is subject to the supervision of the Federal Department of Interior.

9. Dissolution and Amendments

The Board of Trustees may apply to the Supervising Authority for an amendment of the present Charter respecting the purpose of the Foundation.

The Board of Trustees may dissolve the Foundation upon achievement of its purpose and subject to the approval by the Supervising Authority.

In case of a dissolution of the Foundation, the assets of the Foundation shall be liquidated by the Board of Trustees or by a liquidator appointed by the Board of Trustees. The remaining assets shall be paid to the Humanitarian Fund (Fonds zugunsten bedürftiger Opfer von Holocaust/Shoa) or used for similar purposes.

10. Regulations

The Board of Trustees may further specify provisions of this Charter by promulgating regulations. These regulations may be adapted to changing circumstances by the Board of Trustees. The regulations and their amendments and modifications shall be brought to the attention of the Supervising Authority.

11. Establishment

The Charter of the Foundation shall be effective as of the day of its registration with the Commercial Register of the Canton of Zurich.

Audit Firm Mandate – The Second Phase

INDEPENDENT ASSOCIATION OF EMINENT PERSONS

MEMORANDUM

January 30, 1998

Audit Firm Mandate – The Second Phase

I. Introduction

1. This Second Phase Mandate contains the basic elements of the work program of the Independent Association of Eminent Persons (the “Association”) for the accounting firms (the “Firms”) that are implementing the Second Phase of the Association’s Forensic Accounting Investigation (“FAI”) of dormant accounts of victims of Nazi persecution and other depositors in Swiss banks in the period from January 1, 1933 to the end of 1945 (the “Relevant Period”). The FAI was initiated by the First Phase Mandate of November 19, 1996 (Appendix A), and the objectives and goals of the FAI as stated in the First Phase Mandate are incorporated by reference into this Second Phase Mandate.

2. In recognition of the complexity of the FAI and the need to adapt it to the individual circumstances of each bank, this Second Phase Mandate broadly and generally states the Association’s basic instructions as to the procedures for accomplishing its objectives and goals as set out in the First Phase Mandate. Consequently, as the Second Phase of the FAI progresses, it is the intention of the Association to issue further detailed instructions to the Firms. This work program, including any new instructions or reporting requirements, shall be implemented with the mutual consent of the Association and the Firms. The Firms shall use their best efforts to accomplish the work program set out in this Audit Firm Mandate for the Second Phase.

3. This Second Phase Mandate, which is based upon the preparatory background historical analysis, and the data

collection and cataloging that have been done pursuant to the First Phase Mandate, provides for a focused investigation of dormant accounts in Swiss banks using, among other investigative tools, on-site forensic accounting investigations to accomplish its objectives. The Second Phase FAI will cover the Swiss banks that existed, or acquired banks that existed, during the Relevant Period under priorities established by the Association based on recommendations by the Firms, focusing first on the approximately 65 banks that held more than 90 percent of the total banking liabilities during the Relevant Period. Within this group of banks, priority attention will be given to the three largest banks which appear to be most advanced in their search for, and cataloging of, relevant historical data.

II. The Four Basic Elements

4. The Second Phase FAI includes, but is not limited to, the following four basic elements:

(a) collection of data on opened, closed, and dormant accounts during the Relevant Period and the creation of computer databases of this information;

(b) an analysis of the databases of account names established under (a) to determine whether the names of victims of Nazi persecution, third party intermediaries of such victims, and other persons are among the depositors or account holders whose names are on the databases of opened, closed or dormant accounts such as by comparing these databases against other databases of victims of Nazi persecution, of claimants on their behalf, of accounts that were blocked by government orders during World War II, and other sources of information;

(c) gather and analyze other sources of information mainly inside Swiss banks but also including official records, inside or outside of Switzerland to seek to supplement and cross-check information about identified accounts; and

(d) where no opening, closing, or transaction records exist, use of other forensic accounting investigative techniques to seek to determine the existence of dormant accounts, as well as those accounts that should have been dormant but for

the fact that the funds in the account are unavailable for reasons other than their return to the original depositors or their legal representatives.

5. For each Swiss bank assigned to the Firms for the Second Phase FAI, the Firms shall seek to identify for victims of Nazi persecution and others all accounts in existence at the beginning of the Relevant Period or opened during the Relevant Period that are now dormant. Similarly, for all such that were opened but have been closed, the Firms shall seek to determine the facts and circumstances under which the accounts were closed, as well as whether the account balance was paid to the account holder or his or her heirs or successors in interest. In addition, the Firms, in cooperation with Swiss authorities, including the Bergier Commission, shall seek to find accounts opened by intermediaries including, but not limited to, lawyers, accountants, notaries, financial consultants, or others, from records or other information available at banks, with the aim of determining whether such accounts were opened for the benefit of victims of Nazi persecution. For each bank so assigned, the Firms shall also assess whether there is any evidence that the bank took any measures or adopted any policies to obstruct access to dormant accounts, diverted dormant accounts to unauthorized uses, or otherwise took actions inconsistent with the obligations of a bank to its clients.

6. In connection with its review of the Second Phase Mandate, the Association reviewed its use of the term “victim of Nazi persecution” as one of the key definitions of the accounts and assets, which are the focus of the FAI. In the past, this term has been narrowly construed so as to act as a barrier to a complete and just evaluation of the scope of the dormant account issue. It is the instruction of the Association to the Firms that this term continues to constitute a major focus of their investigative efforts, but shall be construed broadly to cover all persons fairly within this concept. For example, in the past this term was used to exclude persons who had died of disease, and include only those persons, or categories of persons, who had died of direct Nazi violence. To assure that this term is as understood by the Association, the Firms are directed to bring to the attention of the Association any doubtful categories of cases of inclusion or exclusion of people who deposited funds during the Relevant Period whose accounts have been closed or are dormant.

III. Types of Information to be Developed

7. The databases of accounts to be established as described above shall be used to match against other databases of Holocaust victims, claimants in past efforts to locate dormant accounts, owners of assets in Switzerland that were blocked during World War II in Switzerland and elsewhere, and other relevant computerized records. For accounts

identified under the database creation and analysis strategy described above, where possible, the Firms shall determine the opening principal amount and/or the current principal balance or current value of the account, the amount of interest and rate of interest that has been paid on the account, and the record of additions or subtractions to the account over the period of its existence.

8. With respect to bank fees, information shall be sought as to whether fees or other charges have been assessed on the accounts and, if so, the cumulative amount of such fees. The Firms should be particularly alert to accounts that may have been reduced to *de minimis* levels and/or consolidated into collective accounts through imposition of high levels of fees. Finally, the Firms shall seek to determine whether the interest rates or management procedures applied to an account of a victim of Nazi persecution, including assessment of fees, other charges, and other bank policies applied to dormant accounts, are the same as for all other similar accounts of the bank of the same type.

9. Because there will be cases where the Firms will find that a bank to which they have been assigned for the Second Phase FAI will have only partial or incomplete opening, closing, or transaction account records for any type of account of the bank for the Relevant Period, the Firms will seek evidence bearing on the proportion of the total number of accounts and the total amounts of such accounts represented by the missing records, as well as the circumstances in which the relevant records were destroyed, with particular emphasis on seeking to determine whether or not the missing records were destroyed in the ordinary course of business as part of the bank’s regular records storage policy.

10. Especially where opening, closing or transactional records do not explain the amount or ultimate disposition of individual accounts, or if there are no such records at all, the Firms shall use any other information that may be available to develop information about such accounts. This includes a review, *inter alia*, of suspense, pooled, collection, custody and other accounts into which dormant accounts may have been transferred, as well as transfers to charity, inter-governmental payments, and permitted terminations of liability on certificates of deposit or other bank liabilities after passage of time. In making the analysis called for by this paragraph, the Firms shall make use of historical sources of information inside and outside of the banking system including Swiss Federal and Cantonal archives, and other governmental archives outside of Switzerland, that were developed during the First Phase FAI, as well as information to be developed through cooperation with the Bergier Commission. The Firms shall report to the Association any needs for additional reviews of any relevant archives inside or outside of Switzerland. In addition, if during their investigations of banks as part of the Second Phase FAI, the Firms find any evidence of accounts

looted by Nazis, they shall report this information to the Association so that the Association can refer it to the proper Swiss authorities.

11. As in the case of fees, in making the analysis provided for above, the Firms shall seek to determine whether accounts of victims of Nazi persecution were treated in the same manner as other accounts of the bank of the same type.

IV. Utilizing Bank Data Task Forces

12. Because the pilot audits of the First Phase have identified much larger amounts of relevant data than had previously been thought to exist, the Association has given careful attention to the most efficient way of identifying, collecting and cataloging the vast amount of possible important documents. As a result of their First Phase work, the Firms have recommended and the Association concurs in the plan proposed by the Firms to make maximum use of Swiss bank staff teams to identify, collect and catalog data under plans proposed by the Firms and with their oversight in the search and identification, collection and cataloging of all archives and records relevant to the FAI with the objective of assuring that the end result is useful for the FAI. The Firms shall also monitor the work of the banks' staffs carefully and inform the Association whether, based on the tests performed by the

Firms, it is comprehensive, accurate, and being completed on a timely basis.

13. The Association also recognizes that different investigative strategies will have to be developed for different banks because each bank will be different in the way it organizes its documentation, and in the amount and quality of its records. Accordingly, the Firms shall, after an initial review of each bank, formulate an investigative plan providing a detailed framework for carrying out the four major objectives of the Second Phase FAI for review and approval by the Association.

V. Interim Report

14. The Association requests the Firms to make an interim report of the preliminary results of the work program outlined above by the end of March 1998. The Association maintains its target of completing the major elements of the Second Phase FAI by the end of 1998, and believes that the addition of a staff of approximately 150 forensic auditors by Coopers & Lybrand during the Second Phase FAI will greatly assist in meeting this target. As noted above, the Association intends to issue additional instructions to the Firms as the FAI progresses, and such instructions will also include new reporting requirements.

Statement of Coordination and Cooperation

Independent Commission of Experts: Switzerland - Second World War

Independent Committee of Eminent Persons

The Independent Committee of Eminent Persons (the “Committee”) and the Independent Commission of Experts: Switzerland - Second World War (the “Commission”) have prepared this Statement to reflect their understanding about cooperation in their separate work and coordination of their activities. This statement is based on the understanding that the Committee and the Commission have different origins, goals, functions and procedures, but also important areas of common interest. Therefore, the two groups wish to coordinate and cooperate, to exchange information, and to assist one another to the extent feasible.

The two organizations have each been constituted in a different way. The Committee was formed in May 1996, by two private groups, the Swiss Bankers Association and the World Jewish Restitution Organization, and its independent members were selected by the two founding private organizations. The Commission was established in December 1996 by a decree of the Swiss Parliament, and its independent members were nominated *ad personam* by the Swiss Government. The two groups recognize that this separate basis for the establishment of the two organizations must be reflected in maintaining the separate identities of the two groups, but in no way limits a close and harmonious relationship between them.

The Commission has been given the mandate of conducting a broad and comprehensive historical research on the role of Switzerland, and particularly that of its financial organizations and institutions, during World War II period, as well as on the manner in which Switzerland dealt with this period of its history. In implementing this mandate, the Commission has focused its attention on certain priorities, including the role of Swiss financial organizations and institutions in international transactions, the role of Swiss industrial and commercial enterprises in international exchange system, Swiss policies and practices towards refugees, immigrants and foreigners, as well as post-1945 government measures

(Washington Agreement of 1946, Registration Decree of 1962, etc.) and Swiss governmental authorities conduct in connection with these events. At the latest in December 2001, the Commission shall publish the results in a final report; intermediary reports may be released before that date. Although the primary focus of its work is historical fact-finding and interpretation, the Commission has been asked to inform appropriate Swiss authorities immediately if concrete indications concerning heirless or wrongfully held assets should emerge.

The Committee’s principal responsibility is in the area of dormant accounts in Swiss banks of victims of Nazi persecution. A Preparatory Phase has now been completed aimed in part at obtaining a comprehensive picture of the Swiss banking system as it existed in the prewar and wartime period, and the legal and policy framework for the establishment of now dormant accounts in Swiss banks. An analysis was also made of the past efforts by the Swiss Government, the Swiss Bankers Association, and Swiss banks to identify these accounts, and to plan an audit program for the Second Phase investigations of the relevant Swiss banks that were operational prior to 1946 to be tested through pilot investigations. Based on this foundation, pilot investigations of ten different Swiss banks were completed, five of which focused exclusively on determining the availability of records that will permit a comprehensive analysis of the dormant account problem. A Second Phase of on-site audits by four international audit firms of the banks that existed in the period 1933-1945 or acquired banks that existed in this period is now being implemented. The Committee will also report to the appropriate Swiss authorities if, during the course of its investigation of dormant accounts, it has found evidence of the existence of assets looted by the Nazis. It expects to complete the major elements of its work by the end of 1998.

To accomplish the goals of both groups, it was agreed that they should share information in areas of mutual interest. They noted that particular care would have to be taken in the case of information that is confidential, and, in particular, that which is protected by legally established confidentiality requirements. It was also noted that some information might

have to be made available only to persons, such as the Committee's auditors, who are authorized to review legally protected confidential information. The Committee and the Commission agree that all information exchanged between the two Groups will be treated as confidential information and will not be disclosed to third parties without the written permission of the Group originating the information.

This description of the major areas of the mandates of the Commission and the Committee indicates that the primary focus of their coordination and cooperation will be in the area of restitution issues. To give life to their coordination and cooperation, the two groups have decided on a number of general measures.

In order to discuss areas of mutual interest, the Commission and the Committee have standing invitation to attend relevant portions of each other's meetings to discuss practical issues of coordination and cooperation.

The Commission has expressed its readiness to liaise with a professional historian to be designated by the Committee on scientific and technical matters.

In addition, both groups have agreed to hold at regular intervals working meetings, including meetings between the researchers of the Commissions and the auditors retained by the Committee.

Where appropriate, joint working groups would be formed to carry out common projects, after approval by the two groups.

More specifically, it is agreed that coordination and cooperation should be extended to specific measures.

The Commission will assist the Committee in dealing with the subject of intermediaries, and the Commission has implemented a project aimed at obtaining lists of intermediaries including lawyers, notaries, accountants, and others who may have acted as trustees during the pre-war and wartime period for victims of Nazi persecution and will make these

lists available to the Committee's auditors. The Commission is similarly prepared to share information on the networks, methods of operation and channels intermediaries used in the relevant period.

In case the Committee's auditors in their search for dormant accounts may locate the accounts of intermediaries, and the documents associated with these accounts may suggest that an intermediary acted on behalf of victims of Nazi persecution, the Committee is ready to inform the Commission about such facts. The Commission will follow-up on such leads, using its broad authority to review public and private records to determine whether, in fact, assets of victims of Nazi persecution are involved.

It is agreed that in the area of definitions and terminology (e.g., "Nazi" and "War Criminal") exchange of information and discussion could be useful for both groups, particularly as it affects the search for dormant accounts and looted assets.

On the question of looted assets, it is agreed that the Committee would make available to the Commission any useful information on looted assets that it develops in the course of its investigation.

It is also agreed that the Committee will arrange to provide the Commission with a database of names of claimants drawn from the files of the Swiss Ombudsman prepared by the auditors retained by the Committee and to exchange information with the Commission concerning the records of the Swiss Compensation Office.

Similarly, the Committee and the Commission will exchange information on banking system and other macro economic data, and on research into the wealth of the major Jewish communities of Europe.

The Committee and the Commission express their satisfaction that these arrangements would further their work efforts and contribute substantially to their mutual goal of better understanding a critical period in the past.

Letter from Chairman Hauri and Chairman Volcker to Banks being Investigated

**SWISS FEDERAL BANKING COMMISSION
INDEPENDENT COMMITTEE OF EMINENT PERSONS**

August 28, 1998

To the Chairmen of all the Swiss Banks
involved in the ICEP-audit process

**SUBJECT: The Forensic Accounting Investigation of the
Independent Committee of Eminent Persons**

Dear Sir:

1. Your bank is among those already being examined in the forensic accounting investigation (the "Audit") of the Independent Committee of Eminent Persons ("ICEP"). As Chairmen of the Swiss Federal Banking Commission (the "Commission") and of ICEP, we believe it appropriate to address this letter to you having the following considerations in mind:
2. First, we would like to reaffirm the commitment of the Commission and the ICEP to the Audit, and our desire to achieve the best possible results from this ambitious and unprecedented project. This commitment is not changed by the recent settlement agreement between certain banks and representatives of Jewish Organizations and counsel for Holocaust victim plaintiffs in the United States. While the ICEP work program will be reviewed by ICEP within the next few weeks to determine whether or not any modifications of the Committee's First and Second Phase Mandates to Audit Firms (including implementing instructions) are appropriate, this review should not delay or impede the continuing investigation. All banks involved are expected to cooperate fully.
3. Second, we would like to explain again the legal framework for the audit process, and to share with you our thinking with regard to procedures, costs, and other matters related to the Audit.

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4. Third, the Commission, as Switzerland's banking supervisory authority, believes the ICEP Audit to be extremely important with regard to the worldwide image of Switzerland as a financial center and, accordingly, has cooperated closely with the ICEP. Because the Audit is being conducted as a "special audit" as authorized by the Commission (see paragraph 9, below), the Commission has followed its progress carefully, maintains a close liaison with the Committee as the audit work progresses, and receives the reports of the Audit.
5. Finally, on the other hand, it has been the ICEP's policy to cooperate closely with the Commission in the planning and conduct the Audit, and to comply fully with applicable Swiss law in implementing the Audit.

1. Purposes of the ICEP Audit

6. The basic aim of the Audit, broadly stated, is to determine the existence of dormant accounts of victims of Nazi persecution in Swiss Banks. As is evident from this ambitious goal, after more than 50 years have passed since the original accounts were opened and transactions processed, the auditors have a difficult and complex task. To meet goals of the Audit, the auditors are, among other audit procedures, identifying relevant documents in archives, gathering information from different relevant sources, and establishing computer based tools for identification of dormant accounts.

2. Legal Framework

7. Within five months of the initial meeting of the ICEP in August 1996, at the Commission meeting on 22 January 1997, it agreed to support the audit process by considering the ICEP Audits (accomplished by auditors recognized as banking auditors by the Commission and their international partners) to be extraordinary audits under article 23bis para 2 of the Swiss Banking Act 1934. The consequences of this decision are:
8. The ICEP Audits are mandatory under the Swiss Banking Act and the Commission is prepared to issue enforceable decrees as may be necessary.
9. The auditors have full and unfettered access to all relevant files in the banks including customer files protected by bank secrecy legislation. On the other hand, officers and employees of the relevant audit firms undertaking the audits, and any other persons whose services they retain, are themselves bound - except vis-a-vis the audited bank and the

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Commission - by the bank customer secrecy obligation and are subject to the penalties of Art. 47 of the Swiss Banking Act 1934.

10. The auditors are therefore prohibited from disclosing the identity of individual customers, or information that would necessarily identify them, to third parties, including ICEP, but they may share audit information from the relevant period with the other audit firms mandated by ICEP. Similarly, as the ICEP auditors are subject to Swiss banking secrecy regulation, they must keep all data and working papers within Switzerland, but reports that do not reveal customer data may be sent to ICEP members at their home locations. No original documents may be removed from banks.
11. Auditors' reports are sent to the Commission at the same time as to ICEP members.
12. The costs of the audits have to be paid directly by each of the audited banks unless a cost sharing scheme is established by the Swiss banking community in order to distribute the burden.
3. **Other Audit Issues**
13. These important legal implications that flow from the designation of the ICEP Audit as a "special audit" require careful attention to the consequences of the implementation of the Audit. In the course of monitoring the Audit, we have become aware of a number of concerns of banks. In discussions with banks, they emphasized the importance of the auditors using local language capable staff, of transparency in allocation of general costs, of the need for the banks to receive monthly budgets and copies of formal interim and final reports on their bank that are made to ICEP for comment before submission to ICEP and for their permanent records. They also asked that the ICEP auditors schedule their work in coordination with normal Banking Act audits and that the auditors take into account other time constraints on management and staff. The Commission and ICEP have given serious attention to these matters, and ICEP had already given or is giving formal instructions to the auditors consistent with the points raised above, including on matters with respect to reporting. With respect to scheduling, ICEP points to the need for the auditors to comply with the priorities established for their work program so that they can comply with the target established by ICEP to complete the essential elements of this program by year end 1998.
14. Banks have another area of major concern -- the substantial costs of ICEP Audits. It is, of course, agreed by all concerned with the Audits that they should be managed efficiently

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and costs held to the lowest level consistent with accomplishing the objectives of the Audit.

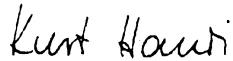
15. The Commission has joined with the ICEP in monitoring the costs of the Audit, as well as in working to assure the adoption of policies and procedures to hold down costs wherever possible.
16. Experience so far with the pilot audits conducted last summer, and with the full scale audits that began this year, indicates that costs should be broadly proportionate to the size of the on-and-off balance sheet assets of each bank, with a particular focus on asset levels as they were in the 1933 through 1945 period that is under investigation. While relative size is an important factor in assessing the appropriateness of audit costs, it must be recognized that other factors will also play a role in determining the cost of an ICEP Audit, including the number of the bank's relevant documents, the extent of the advance preparations of the bank for the investigation, the degree of cooperation by the bank, the amount of available records and their availability for review, and the number of accounts in the 1933-1945 period. Special attention is being given to careful oversight of Audit costs.
17. In particular, to assist in this monitoring process, ICEP will instruct the auditors to establish a budget for the entire Audit for each bank in which they are working after the completion of the first month of work at that bank. Such a complete budget will allow banks to do necessary financial planning and to raise any questions they may have about the budget.
4. **ICEP Contact Offices and Contact Persons in the SFBC**
18. A complex, comprehensive, Audit engaging most of the Swiss banking system, as does the one undertaken by ICEP, will undoubtedly raise questions additional to those that can be addressed in this letter. To provide banks with authoritative and prompt answers to these questions, contact persons have been designated by ICEP and the Commission. You may address any questions regarding the ICEP Audit to its Counsel, Michael Bradfield, Jones, Day, Reavis & Pogue, Metropolitan Square, 1450 G Street, N.W., USA-Washington D.C., 20005-2088 (tel. 001 202 879 39 39, fax 001 202 737 2832) or to his office in Geneva through Mr. Roy Ryan, Jones, Day, Reavis & Pogue, 20, rue de Candolle, 1205 Geneva, (tel 022 320 23 39, fax 022 320 12 32)

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19. In the Commission, Dr. Urs Zulauf, Head of Legal Department (tel. 031 322 69 09, fax 031 322 69 26) and Michael Kunz (tel. 031 324 88 57) are prepared to receive your queries.
20. We hope that this information is useful to your bank and contributes to the successful and prompt completion of the Audit.

Yours sincerely,

SWISS FEDERAL BANKING
COMMISSION



Dr. Kurt Hauri
Chairman SFBC

INDEPENDENT COMMITTEE OF
EMINENT PERSONS



Paul A. Volcker
Chairman ICEP

Report of the Panel of Experts on Interest, Fees, and Other Charges

HENRY KAUFMAN
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September 4, 1998

Mr. Paul A. Volcker, Chairman
Independent Claims Resolution Foundation
C/o 610 Fifth Avenue, Suite 420
New York, NY 10020

Dear Paul:

I want to hereby inform you of the recommendations of the Panel of Experts on Interest, Fees and Other Charges, established by the Independent Claims Resolution Foundation, whose function and responsibilities were described and detailed to me in your letter dated November 14, 1997.

Several important factors influenced our recommendations. It is most critical to recognize the unusual economic and financial backdrop that prevailed in the 1940s and indeed for at least the early post world War II years. Investment alternatives were highly limited. They consisted primarily of government bonds, deposits, and a small volume of corporate obligations. Mutual funds, mortgage securities, and a diversity of foreign obligations were not an investment alternative at that time in Switzerland. The Swiss equity market was exceedingly small and not very liquid. Institutional portfolio management was generally rather passive and consisted virtually entirely of fixed-income obligations. Dynamic portfolio management, the measuring of portfolio performance, the rapid growth of mutual funds and international portfolio investing are of recent vintage and have been generally driven by American market participants and not by Swiss institutions.

We also recognize that small sums of investable funds tend to have much more limited opportunities than do large pools. This is because small sums have limited capacity to diversify risks. This is somewhat less so today than in the first few decades following World War II but even today prudence suggests that small portfolios cannot assume large risks.

Incorporated in our recommendations is also the very unusual characteristic of the funds of Holocaust victims – most importantly the involuntary dormancy of the accounts that prevented the owners from making any investment decisions. This influenced our decision concerning the return on the investment as well as the appropriate fee that should be charged by the Swiss institutions. The panel took

the view that the dormancy should begin January 1, 1945. However, the Independent Claims Resolution Committee may conclude that the dormancy should begin with 1940 because the victims of the Holocaust probably were constrained in their investment decision once world War II began. We, therefore, have included calculations starting with 1939. Our analysis ends with data for June 30, 1998, but the calculations assume that the returns for the first half of 1998 will prevail for the entire calendar year. In addition, it should be noted that our evaluations are confined to the accounts of Holocaust victims.

The data used in our valuations were supplied to us by the Swiss National Bank. There were gaps in these statistics. Dividend yields were not available for the entire period under consideration. In addition, data could not be supplied on the composition of and rates of return on managed accounts and on accounts where Swiss institutions could be deemed to have had the discretion to invest in equities and fixed-income obligations. For these portfolios, we estimated the likely portfolio composition and rates of return.

With these caveats in mind, our data and recommendations fall into four categories of accounts: (1) demand, savings and time deposits, (2) bonds; (3) equities and (4) managed accounts.

Demand, Savings and Time Deposits. There should be no difference in the rate of return accorded to demand, savings and time deposits. This is because these deposits were out of the control of the accounts holders. In addition, because these deposits have become in fact involuntarily long term, no fee should be charged by the bank for maintaining the account. For the period involved, the following returns were achieved: for demand deposits, a compounded annual average of .74% for time and savings deposits, a compounded annual average of 3.32% (see Figures 1 and 4.

In addition, we concluded that when deposits originally exceeded S.F.10,000, the compensation should be the bond rate of return. This is because deposits of this size would have had the opportunity to be invested in higher yielding investments during the post world War II years if the deposits had not been frozen.

An alternative option for all deposit accounts – including demand, savings, and time deposits – would be to award them the long-term bond yield, if you deem the unusual nature of the dormancy an overriding consideration. In that case, the annual average return and total compensation would be as noted in the following paragraph.

Bonds. For these obligations, we assumed that they consisted entirely of the obligations of the Swiss Government. The availability of other bonds in Switzerland during the 1940s was very limited. The safekeeping charge for these investments were small (as shown in Figure 7). The average annual net yield for these bonds was 4.00% and the accumulated value S.F. 8.33 for S.F.1 invested in 1945.

Equities. Our compensation recommendation for equity investments are based on the data shown in Figure 10. A few gaps in this data should be recognized. The indices provided for Swiss stocks were discontinued and were rebased in 1967 and again in 1988. The index prior to 1989 did not include dividend reinvestments. We concluded that a 2% dividend payment for all prior years would be appropriate.

Our recommendation is that equity investors be granted an average annual rate of return net of fees of 8.08%, which is equal to S.F.66.46 for every S.F.1 invested in 1945. These compensations are net of safekeeping and management fees. As the data in Figure 10 shows, much of this sharp increase in equity values has taken place since the start of the 1990s.

Managed Accounts. The committee did not have data on the range of investments in these accounts. After a broad review of market developments during the period from 1945 to 1997, we concluded that in the early Post World War II years, from 1945 to 1955, these portfolios were most likely entirely confined to Swiss Government bonds and that a gradual liberalization in portfolio management could be assumed to have occurred subsequently with a rising proportion being allocated to equities. As a result, the following allocations were applied:

YEARS	BONDS	STOCKS
1954-55	100%	0%
1956-65	95%	5%
1966-75	90%	10%
1976-85	75%	25%
1986-97	60%	40%

In addition, we recommend a management fee of 0.5% annually on the equity portion and a small safekeeping fee for both type of assets. Based on these modifications, we recommend an annual rate of return of 5.20% and an accumulated value of S.F. 15.46 for S.F1 investment in 1945.

Inflation Adjusted Returns. In all of the subgroups mentioned above, with the exception of demand deposits, positive rates of returns prevailed after adjusting for inflation as measured by the Swiss consumer price index. Understandably, these adjusted returns were the lowest for deposits, higher for bonds, and the best for equities. These real rates of return are also shown in detail in the accompanying figures.

Dealing With Accounts The Initial Amount of Which Is Not Documented. There may be instances where institutions do not have the documentation showing the value of the account at the beginning of the dormancy. Under such circumstances, it may be advisable to take the amount shown at the

earliest entry date on the books of the institutions and to discount it back to 1945 by the factors provided in the accompanying tables for the type of account in question after elimination of all anticipatory taxes. We recognize that the actual procedure to be followed for dealing with these accounts will vary and may require much more definitive treatment. While we are prepared to assist in this matter, this task may well be best accomplished by your accountants.

Safe Deposit Boxes and So-Called “Geschlossene Depots.” The panel does not make any recommendation for the payment of any interest for these kinds of banking relations, since the institutions involved have no control whatsoever over the values deposited nor any knowledge of what they consist of.

The table below summarizes our recommendations. To aid you and the Committee in your discussions, it depicts and compares the effects of 1 S.F. over the period 1939-1998 with that of 1945-1998. The details supporting the data for 1939 through 1998 are attached as Figures 16 through 32.

Recommended Value to be Attributed to 1 S. F. By Type of Investment

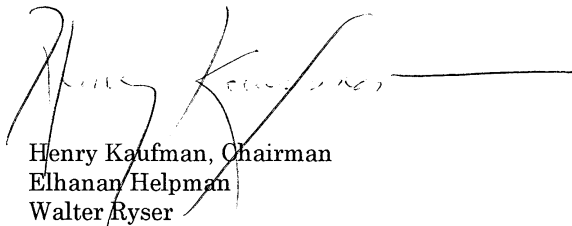
	<u>1945-1998 (1)</u>	<u>1939-1998(1)</u>
Demand, Savings and Time Deposits	5.82	6.81
Bonds	8.33	10.17
Equities	66.46	70.45
Managed Accounts	15.46	18.89

(1) Full Year 1998 is an estimate utilizing values and/or rates prevailing at June 30, 1998.

We, of course, would be willing to elaborate on our recommendations if there is a need to do so.

Sincerely,

Panel of Experts on Interest, Fees and Other Charges



Henry Kaufman, Chairman
Elhanan Helpman
Walter Ryser

Figure 1
Savings Accounts
1945-1998
(Compounded Value Of 1 Swiss Franc)

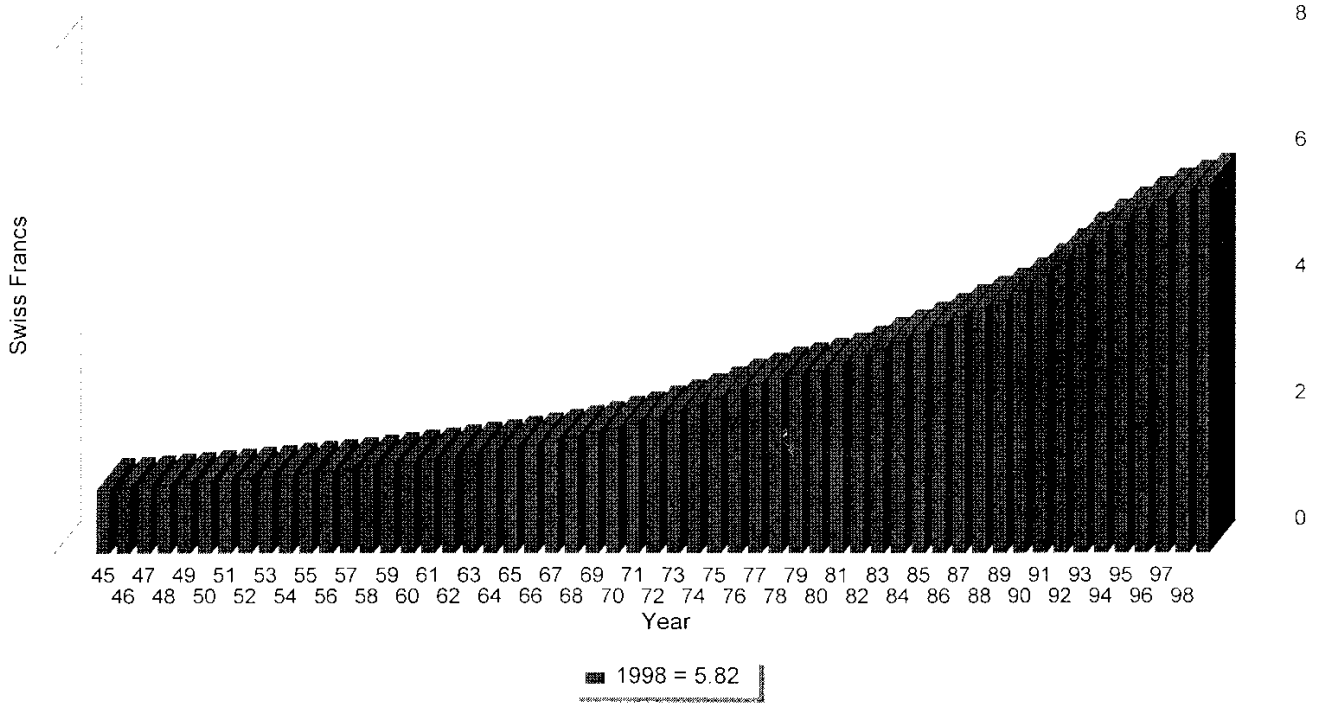
<u>Year (1)</u>	<u>Interest Rate Paid</u>	<u>Compounded Nominal Value</u>	<u>Inflation Rate CPI (2)</u>	<u>Interest Rate Inflation Adjusted</u>	<u>Compounded Real Value</u>
		1.00			1.00
1945	2.53	1.03	0.70	1.83	1.02
1946	2.44	1.05	0.50	1.94	1.04
1947	2.41	1.08	4.50	-2.09	1.02
1948	2.46	1.10	0.30	2.16	1.04
1949	2.46	1.13	-0.80	3.26	1.07
1950	2.38	1.16	-1.50	3.88	1.11
1951	2.38	1.18	4.80	-2.42	1.09
1952	2.40	1.21	2.60	-0.20	1.08
1953	2.40	1.24	-0.70	3.10	1.12
1954	2.38	1.27	0.70	1.68	1.14
1955	2.38	1.30	0.90	1.48	1.15
1956	2.39	1.33	1.50	0.89	1.16
1957	2.58	1.37	0.20	2.38	1.19
1958	2.93	1.41	1.80	1.13	1.21
1959	2.73	1.44	-0.60	3.33	1.25
1960	2.74	1.48	1.40	1.34	1.26
1961	2.77	1.53	1.80	0.97	1.27
1962	2.78	1.57	4.30	-1.52	1.26
1963	2.83	1.61	3.40	-0.57	1.25
1964	3.04	1.66	3.10	-0.06	1.25
1965	3.23	1.71	3.40	-0.17	1.24
1966	3.44	1.77	4.80	-1.36	1.23
1967	3.67	1.84	4.00	-0.33	1.22
1968	3.72	1.91	2.40	1.32	1.24
1969	3.80	1.98	2.50	1.30	1.26
1970	4.06	2.06	3.60	0.46	1.26
1971	4.35	2.15	6.60	-2.25	1.23
1972	4.25	2.24	6.70	-2.45	1.20
1973	4.22	2.34	8.70	-4.48	1.15
1974	5.11	2.46	9.80	-4.69	1.10
1975	5.01	2.58	6.70	-1.69	1.08
1976	3.85	2.68	1.70	2.15	1.10
1977	3.55	2.77	1.30	2.25	1.13
1978	2.53	2.84	1.00	1.53	1.14
1979	2.18	2.90	3.60	-1.42	1.13
1980	2.97	2.99	4.00	-1.03	1.11
1981	3.71	3.10	6.50	-2.79	1.08
1982	4.20	3.23	5.70	-1.50	1.07
1983	3.72	3.35	2.00	1.72	1.09
1984	3.74	3.48	2.90	0.84	1.09
1985	3.78	3.61	3.40	0.38	1.10
1986	3.77	3.75	0.70	3.07	1.13
1987	3.60	3.88	1.50	2.10	1.16
1988	3.25	4.01	1.90	1.35	1.17
1989	4.12	4.17	3.10	1.02	1.18
1990	5.31	4.39	5.40	-0.09	1.18
1991	5.53	4.64	5.90	-0.37	1.18
1992	5.57	4.89	4.00	1.57	1.20
1993	4.15	5.10	3.30	0.85	1.21
1994	3.71	5.29	0.90	2.81	1.24
1995	3.16	5.45	1.80	1.36	1.26
1996	2.54	5.59	0.80	1.74	1.28
1997	2.03	5.71	0.50	1.53	1.30
1998	2.03	5.82	0.00	2.03	1.33
Compounded Average Annual Rate Of Ret		3.32%			0.52%
		=====			=====

Note:

- (1) Savings rates for 1998 rates were not provided. 1997 rates were utilized in lieu thereof.
(2) Utilized Swiss Consumer Price Index.

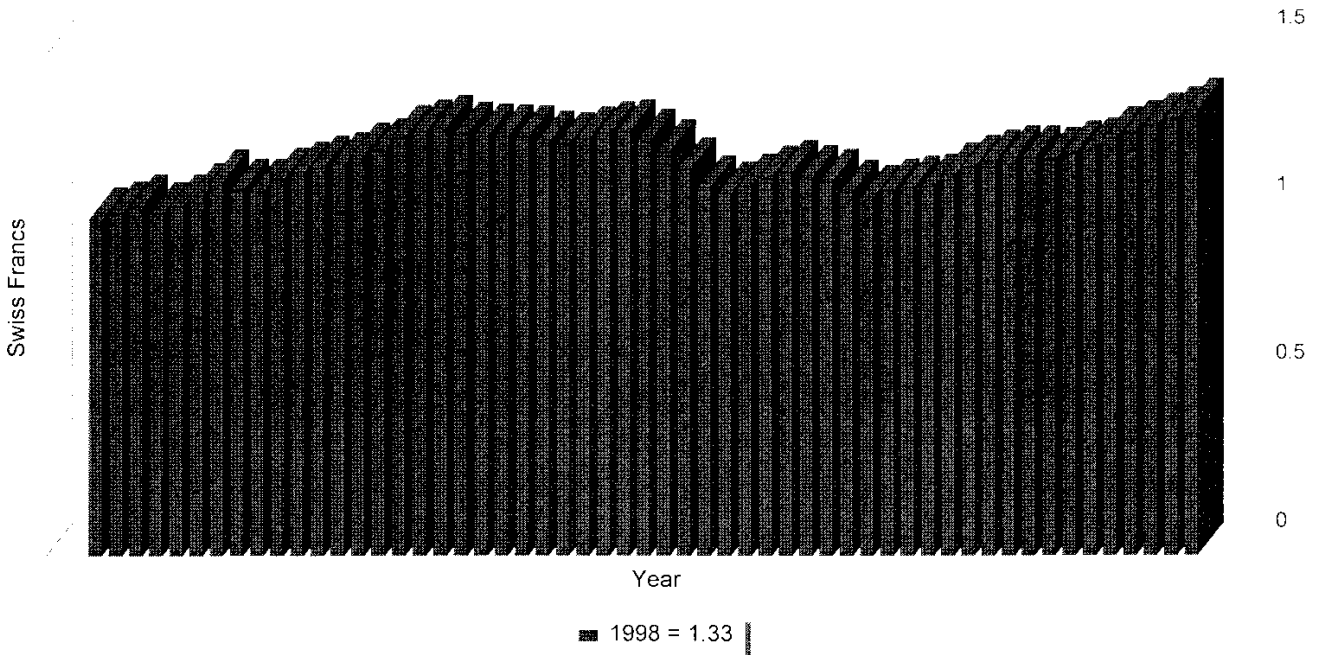
Savings Accounts - Figure 2

Compounded Nominal Value Of 1 Swiss Franc - 1945-1998



Savings Accounts - Figure 3

Compounded Real Value Of 1 Swiss Franc - 1945-1998



Note: Adjusted for Swiss Consumer Price Index.

Figure 4
Demand Deposits
1945-1998
(Compounded Value Of 1 Swiss Franc)

<u>Year (1)</u>	<u>Interest Rate Paid</u>	<u>Compounded Nominal Value</u>	<u>Inflation Rate CPI (2)</u>	<u>Interest Rate Inflation Adjusted</u>	<u>Compounded Real Value</u>
		1.00			1.00
1945	1.00	1.01	0.70	0.30	1.00
1946	0.75	1.02	0.50	0.25	1.01
1947	1.00	1.03	4.50	-3.50	0.97
1948	1.00	1.04	0.30	0.70	0.98
1949	1.00	1.05	-0.80	1.80	0.99
1950	0.88	1.06	-1.50	2.38	1.02
1951	0.75	1.07	4.80	-4.05	0.98
1952	0.75	1.07	2.60	-1.85	0.96
1953	0.75	1.08	-0.70	1.45	0.97
1954	0.81	1.09	0.70	0.11	0.97
1955	0.75	1.10	0.90	-0.15	0.97
1956	0.88	1.11	1.50	-0.63	0.97
1957	0.75	1.12	0.20	0.55	0.97
1958	0.75	1.12	1.80	-1.05	0.96
1959	0.75	1.13	-0.60	1.35	0.97
1960	0.75	1.14	1.40	-0.65	0.97
1961	0.75	1.15	1.80	-1.05	0.96
1962	0.75	1.16	4.30	-3.55	0.92
1963	0.75	1.17	3.40	-2.65	0.90
1964	0.75	1.18	3.10	-2.35	0.88
1965	0.75	1.19	3.40	-2.65	0.86
1966	0.75	1.19	4.80	-4.05	0.82
1967	0.75	1.20	4.00	-3.25	0.79
1968	0.75	1.21	2.40	-1.65	0.78
1969	0.75	1.22	2.50	-1.75	0.77
1970	0.75	1.23	3.60	-2.85	0.75
1971	0.75	1.24	6.60	-5.85	0.70
1972	0.75	1.25	6.70	-5.95	0.66
1973	0.75	1.26	8.70	-7.95	0.61
1974	0.75	1.27	9.80	-9.05	0.55
1975	0.75	1.28	6.70	-5.95	0.52
1976	0.75	1.29	1.70	-0.95	0.51
1977	0.75	1.30	1.30	-0.55	0.51
1978	0.75	1.31	1.00	-0.25	0.51
1979	0.25	1.31	3.60	-3.35	0.49
1980	0.38	1.31	4.00	-3.63	0.48
1981	0.38	1.32	6.50	-6.13	0.45
1982	0.25	1.32	5.70	-5.45	0.42
1983	0.25	1.33	2.00	-1.75	0.41
1984	0.38	1.33	2.90	-2.53	0.40
1985	0.38	1.34	3.40	-3.03	0.39
1986	0.38	1.34	0.70	-0.33	0.39
1987	0.88	1.35	1.50	-0.63	0.39
1988	0.88	1.36	1.90	-1.03	0.38
1989	0.88	1.38	3.10	-2.23	0.38
1990	0.88	1.39	5.40	-4.53	0.36
1991	0.88	1.40	5.90	-5.03	0.34
1992	0.88	1.41	4.00	-3.13	0.33
1993	0.88	1.43	3.30	-2.43	0.32
1994	0.88	1.44	0.90	-0.02	0.32
1995	0.88	1.45	1.80	-0.93	0.32
1996	0.88	1.46	0.80	0.08	0.32
1997	0.88	1.48	0.50	0.38	0.32
1998	0.75	1.49	0.50	0.25	0.32

Compounded Average Annual Rate Of Ret 0.74%

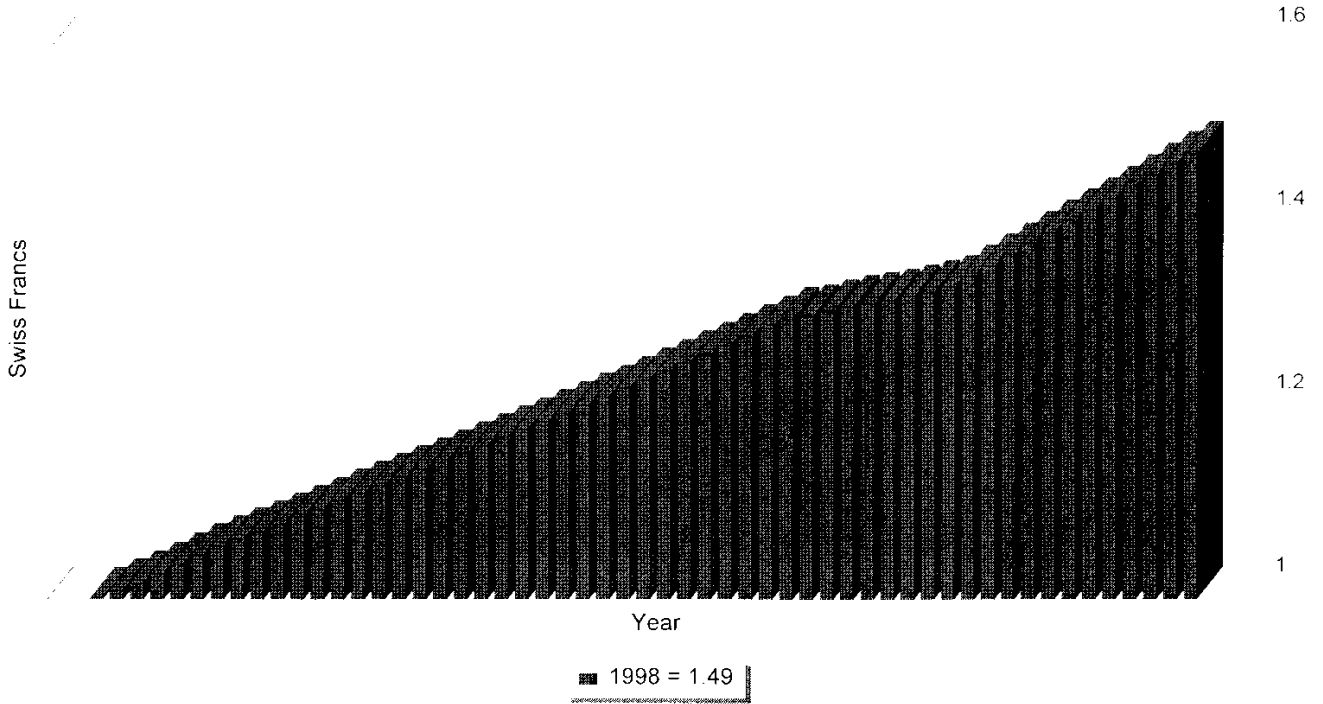
-2.08%

Note:

- (1) Full year 1998 is a projection utilizing average rates prevailing through June 30, 1998
(2) Utilized Swiss Consumer Price Index.

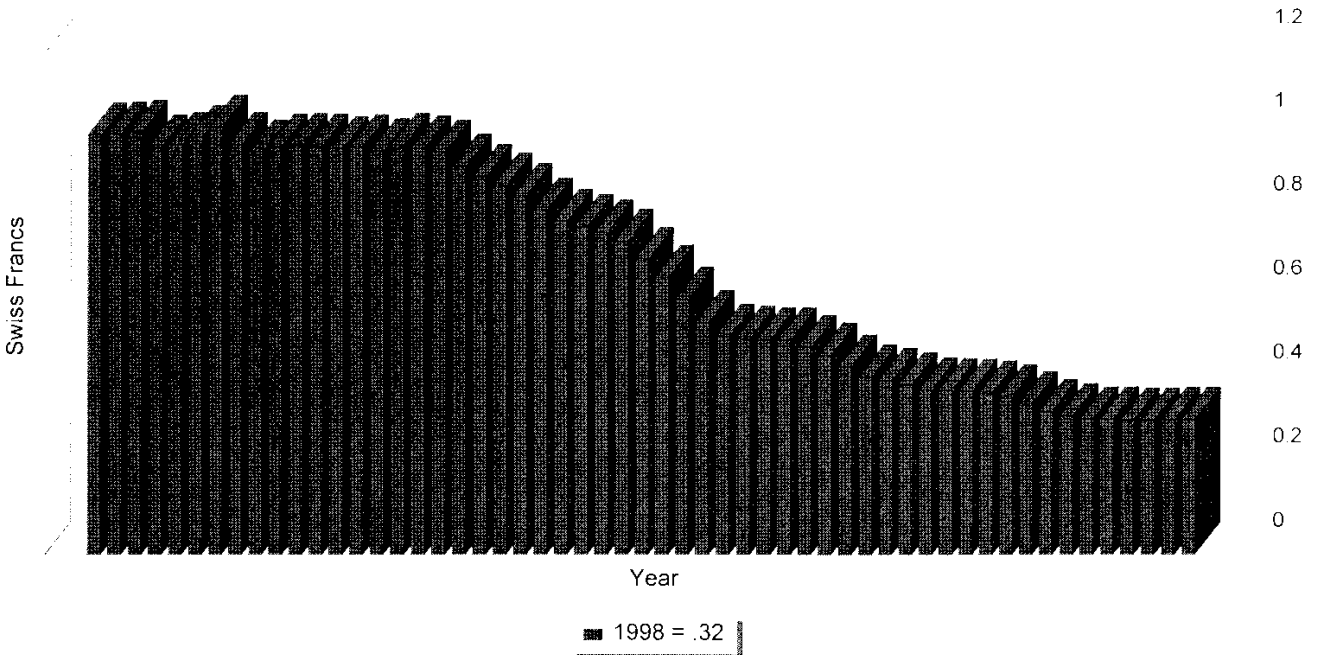
Demand Deposits - Figure 5

Compounded Nominal Value Of 1 Swiss Franc - 1945-1998



Demand Deposits - Figure 6

Compounded Real Value Of 1 Swiss Franc - 1945-1998



Note: Adjusted for Swiss Consumer Price Index.

Figure 7
 Swiss Federal Government Bonds
 1945-1998
 (Compounded Value Of 1 Swiss Franc)

Year (1)	Annual Yield	Safekeeping Charge	Management Fee	Compounded		Inflation Rate CPI (2)	Annual Yield Inflation Adjusted	Compounded Real Value
				Net Yield	Nominal Value			
1945	3.29	0.05	0.0525	3.19	1.03	0.70	2.49	1.02
1946	3.10	0.05	0.0525	3.00	1.06	0.50	2.50	1.05
1947	3.17	0.05	0.0525	3.07	1.10	4.50	-1.43	1.04
1948	3.42	0.05	0.0525	3.32	1.13	0.30	3.02	1.07
1949	2.94	0.05	0.0525	2.84	1.16	-0.80	3.64	1.11
1950	2.67	0.05	0.0525	2.57	1.19	-1.50	4.07	1.15
1951	2.94	0.05	0.0525	2.84	1.23	4.80	-1.96	1.13
1952	2.84	0.05	0.0525	2.74	1.26	2.60	0.14	1.13
1953	2.55	0.05	0.0525	2.45	1.29	-0.70	3.15	1.16
1954	2.62	0.05	0.0525	2.52	1.32	0.70	1.82	1.19
1955	2.97	0.05	0.0525	2.87	1.36	0.90	1.97	1.21
1956	3.11	0.05	0.0525	3.01	1.40	1.50	1.51	1.23
1957	3.64	0.05	0.0525	3.54	1.45	0.20	3.34	1.27
1958	3.19	0.05	0.0525	3.09	1.50	1.80	1.29	1.29
1959	3.07	0.05	0.0525	2.97	1.54	-0.60	3.57	1.33
1960	3.10	0.05	0.0525	3.00	1.59	1.40	1.60	1.35
1961	2.96	0.05	0.0525	2.86	1.63	1.80	1.06	1.37
1962	3.12	0.05	0.0525	3.02	1.68	4.30	-1.28	1.35
1963	3.24	0.05	0.0525	3.14	1.74	3.40	-0.26	1.35
1964	3.96	0.05	0.0525	3.86	1.80	3.10	0.76	1.36
1965	3.95	0.05	0.0525	3.85	1.87	3.40	0.45	1.36
1966	4.15	0.05	0.0525	4.05	1.95	4.80	-0.75	1.35
1967	4.62	0.05	0.0525	4.52	2.04	4.00	0.52	1.36
1968	4.39	0.05	0.0525	4.29	2.12	2.40	1.89	1.38
1969	4.88	0.10	0.0525	4.73	2.22	2.50	2.23	1.41
1970	5.71	0.10	0.0525	5.56	2.35	3.60	1.96	1.44
1971	5.29	0.10	0.0525	5.14	2.47	6.60	-1.46	1.42
1972	4.96	0.10	0.0525	4.81	2.59	6.70	-1.89	1.39
1973	5.55	0.10	0.0525	5.40	2.73	8.70	-3.30	1.35
1974	7.12	0.10	0.0525	6.97	2.92	9.80	-2.83	1.31
1975	6.48	0.10	0.0525	6.33	3.10	6.70	-0.37	1.31
1976	5.04	0.10	0.0525	4.89	3.25	1.70	3.19	1.35
1977	4.05	0.10	0.0525	3.90	3.38	1.30	2.60	1.38
1978	3.36	0.10	0.0525	3.21	3.49	1.00	2.21	1.41
1979	3.45	0.10	0.0525	3.30	3.60	3.60	-0.30	1.41
1980	4.77	0.10	0.0525	4.62	3.77	4.00	0.62	1.42
1981	5.57	0.10	0.0525	5.42	3.97	6.50	-1.08	1.40
1982	4.64	0.10	0.0525	4.49	4.15	5.70	-1.21	1.38
1983	4.16	0.12	0.0525	3.99	4.32	2.00	1.99	1.41
1984	4.53	0.12	0.0525	4.36	4.51	2.90	1.46	1.43
1985	4.71	0.12	0.0525	4.54	4.71	3.40	1.14	1.45
1986	4.24	0.12	0.0525	4.07	4.90	0.70	3.37	1.50
1987	4.04	0.12	0.0525	3.87	5.09	1.50	2.37	1.53
1988	4.00	0.12	0.0525	3.83	5.29	1.90	1.93	1.56
1989	5.13	0.12	0.0525	4.96	5.55	3.10	1.86	1.59
1990	6.40	0.15	0.0525	6.20	5.89	5.40	0.80	1.60
1991	6.23	0.15	0.0525	6.03	6.25	5.90	0.13	1.61
1992	6.42	0.15	0.0525	6.22	6.64	4.00	2.22	1.64
1993	4.58	0.15	0.0525	4.38	6.93	3.30	1.08	1.66
1994	4.93	0.15	0.0525	4.73	7.25	0.90	3.83	1.72
1995	4.57	0.15	0.0525	4.37	7.57	1.80	2.57	1.77
1996	4.00	0.15	0.0525	3.80	7.86	0.80	3.00	1.82
1997	3.40	0.15	0.0525	3.20	8.11	0.50	2.70	1.87
1998	2.93	0.15	0.0525	2.73	8.33	0.50	2.23	1.91

Compounded Average Annual Rate Of Return:

4.00%

1.21%

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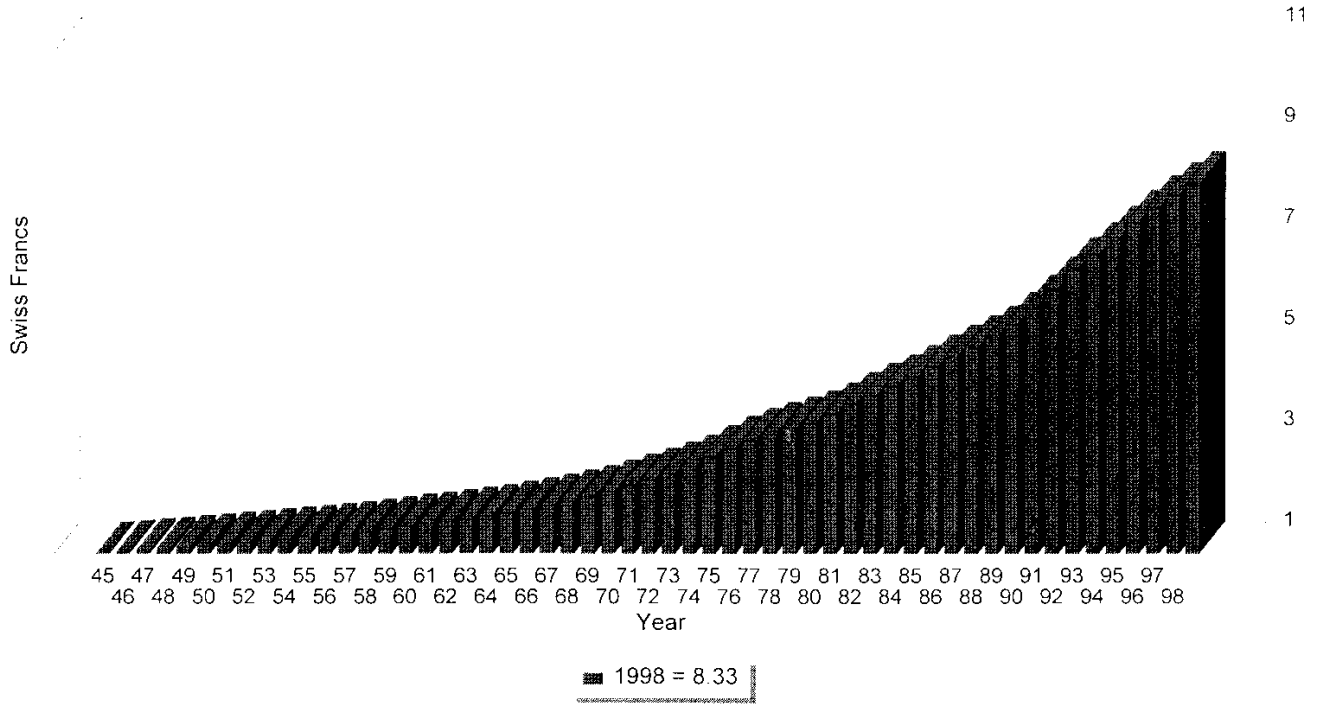
Notes:

(1) Full year 1998 is a projection utilizing values prevailing at June 30, 1998.

(2) Utilized Swiss Consumer Price Index.

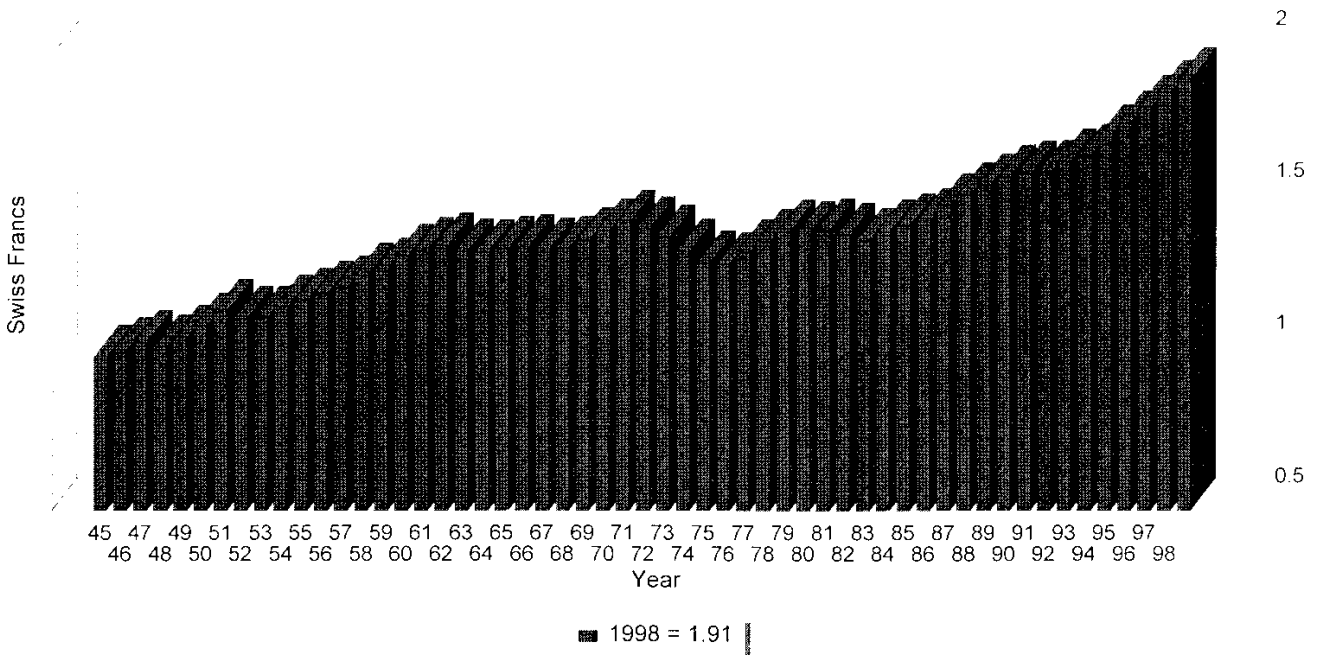
Swiss Federal Government Bonds - Figure 8

Compounded Nominal Value Of 1 Swiss Franc - 1945-1998



Swiss Federal Government Bonds - Figure 9

Compounded Real Value Of 1 Swiss Franc - 1945-1998



Note: Adjusted for Swiss Consumer Price Index.

Figure 10
Swiss Equities
1945-1998
(Compounded Nominal Value Of 1 Swiss Franc)

Year (1)	Index (2)	% Chang In Index	Dividend Yield % (3)	Gross Return	Safekeeping Charge	Management Fee	Net Return	Compounded Nominal Value
	183.30							1.00
1945	189.50	3.38	2.00	5.38	0.05	0.50	4.83	1.05
1946	232.90	22.90	2.00	24.90	0.05	0.50	24.35	1.30
1947	248.50	6.70	2.00	8.70	0.05	0.50	8.15	1.41
1948	233.90	-5.88	2.00	-3.88	0.05	0.50	-4.43	1.35
1949	229.40	-1.92	2.00	0.08	0.05	0.50	-0.47	1.34
1950	253.00	10.29	2.00	12.29	0.05	0.50	11.74	1.50
1951	287.70	13.72	2.00	15.72	0.05	0.50	15.17	1.73
1952	311.60	8.31	2.00	10.31	0.05	0.50	9.76	1.89
1953	323.40	3.79	2.00	5.79	0.05	0.50	5.24	1.99
1954	375.90	16.23	2.00	18.23	0.05	0.50	17.68	2.35
1955	438.80	16.73	2.00	18.73	0.05	0.50	18.18	2.77
1956	445.60	1.55	2.00	3.55	0.05	0.50	3.00	2.86
1957	410.80	-7.81	2.00	-5.81	0.05	0.50	-6.36	2.67
1958	408.90	-0.46	2.00	1.54	0.05	0.50	0.99	2.70
1959	518.00	26.68	2.00	28.68	0.05	0.50	28.13	3.46
1960	698.90	34.92	2.00	36.92	0.05	0.50	36.37	4.72
1961	991.80	41.91	2.00	43.91	0.05	0.50	43.36	6.76
1962	940.30	-5.19	2.00	-3.19	0.05	0.50	-3.74	6.51
1963	815.60	-13.26	2.00	-11.26	0.05	0.50	-11.81	5.74
1964	698.90	-14.31	2.00	-12.31	0.05	0.50	-12.86	5.00
1965	586.40	-16.10	2.00	-14.10	0.05	0.50	-14.65	4.27
1966	500.90	-14.58	2.00	-12.58	0.05	0.50	-13.13	3.71
1967	105.00	5.00	2.00	7.00	0.05	0.50	6.45	3.95
1968	144.50	37.62	2.00	39.62	0.05	0.50	39.07	5.49
1969	168.00	16.26	2.00	18.26	0.10	0.50	17.66	6.46
1970	148.80	-11.43	2.00	-9.43	0.10	0.50	-10.03	5.81
1971	155.80	4.70	2.00	6.70	0.10	0.50	6.10	6.17
1972	183.20	17.59	2.00	19.59	0.10	0.50	18.99	7.34
1973	177.40	-3.17	2.00	-1.17	0.10	0.50	-1.77	7.21
1974	133.70	-24.63	2.00	-22.63	0.10	0.50	-23.23	5.54
1975	130.10	-2.69	2.00	-0.69	0.10	0.50	-1.29	5.46
1976	144.10	10.76	2.00	12.76	0.10	0.50	12.16	6.13
1977	152.00	5.48	2.00	7.48	0.10	0.50	6.88	6.55
1978	154.80	1.84	2.00	3.84	0.10	0.50	3.24	6.76
1979	168.00	8.53	2.00	10.53	0.10	0.50	9.93	7.43
1980	166.80	-0.71	2.00	1.29	0.10	0.50	0.69	7.48
1981	153.50	-7.97	2.00	-5.97	0.10	0.50	-6.57	6.99
1982	148.10	-3.52	2.00	-1.52	0.10	0.50	-2.12	6.84
1983	175.00	18.16	2.00	20.16	0.12	0.50	19.54	8.18
1984	187.40	7.09	2.00	9.09	0.12	0.50	8.47	8.88
1985	240.30	28.23	2.00	30.23	0.12	0.50	29.61	11.50
1986	299.40	24.59	2.00	26.59	0.12	0.50	25.97	14.49
1987	284.70	-4.91	2.00	-2.91	0.12	0.50	-3.53	13.98
1988	247.40	-13.10	2.00	-11.10	0.12	0.50	-11.72	12.34
1989	1082.50	24.88		24.88	0.12	0.50	24.26	15.34
1990	1043.50	-3.60		-3.60	0.15	0.50	-4.25	14.68
1991	1065.60	2.12		2.12	0.15	0.50	1.47	14.90
1992	1155.70	8.46		8.46	0.15	0.50	7.81	16.06
1993	1507.60	30.45		30.45	0.15	0.50	29.80	20.85
1994	1766.80	17.19		17.19	0.15	0.50	16.54	24.30
1995	1862.60	5.42		5.42	0.15	0.50	4.77	25.46
1996	2339.30	25.59		25.59	0.15	0.50	24.94	31.81
1997	3344.20	42.96		42.96	0.15	0.50	42.31	45.26
1998	4932.40	47.49		47.49	0.15	0.50	46.84	66.46

Compounded Average Annual Rate Of Return:

8.08%

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Notes:

(1) Full year 1998 is a projection utilizing values prevailing at June 30, 1998.

(2) Index was rebased in 1967 at 100 and 1988 at 866.83.

(3) Dividend yield was assumed to be 2.00% per annum from 1939-1988. Index from 1989-1997 incorporates dividend reinvestment.

Figure 11
Swiss Equities
1945-1998
 (Compounded Real Value Of 1 Swiss Franc)

<u>Year (1)</u>	<u>Index</u>	<u>Net Nominal Return</u>	<u>Inflation Rate CPI (2)</u>	<u>Return Inflation Adjusted</u>	<u>Compounded Real Value</u>
					1.00
1945	189.50	4.83	0.70	4.13	1.04
1946	232.90	24.35	0.50	23.85	1.29
1947	248.50	8.15	4.50	3.65	1.34
1948	233.90	-4.43	0.30	-4.73	1.27
1949	229.40	-0.47	-0.80	0.33	1.28
1950	253.00	11.74	-1.50	13.24	1.45
1951	287.70	15.17	4.80	10.37	1.60
1952	311.60	9.76	2.60	7.16	1.71
1953	323.40	5.24	-0.70	5.94	1.81
1954	375.90	17.68	0.70	16.98	2.12
1955	438.80	18.18	0.90	17.28	2.49
1956	445.60	3.00	1.50	1.50	2.52
1957	410.80	-6.36	0.20	-6.56	2.36
1958	408.90	0.99	1.80	-0.81	2.34
1959	518.00	28.13	-0.60	28.73	3.01
1960	698.90	36.37	1.40	34.97	4.07
1961	991.80	43.36	1.80	41.56	5.75
1962	940.30	-3.74	4.30	-8.04	5.29
1963	815.60	-11.81	3.40	-15.21	4.49
1964	698.90	-12.86	3.10	-15.96	3.77
1965	586.40	-14.65	3.40	-18.05	3.09
1966	500.90	-13.13	4.80	-17.93	2.54
1967	105.00	6.45	4.00	2.45	2.60
1968	144.50	39.07	2.40	36.67	3.55
1969	168.00	17.66	2.50	15.16	4.09
1970	148.80	-10.03	3.60	-13.63	3.53
1971	155.80	6.10	6.60	-0.50	3.51
1972	183.20	18.99	6.70	12.29	3.95
1973	177.40	-1.77	8.70	-10.47	3.53
1974	133.70	-23.23	9.80	-33.03	2.37
1975	130.10	-1.29	6.70	-7.99	2.18
1976	144.10	12.16	1.70	10.46	2.40
1977	152.00	6.88	1.30	5.58	2.54
1978	154.80	3.24	1.00	2.24	2.60
1979	168.00	9.93	3.60	6.33	2.76
1980	166.80	0.69	4.00	-3.31	2.67
1981	153.50	-6.57	6.50	-13.07	2.32
1982	148.10	-2.12	5.70	-7.82	2.14
1983	175.00	19.54	2.00	17.54	2.51
1984	187.40	8.47	2.90	5.57	2.65
1985	240.30	29.61	3.40	26.21	3.35
1986	299.40	25.97	0.70	25.27	4.20
1987	284.70	-3.53	1.50	-5.03	3.98
1988	247.40	-11.72	1.90	-13.62	3.44
1989	1082.50	24.26	3.10	21.16	4.17
1990	1043.50	-4.25	5.40	-9.65	3.77
1991	1065.60	1.47	5.90	-4.43	3.60
1992	1155.70	7.81	4.00	3.81	3.74
1993	1507.60	29.80	3.30	26.50	4.73
1994	1766.80	16.54	0.90	15.64	5.47
1995	1862.60	4.77	1.80	2.97	5.63
1996	2339.30	24.94	0.80	24.14	6.99
1997	3344.20	42.31	0.50	41.81	9.91
1998	4932.40	46.84	0.00	46.84	14.55

Compounded Average Annual Rate Of Return: 5.08%

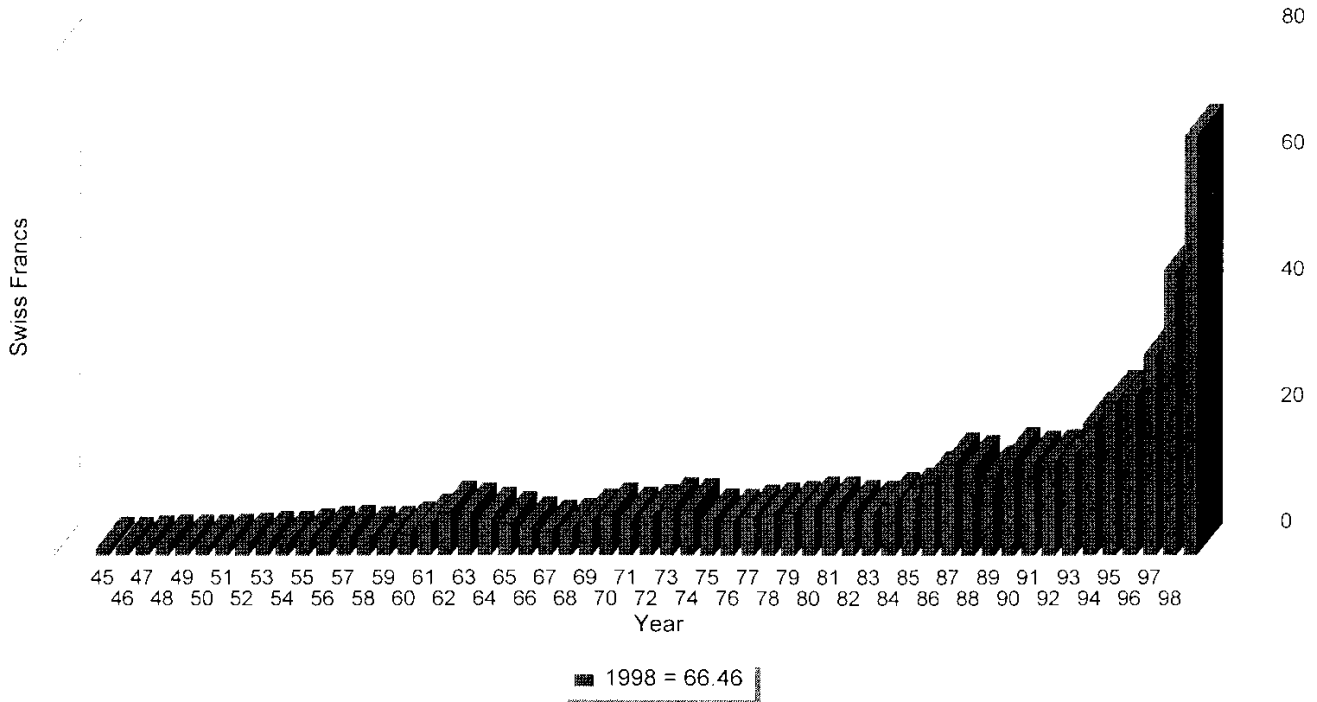
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Notes:

- (1) Full year 1998 is a projection utilizing values prevailing at June 30, 1998.
 (2) Utilized Swiss Consumer Price Index.

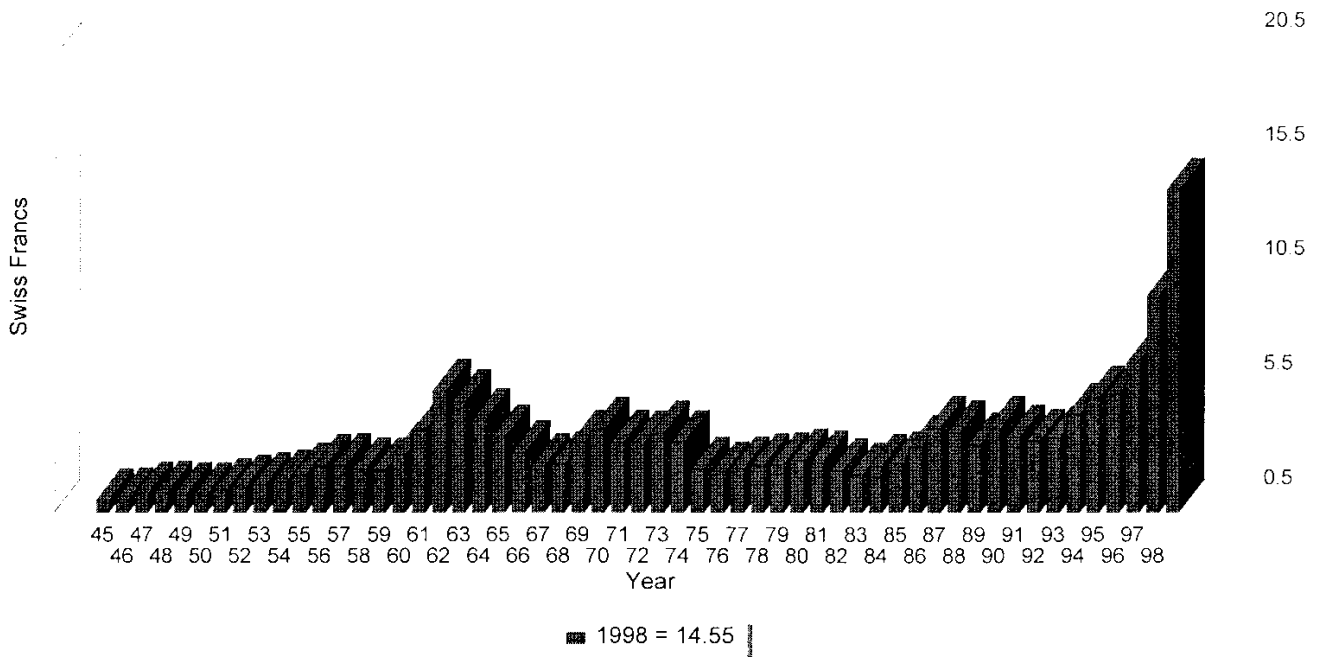
Swiss Equities - Figure 12

Compounded Nominal Value Of 1 Swiss Franc - 1945-1998



Swiss Equities - Figure 13

Compounded Real Value Of 1 Swiss Franc - 1945-1998



Note: Adjusted for Swiss Consumer Price Index

Figure 14
Managed Accounts - Swiss Bonds And Equities
1945-1998
 (Compounded Value Of 1 Swiss Franc)

Year (1)	Equities	Bonds	Inflation Rate CPI (2)	Inflation Adjusted Returns		Portfolio Allocation Percent		Compounded Values	
	Nominal Return	Nominal Net Yield		Equities	Bonds	Equities	Bonds	Nominal	Real
								1.00	1.00
1945	4.83	3.19	0.70	4.13	2.51	0.00	1.00	1.03	1.01
1946	24.35	3.00	0.50	23.85	2.52	0.00	1.00	1.06	1.03
1947	8.15	3.07	4.50	3.65	-1.41	0.00	1.00	1.10	1.02
1948	-4.43	3.32	0.30	-4.73	3.04	0.00	1.00	1.13	1.05
1949	-0.47	2.84	-0.80	0.33	3.66	0.00	1.00	1.16	1.09
1950	11.74	2.57	-1.50	13.24	4.09	0.00	1.00	1.19	1.13
1951	15.17	2.84	4.80	10.37	-1.94	0.00	1.00	1.23	1.11
1952	9.76	2.74	2.60	7.16	0.16	0.00	1.00	1.26	1.11
1953	5.24	2.45	-0.70	5.94	3.17	0.00	1.00	1.29	1.15
1954	17.68	2.52	0.70	16.98	1.84	0.00	1.00	1.32	1.17
1955	18.18	2.87	0.90	17.28	1.99	0.00	1.00	1.36	1.19
1956	3.00	3.01	1.50	1.50	1.53	0.05	0.95	1.40	1.21
1957	-6.36	3.54	0.20	-6.56	3.36	0.05	0.95	1.45	1.24
1958	0.99	3.09	1.80	-0.81	1.31	0.05	0.95	1.49	1.26
1959	28.13	2.97	-0.60	28.73	3.59	0.05	0.95	1.55	1.32
1960	36.37	3.00	1.40	34.97	1.62	0.05	0.95	1.62	1.36
1961	43.36	2.86	1.80	41.56	1.08	0.05	0.95	1.70	1.41
1962	-3.74	3.02	4.30	-8.04	-1.26	0.05	0.95	1.75	1.38
1963	-11.81	3.14	3.40	-15.21	-0.24	0.05	0.95	1.79	1.37
1964	-12.86	3.86	3.10	-15.96	0.78	0.05	0.95	1.85	1.37
1965	-14.65	3.85	3.40	-18.05	0.47	0.05	0.95	1.90	1.36
1966	-13.13	4.05	4.80	-17.93	-0.73	0.10	0.90	1.94	1.33
1967	6.45	4.52	4.00	2.45	0.54	0.10	0.90	2.04	1.34
1968	39.07	4.29	2.40	36.67	1.91	0.10	0.90	2.19	1.41
1969	17.66	4.73	2.50	15.16	2.26	0.10	0.90	2.33	1.46
1970	-10.03	5.56	3.60	-13.63	1.99	0.10	0.90	2.42	1.47
1971	6.10	5.14	6.60	-0.50	-1.43	0.10	0.90	2.55	1.45
1972	18.99	4.81	6.70	12.29	-1.86	0.10	0.90	2.70	1.44
1973	-1.77	5.40	8.70	-10.47	-3.27	0.10	0.90	2.83	1.38
1974	-23.23	6.97	9.80	-33.03	-2.80	0.10	0.90	2.94	1.30
1975	-1.29	6.33	6.70	-7.99	-0.34	0.10	0.90	3.11	1.29
1976	12.16	4.89	1.70	10.46	3.22	0.25	0.75	3.31	1.35
1977	6.88	3.90	1.30	5.58	2.63	0.25	0.75	3.47	1.40
1978	3.24	3.21	1.00	2.24	2.24	0.25	0.75	3.58	1.43
1979	9.93	3.30	3.60	6.33	-0.27	0.25	0.75	3.76	1.45
1980	0.69	4.62	4.00	-3.31	0.65	0.25	0.75	3.89	1.45
1981	-6.57	5.42	6.50	-13.07	-1.05	0.25	0.75	3.99	1.39
1982	-2.12	4.49	5.70	-7.82	-1.18	0.25	0.75	4.10	1.35
1983	19.54	3.99	2.00	17.54	2.02	0.25	0.75	4.42	1.43
1984	8.47	4.36	2.90	5.57	1.49	0.25	0.75	4.66	1.46
1985	29.61	4.54	3.40	26.21	1.17	0.25	0.75	5.17	1.57
1986	25.97	4.07	0.70	25.27	3.40	0.40	0.60	5.83	1.76
1987	-3.53	3.87	1.50	-5.03	2.40	0.40	0.60	5.88	1.75
1988	-11.72	3.83	1.90	-13.62	1.96	0.40	0.60	5.74	1.68
1989	24.26	4.96	3.10	21.16	1.89	0.40	0.60	6.47	1.84
1990	-4.25	6.20	5.40	-9.65	0.83	0.40	0.60	6.60	1.78
1991	1.47	6.03	5.90	-4.43	0.16	0.40	0.60	6.88	1.75
1992	7.81	6.22	4.00	3.81	2.25	0.40	0.60	7.35	1.80
1993	29.80	4.38	3.30	26.50	1.11	0.40	0.60	8.42	2.00
1994	16.54	4.73	0.90	15.64	3.86	0.40	0.60	9.21	2.17
1995	4.77	4.37	1.80	2.97	2.60	0.40	0.60	9.63	2.23
1996	24.94	3.80	0.80	24.14	3.03	0.40	0.60	10.81	2.49
1997	42.31	3.20	0.50	41.81	2.73	0.40	0.60	12.85	2.95
1998	46.84	2.73	0.00	46.84	2.73	0.40	0.60	15.46	3.55

Compounded Average Annual Rate Of Return:

5.20% 2.37%

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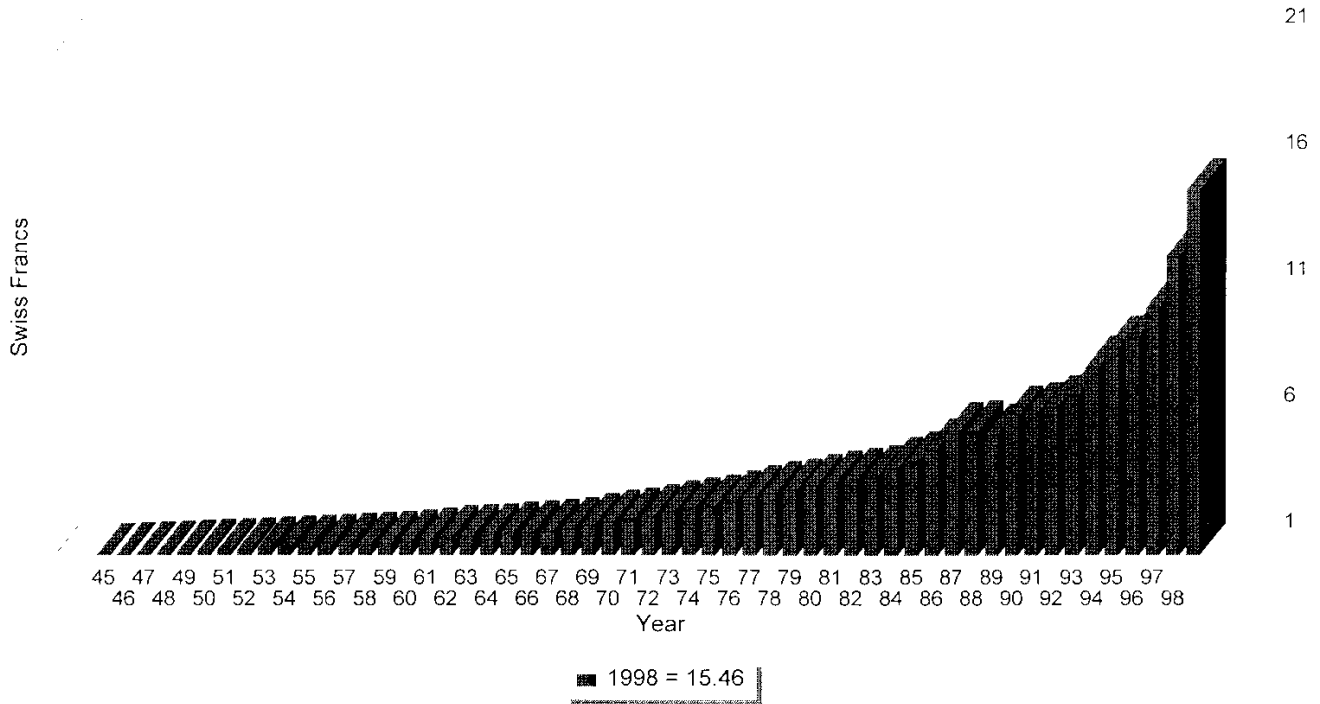
Note:

(1) Full year 1998 is a projection utilizing values prevailing at June 30, 1998.

(2) Utilized Swiss Consumer Price Index.

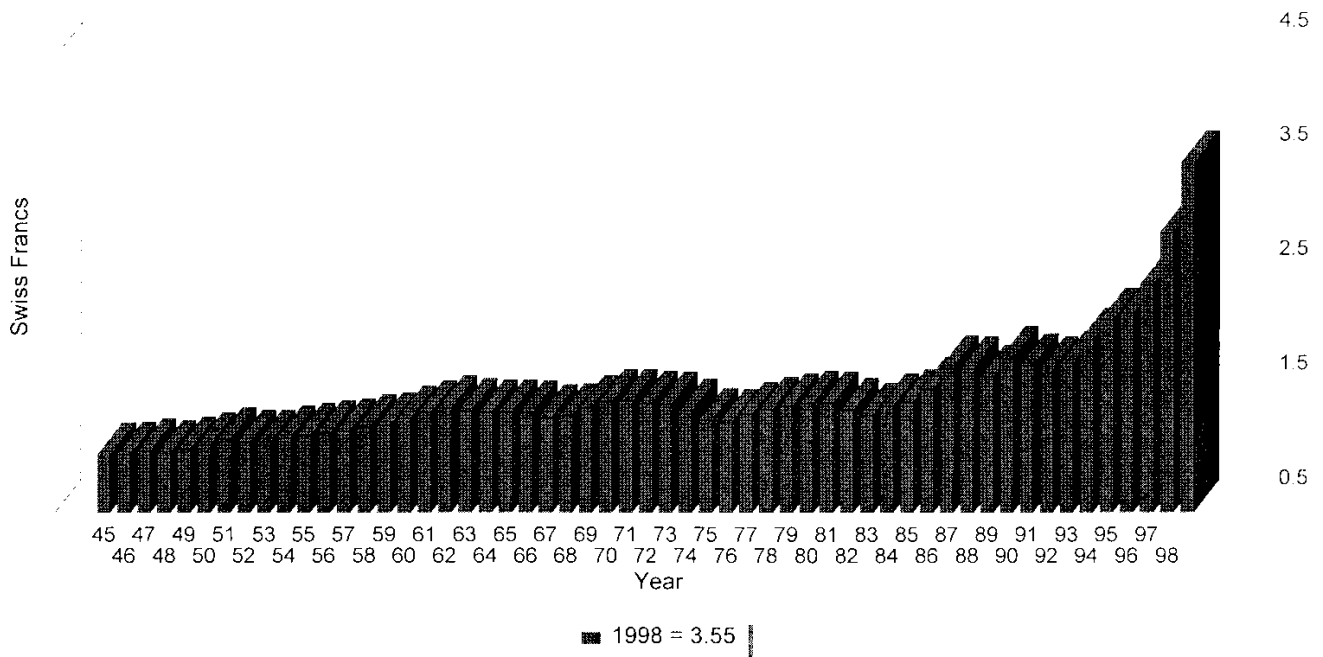
Managed Accounts - Swiss Bonds And Stocks - Figure 15

Compounded Nominal Value Of 1 Swiss Franc - 1945-1998



Managed Accounts - Swiss Bonds And Stocks - Figure 16

Compounded Real Value Of 1 Swiss Franc - 1945-1998



Note: Adjusted for Swiss Consumer Price Index.

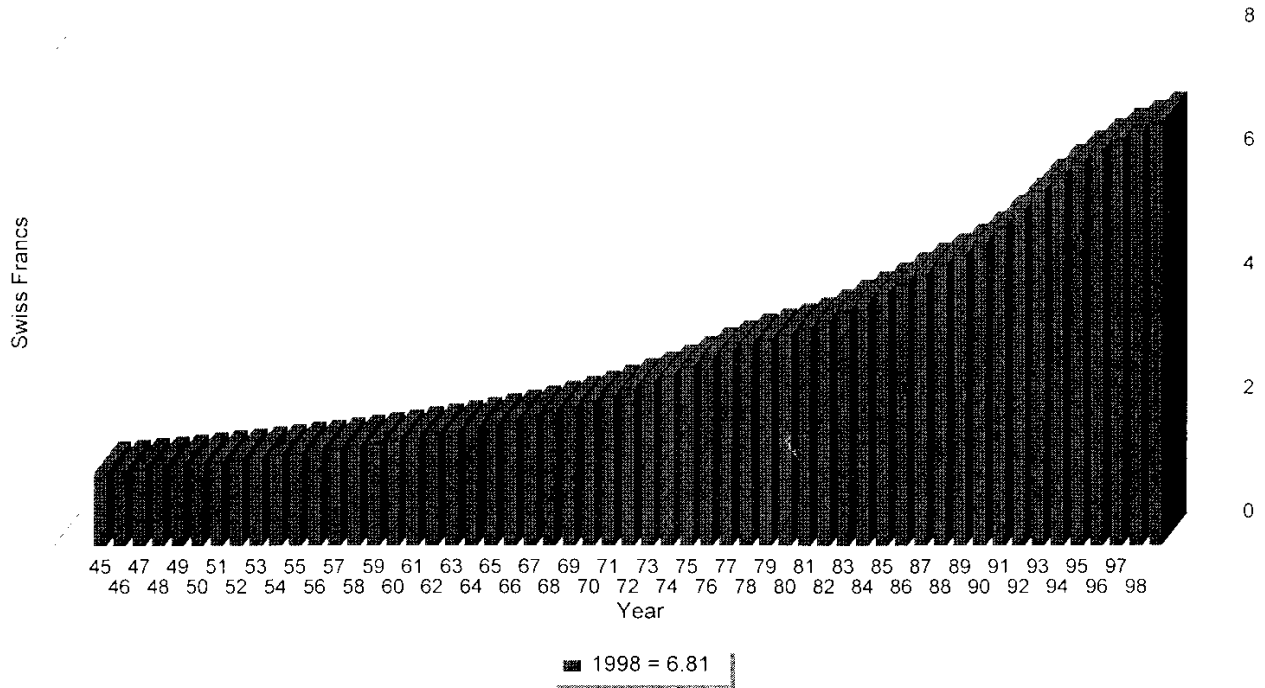
Figure 17
Savings Accounts
1939-1998
(Compounded Value Of 1 Swiss Franc)

<u>Year (1)</u>	<u>Interest Rate Paid</u>	<u>Compounded Nominal Value</u>	<u>Inflation Rate CPI (2)</u>	<u>Interest Rate Inflation Adjusted</u>	<u>Compounded Real Value</u>
1939	2.6	1.00	0.80	1.80	1.00
1940	2.81	1.03	9.20	-6.39	1.02
1941	2.74	1.08	15.30	-12.56	0.83
1942	2.61	1.11	11.30	-8.69	0.76
1943	2.57	1.14	5.10	-2.53	0.74
1944	2.55	1.17	2.10	0.45	0.74
1945	2.53	1.20	0.70	1.83	0.76
1946	2.44	1.23	0.50	1.94	0.77
1947	2.41	1.26	4.50	-2.09	0.76
1948	2.46	1.29	0.30	2.16	0.77
1949	2.46	1.32	-0.80	3.26	0.80
1950	2.38	1.35	-1.50	3.88	0.83
1951	2.38	1.38	4.80	-2.42	0.81
1952	2.40	1.42	2.60	-0.20	0.81
1953	2.40	1.45	-0.70	3.10	0.83
1954	2.38	1.49	0.70	1.68	0.85
1955	2.38	1.52	0.90	1.48	0.86
1956	2.39	1.56	1.50	0.89	0.87
1957	2.58	1.60	0.20	2.38	0.89
1958	2.93	1.64	1.80	1.13	0.90
1959	2.73	1.69	-0.60	3.33	0.93
1960	2.74	1.74	1.40	1.34	0.94
1961	2.77	1.78	1.80	0.97	0.95
1962	2.78	1.83	4.30	-1.52	0.93
1963	2.83	1.89	3.40	-0.57	0.93
1964	3.04	1.94	3.10	-0.06	0.93
1965	3.23	2.01	3.40	-0.17	0.93
1966	3.44	2.07	4.80	-1.36	0.91
1967	3.67	2.15	4.00	-0.33	0.91
1968	3.72	2.23	2.40	1.32	0.92
1969	3.80	2.32	2.50	1.30	0.94
1970	4.06	2.41	3.60	0.46	0.94
1971	4.35	2.51	6.60	-2.25	0.92
1972	4.25	2.62	6.70	-2.45	0.90
1973	4.22	2.73	8.70	-4.48	0.86
1974	5.11	2.87	9.80	-4.69	0.82
1975	5.01	3.02	6.70	-1.69	0.80
1976	3.85	3.13	1.70	2.15	0.82
1977	3.55	3.24	1.30	2.25	0.84
1978	2.53	3.33	1.00	1.53	0.85
1979	2.18	3.40	3.60	-1.42	0.84
1980	2.97	3.50	4.00	-1.03	0.83
1981	3.71	3.63	6.50	-2.79	0.81
1982	4.20	3.78	5.70	-1.50	0.79
1983	3.72	3.92	2.00	1.72	0.81
1984	3.74	4.07	2.90	0.84	0.82
1985	3.78	4.22	3.40	0.38	0.82
1986	3.77	4.38	0.70	3.07	0.84
1987	3.60	4.54	1.50	2.10	0.86
1988	3.25	4.69	1.90	1.35	0.87
1989	4.12	4.88	3.10	1.02	0.88
1990	5.31	5.14	5.40	-0.09	0.88
1991	5.53	5.42	5.90	-0.37	0.88
1992	5.57	5.72	4.00	1.57	0.89
1993	4.15	5.96	3.30	0.85	0.90
1994	3.71	6.18	0.90	2.81	0.92
1995	3.16	6.38	1.80	1.36	0.94
1996	2.54	6.54	0.80	1.74	0.95
1997	2.03	6.67	0.50	1.53	0.97
1998	2.03	6.81	0.00	2.03	0.99
Compounded Average Annual Rate Of Return		3.25%			-0.02%
		=====			=====

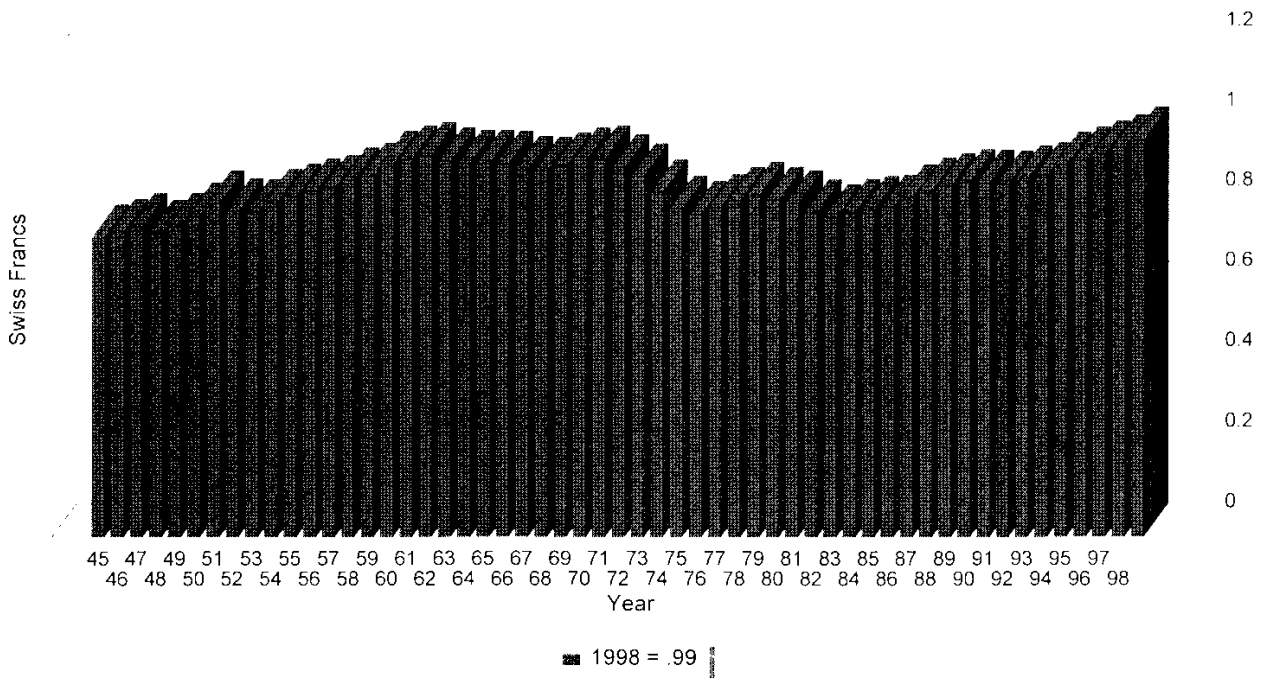
Note:

- (1) Savings rates for 1998 rates were not provided. 1997 rates were utilized in lieu thereof.
(2) Utilized Swiss Consumer Price Index.

Savings Accounts - Figure 18
 Compounded Nominal Value Of 1 Swiss Franc - 1939-1998



Savings Accounts - Figure 19
 Compounded Real Value Of 1 Swiss Franc - 1939-1998



Note: Adjusted for Swiss Consumer Price Index

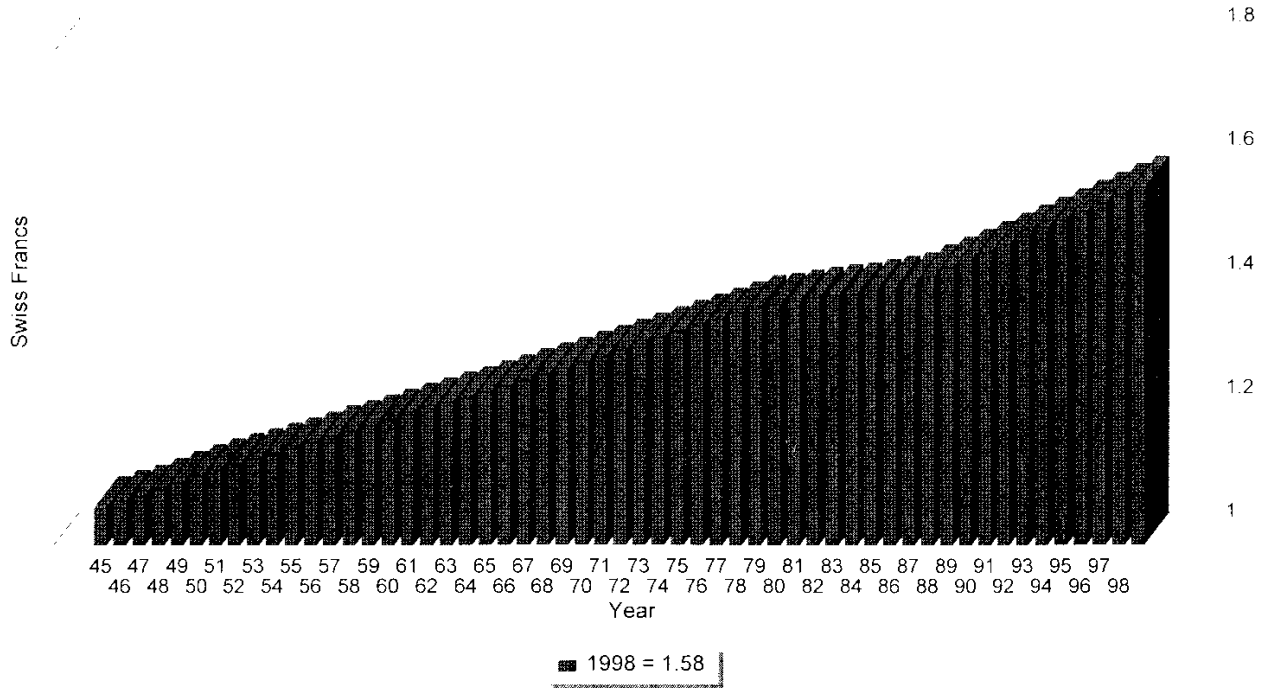
Figure 20
Demand Deposits
1939-1998
(Compounded Value Of 1 Swiss Franc)

<u>Year (1)</u>	<u>Interest Rate Paid</u>	<u>Compounded Nominal Value</u>	<u>Inflation Rate CPI (2)</u>	<u>Interest Rate Inflation Adjusted</u>	<u>Compounded Real Value</u>
1939	1.00	1.00	0.80	0.20	1.00
1940	0.88	1.01	9.20	-8.33	0.92
1941	1.00	1.02	15.30	-14.30	0.79
1942	1.00	1.03	11.30	-10.30	0.71
1943	1.00	1.04	5.10	-4.10	0.68
1944	1.00	1.05	2.10	-1.10	1.00
1945	1.00	1.06	0.70	0.30	1.00
1946	0.75	1.07	0.50	0.25	1.01
1947	0.75	1.08	4.50	-3.50	0.97
1948	1.00	1.09	0.30	0.70	0.98
1949	1.00	1.10	-0.80	1.80	0.99
1950	0.88	1.11	-1.50	2.38	1.02
1951	0.75	1.12	4.80	-4.05	0.98
1952	0.75	1.13	2.60	-1.85	0.96
1953	0.75	1.14	-0.70	1.45	0.97
1954	0.81	1.15	0.70	0.11	0.97
1955	0.75	1.16	0.90	-0.15	0.97
1956	0.88	1.16	1.50	-0.63	0.97
1957	0.75	1.17	0.20	0.55	0.97
1958	0.75	1.18	1.80	-1.05	0.96
1959	0.75	1.19	-0.60	1.35	0.97
1960	0.75	1.20	1.40	-0.65	0.97
1961	0.75	1.21	1.80	-1.05	0.96
1962	0.75	1.22	4.30	-3.55	0.92
1963	0.75	1.23	3.40	-2.65	0.90
1964	0.75	1.24	3.10	-2.35	0.88
1965	0.75	1.25	3.40	-2.65	0.86
1966	0.75	1.26	4.80	-4.05	0.82
1967	0.75	1.27	4.00	-3.25	0.79
1968	0.75	1.28	2.40	-1.65	0.78
1969	0.75	1.29	2.50	-1.75	0.77
1970	0.75	1.30	3.60	-2.85	0.75
1971	0.75	1.31	6.60	-5.85	0.70
1972	0.75	1.32	6.70	-5.95	0.66
1973	0.75	1.33	8.70	-7.95	0.61
1974	0.75	1.34	9.80	-9.05	0.55
1975	0.75	1.35	6.70	-5.95	0.52
1976	0.75	1.36	1.70	-0.95	0.51
1977	0.75	1.37	1.30	-0.55	0.51
1978	0.75	1.38	1.00	-0.25	0.51
1979	0.25	1.39	3.60	-3.35	0.49
1980	0.38	1.39	4.00	-3.63	0.48
1981	0.38	1.40	6.50	-6.13	0.45
1982	0.25	1.40	5.70	-5.45	0.42
1983	0.25	1.41	2.00	-1.75	0.41
1984	0.38	1.41	2.90	-2.53	0.40
1985	0.38	1.42	3.40	-3.03	0.39
1986	0.38	1.42	0.70	-0.33	0.39
1987	0.88	1.43	1.50	-0.63	0.39
1988	0.88	1.43	1.90	-1.03	0.38
1989	0.88	1.46	3.10	-2.23	0.38
1990	0.88	1.47	5.40	-4.53	0.36
1991	0.88	1.48	5.90	-5.03	0.34
1992	0.88	1.50	4.00	-3.13	0.33
1993	0.88	1.51	3.30	-2.43	0.32
1994	0.88	1.52	0.90	-0.03	0.32
1995	0.88	1.54	1.80	-0.93	0.32
1996	0.88	1.55	0.80	0.08	0.32
1997	0.88	1.56	0.50	0.38	0.32
1998	0.75	1.58	0.50	0.25	0.32
Compounded Average Annual Rate Of Return					-1.87%
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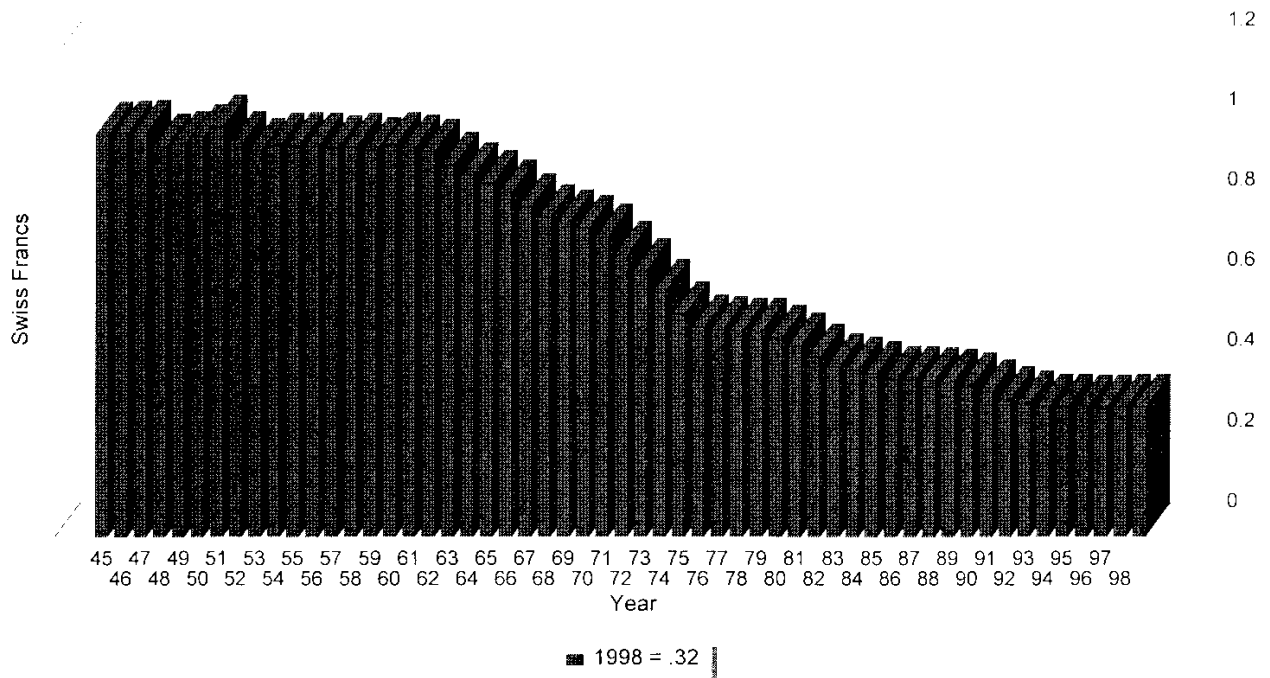
Note:

- (1) Full year 1998 is a projection utilizing average rates prevailing through June 30, 1998.
(2) Utilized Swiss Consumer Price Index.

Demand Deposits - Figure 21
 Compounded Nominal Value Of 1 Swiss Franc - 1939-1998



Demand Deposits - Figure 22
 Compounded Real Value Of 1 Swiss Franc - 1939-1998



Note: Adjusted for Swiss Consumer Price Index

Figure 23
 Swiss Federal Government Bonds
 1939-1998
 (Compounded Value Of 1 Swiss Franc)

Year (1)	Annual Yield	Safekeeping Charge	Management Fee	Compounded		Annual Yield Inflation Adjusted	Compounded Real Value
				Net Yield	Nominal Value		
1939	3.76	0.05	0.0525	3.66	1.04	0.8	2.86
1940	4.06	0.05	0.0525	3.96	1.08	9.2	-5.24
1941	3.39	0.05	0.0525	3.29	1.11	15.3	-12.01
1942	3.15	0.05	0.0525	3.05	1.15	11.3	-8.25
1943	3.32	0.05	0.0525	3.22	1.18	5.1	-1.88
1944	3.27	0.05	0.0525	3.17	1.22	2.10	1.07
1945	3.29	0.05	0.0525	3.19	1.26	0.70	2.49
1946	3.10	0.05	0.0525	3.00	1.30	0.50	2.50
1947	3.17	0.05	0.0525	3.07	1.34	4.50	-1.43
1948	3.42	0.05	0.0525	3.32	1.38	0.30	3.02
1949	2.94	0.05	0.0525	2.84	1.42	-0.80	3.64
1950	2.67	0.05	0.0525	2.57	1.46	-1.50	4.07
1951	2.94	0.05	0.0525	2.84	1.50	4.80	-1.96
1952	2.84	0.05	0.0525	2.74	1.54	2.60	0.14
1953	2.55	0.05	0.0525	2.45	1.58	-0.70	3.15
1954	2.62	0.05	0.0525	2.52	1.62	0.70	1.82
1955	2.97	0.05	0.0525	2.87	1.66	0.90	1.97
1956	3.11	0.05	0.0525	3.01	1.71	1.50	1.51
1957	3.64	0.05	0.0525	3.54	1.77	0.20	3.34
1958	3.19	0.05	0.0525	3.09	1.83	1.80	1.29
1959	3.07	0.05	0.0525	2.97	1.88	-0.60	3.57
1960	3.10	0.05	0.0525	3.00	1.94	1.40	1.60
1961	2.96	0.05	0.0525	2.86	2.00	1.80	1.06
1962	3.12	0.05	0.0525	3.02	2.06	4.30	-1.28
1963	3.24	0.05	0.0525	3.14	2.12	3.40	-0.26
1964	3.96	0.05	0.0525	3.86	2.20	3.10	0.76
1965	3.95	0.05	0.0525	3.85	2.29	3.40	0.45
1966	4.15	0.05	0.0525	4.05	2.38	4.80	-0.75
1967	4.62	0.05	0.0525	4.52	2.49	4.00	0.52
1968	4.39	0.05	0.0525	4.29	2.59	2.40	1.89
1969	4.88	0.10	0.0525	4.73	2.72	2.50	2.23
1970	5.71	0.10	0.0525	5.56	2.87	3.60	1.96
1971	5.29	0.10	0.0525	5.14	3.01	6.60	-1.46
1972	4.96	0.10	0.0525	4.81	3.16	6.70	-1.89
1973	5.55	0.10	0.0525	5.40	3.33	8.70	-3.30
1974	7.12	0.10	0.0525	6.97	3.56	9.80	-2.83
1975	6.48	0.10	0.0525	6.33	3.79	6.70	-0.37
1976	5.04	0.10	0.0525	4.89	3.97	1.70	3.19
1977	4.05	0.10	0.0525	3.90	4.13	1.30	2.60
1978	3.36	0.10	0.0525	3.21	4.26	1.00	2.21
1979	3.45	0.10	0.0525	3.30	4.40	3.60	-0.30
1980	4.77	0.10	0.0525	4.62	4.60	4.00	0.62
1981	5.57	0.10	0.0525	5.42	4.85	6.50	-1.08
1982	4.64	0.10	0.0525	4.49	5.07	5.70	-1.21
1983	4.16	0.12	0.0525	3.99	5.27	2.00	1.99
1984	4.53	0.12	0.0525	4.36	5.50	2.90	1.46
1985	4.71	0.12	0.0525	4.54	5.75	3.40	1.14
1986	4.24	0.12	0.0525	4.07	5.99	0.70	3.37
1987	4.04	0.12	0.0525	3.87	6.22	1.50	2.37
1988	4.00	0.12	0.0525	3.83	6.46	1.90	1.93
1989	5.13	0.12	0.0525	4.96	6.78	3.10	1.86
1990	6.40	0.15	0.0525	6.20	7.20	5.40	0.80
1991	6.23	0.15	0.0525	6.03	7.63	5.90	0.13
1992	6.42	0.15	0.0525	6.22	8.10	4.00	2.22
1993	4.58	0.15	0.0525	4.38	8.46	3.30	1.08
1994	4.93	0.15	0.0525	4.73	8.86	0.90	3.83
1995	4.57	0.15	0.0525	4.37	9.25	1.80	2.57
1996	4.00	0.15	0.0525	3.80	9.60	0.80	3.00
1997	3.40	0.15	0.0525	3.20	9.90	0.50	2.70
1998	2.93	0.15	0.0525	2.73	10.17	0.00	2.72

Compounded Average Annual Rate Of Return:

3.94%

0.68%

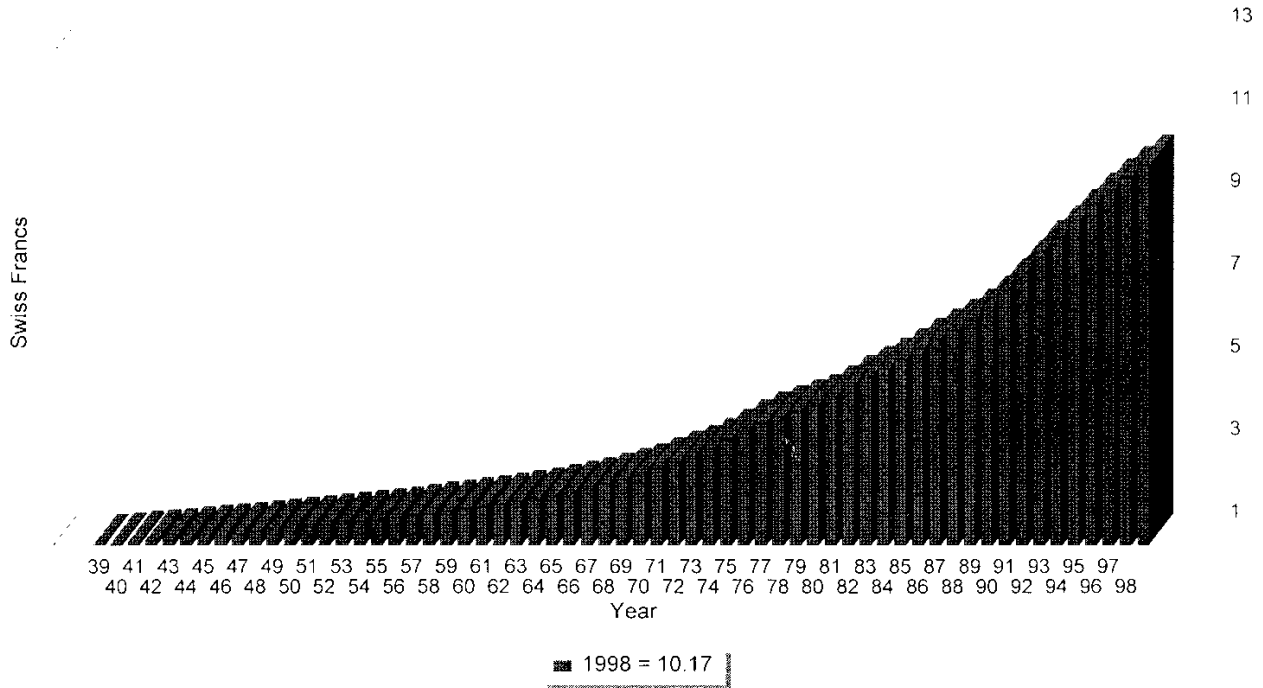
Note:

(1) Full year 1998 is a projection utilizing average rates prevailing through June 30, 1998.

(2) Utilized Swiss Consumer Price Index.

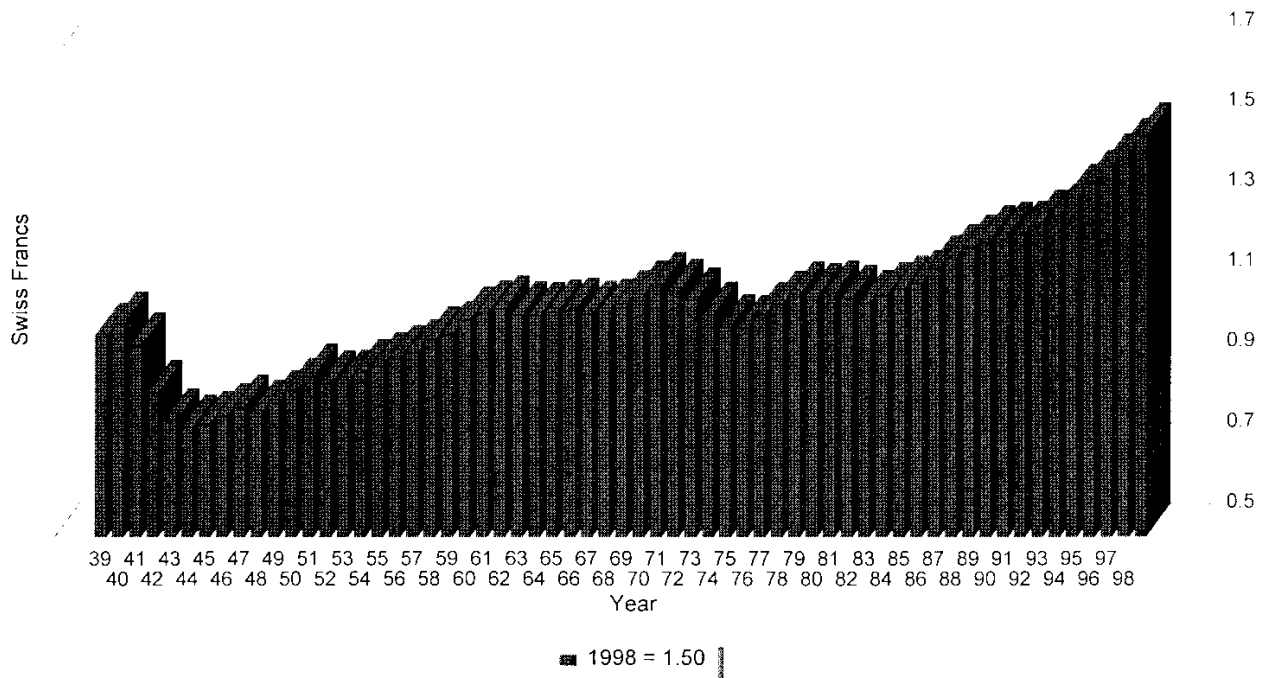
Swiss Federal Government Bonds - Figure 24

Compounded Nominal Value Of 1 Swiss Franc - 1939-1998



Swiss Federal Government Bonds - Figure 25

Compounded Real Value Of 1 Swiss Franc - 1939-1998



Note: Adjusted for Swiss Consumer Price Index

Figure 26
Swiss Equities
1939-1998
 (Compounded Nominal Value Of 1 Swiss Franc)

Year (1)	Index (2)	% Chang In Index	Dividend Yield % (3)	Gross Return	Safekeeping Charge	Management Fee	Net Return	Compounded Nominal Value
	188.70							1.00
1939	163.20	-13.51	2.00	-11.51	0.05	0.50	-12.06	0.88
1940	145.40	-10.91	2.00	-8.91	0.05	0.50	-9.46	0.80
1941	165.90	14.10	2.00	16.10	0.05	0.50	15.55	0.92
1942	186.60	12.48	2.00	14.48	0.05	0.50	13.93	1.05
1943	186.10	-0.27	2.00	1.73	0.05	0.50	1.18	1.06
1944	183.30	-1.50	2.00	0.50	0.05	0.50	-0.05	1.06
1945	189.50	3.38	2.00	5.38	0.05	0.50	4.83	1.11
1946	232.90	22.90	2.00	24.90	0.05	0.50	24.35	1.38
1947	248.50	6.70	2.00	8.70	0.05	0.50	8.15	1.49
1948	233.90	-5.88	2.00	-3.88	0.05	0.50	-4.43	1.43
1949	229.40	-1.92	2.00	0.08	0.05	0.50	-0.47	1.42
1950	253.00	10.29	2.00	12.29	0.05	0.50	11.74	1.59
1951	287.70	13.72	2.00	15.72	0.05	0.50	15.17	1.83
1952	311.60	8.31	2.00	10.31	0.05	0.50	9.76	2.01
1953	323.40	3.79	2.00	5.79	0.05	0.50	5.24	2.11
1954	375.90	16.23	2.00	18.23	0.05	0.50	17.68	2.49
1955	438.80	16.73	2.00	18.73	0.05	0.50	18.18	2.94
1956	445.60	1.55	2.00	3.55	0.05	0.50	3.00	3.03
1957	410.80	-7.81	2.00	-5.81	0.05	0.50	-6.36	2.83
1958	408.90	-0.46	2.00	1.54	0.05	0.50	0.99	2.86
1959	518.00	26.68	2.00	28.68	0.05	0.50	28.13	3.67
1960	698.90	34.92	2.00	36.92	0.05	0.50	36.37	5.00
1961	991.80	41.91	2.00	43.91	0.05	0.50	43.36	7.17
1962	940.30	5.19	2.00	-3.19	0.05	0.50	-3.74	6.90
1963	815.60	-13.26	2.00	11.26	0.05	0.50	-11.81	6.09
1964	698.90	-14.31	2.00	-12.31	0.05	0.50	-12.86	5.30
1965	586.40	-16.10	2.00	-14.10	0.05	0.50	-14.65	4.53
1966	500.90	-14.58	2.00	-12.58	0.05	0.50	-13.13	3.93
1967	105.00	5.00	2.00	7.00	0.05	0.50	6.45	4.19
1968	144.50	37.62	2.00	39.62	0.05	0.50	39.07	5.82
1969	168.00	16.26	2.00	18.26	0.10	0.50	17.66	6.85
1970	148.80	-11.43	2.00	-9.43	0.10	0.50	-10.03	6.16
1971	155.80	4.70	2.00	6.70	0.10	0.50	6.10	6.54
1972	183.20	17.59	2.00	19.59	0.10	0.50	18.99	7.78
1973	177.40	-3.17	2.00	-1.17	0.10	0.50	1.77	7.64
1974	133.70	-24.63	2.00	-22.63	0.10	0.50	-23.23	5.87
1975	130.10	2.69	2.00	-0.69	0.10	0.50	-1.29	5.79
1976	144.10	10.76	2.00	12.76	0.10	0.50	12.16	6.50
1977	152.00	5.48	2.00	7.48	0.10	0.50	6.88	6.94
1978	154.80	1.84	2.00	3.84	0.10	0.50	3.24	7.17
1979	168.00	8.53	2.00	10.53	0.10	0.50	9.93	7.88
1980	166.80	-0.71	2.00	1.29	0.10	0.50	0.69	7.93
1981	153.50	-7.97	2.00	-5.97	0.10	0.50	-6.57	7.41
1982	148.10	-3.52	2.00	-1.52	0.10	0.50	-2.12	7.26
1983	175.00	18.16	2.00	20.16	0.12	0.50	19.54	8.67
1984	187.40	7.09	2.00	9.09	0.12	0.50	8.47	9.41
1985	240.30	28.23	2.00	30.23	0.12	0.50	29.61	12.19
1986	299.40	24.59	2.00	26.59	0.12	0.50	25.97	15.36
1987	284.70	4.91	2.00	-2.91	0.12	0.50	-3.53	14.82
1988	247.40	-13.10	2.00	-11.10	0.12	0.50	-11.72	13.08
1989	1082.50	24.88		24.88	0.12	0.50	24.26	16.25
1990	1043.50	-3.60		-3.60	0.15	0.50	-4.25	15.56
1991	1065.60	2.12		2.12	0.15	0.50	1.47	15.79
1992	1155.70	8.46		8.46	0.15	0.50	7.81	17.02
1993	1507.60	30.45		30.45	0.15	0.50	29.80	22.10
1994	1766.80	17.19		17.19	0.15	0.50	16.54	25.75
1995	1862.60	5.42		5.42	0.15	0.50	4.77	26.98
1996	2339.30	25.59		25.59	0.15	0.50	24.94	33.71
1997	3344.20	42.96		42.96	0.15	0.50	42.31	47.97
1998	4932.40	47.49		47.49	0.15	0.50	46.84	70.45

Compounded Average Annual Rate Of Return:

7.35%

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Notes:

(1) Full year 1998 is a projection utilizing values prevailing at June 30, 1998.

(2) Index was rebased in 1967 at 100 and 1988 at 866.83.

(3) Dividend yield was assumed to be 2.00% per annum from 1939-1988. Index from 1989-1997 incorporates dividend reinvestment.

Figure 27
Swiss Equities
1939-1998

(Compounded Real Value Of 1 Swiss Franc)

<u>Year (1)</u>	<u>Index</u>	<u>Net Nominal Return</u>	<u>Inflation Rate CPI (2)</u>	<u>Return Inflation Adjusted</u>	<u>Compounded Real Value</u>
	188.74				1.00
1939	163.20	-12.06	0.80	-12.86	0.87
1940	145.40	-9.46	9.20	-18.66	0.71
1941	165.90	15.55	15.30	0.25	0.71
1942	186.60	13.93	11.30	2.63	0.73
1943	186.10	1.18	5.10	-3.92	0.70
1944	183.30	-0.05	2.10	-2.15	0.69
1945	189.50	4.83	0.70	4.13	0.71
1946	232.90	24.35	0.50	23.85	0.88
1947	248.50	8.15	4.50	3.65	0.92
1948	233.90	-4.43	0.30	-4.73	0.87
1949	229.40	-0.47	-0.80	0.33	0.88
1950	253.00	11.74	-1.50	13.24	0.99
1951	287.70	15.17	4.80	10.37	1.09
1952	311.60	9.76	2.60	7.16	1.17
1953	323.40	5.24	-0.70	5.94	1.24
1954	375.90	17.68	0.70	16.98	1.45
1955	438.80	18.18	0.90	17.28	1.71
1956	445.60	3.00	1.50	1.50	1.73
1957	410.80	-6.36	0.20	-6.56	1.62
1958	408.90	0.99	1.80	-0.81	1.60
1959	518.00	28.13	-0.60	28.73	2.06
1960	698.90	36.37	1.40	34.97	2.79
1961	991.80	43.36	1.80	41.56	3.95
1962	940.30	-3.74	4.30	-8.04	3.63
1963	815.60	-11.81	3.40	-15.21	3.08
1964	698.90	-12.86	3.10	-15.96	2.59
1965	586.40	-14.65	3.40	-18.05	2.12
1966	500.90	-13.13	4.80	-17.93	1.74
1967	105.00	6.45	4.00	2.45	1.78
1968	144.50	39.07	2.40	36.67	2.43
1969	168.00	17.66	2.50	15.16	2.80
1970	148.80	-10.03	3.60	-13.63	2.42
1971	155.80	6.10	6.60	-0.50	2.41
1972	183.20	18.99	6.70	12.29	2.71
1973	177.40	-1.77	8.70	-10.47	2.42
1974	133.70	-23.23	9.80	-33.03	1.62
1975	130.10	-1.29	6.70	-7.99	1.49
1976	144.10	12.16	1.70	10.46	1.65
1977	152.00	6.88	1.30	5.58	1.74
1978	154.80	3.24	1.00	2.24	1.78
1979	168.00	9.93	3.60	6.33	1.89
1980	166.80	0.69	4.00	-3.31	1.83
1981	153.50	-6.57	6.50	-13.07	1.59
1982	148.10	-2.12	5.70	-7.82	1.47
1983	175.00	19.54	2.00	17.54	1.72
1984	187.40	8.47	2.90	5.57	1.82
1985	240.30	29.61	3.40	26.21	2.30
1986	299.40	25.97	0.70	25.27	2.88
1987	284.70	-3.53	1.50	-5.03	2.73
1988	247.40	-11.72	1.90	-13.62	2.36
1989	1082.50	24.26	3.10	21.16	2.86
1990	1043.50	-4.25	5.40	-9.65	2.58
1991	1065.60	1.47	5.90	-4.43	2.47
1992	1155.70	7.81	4.00	3.81	2.56
1993	1507.60	29.80	3.30	26.50	3.24
1994	1766.80	16.54	0.90	15.64	3.75
1995	1862.60	4.77	1.80	2.97	3.86
1996	2339.30	24.94	0.80	24.14	4.79
1997	3344.20	42.31	0.50	41.81	6.80
1998	4932.40	46.84	0.00	46.84	9.98

Compounded Average Annual Rate Of Return: 3.91%

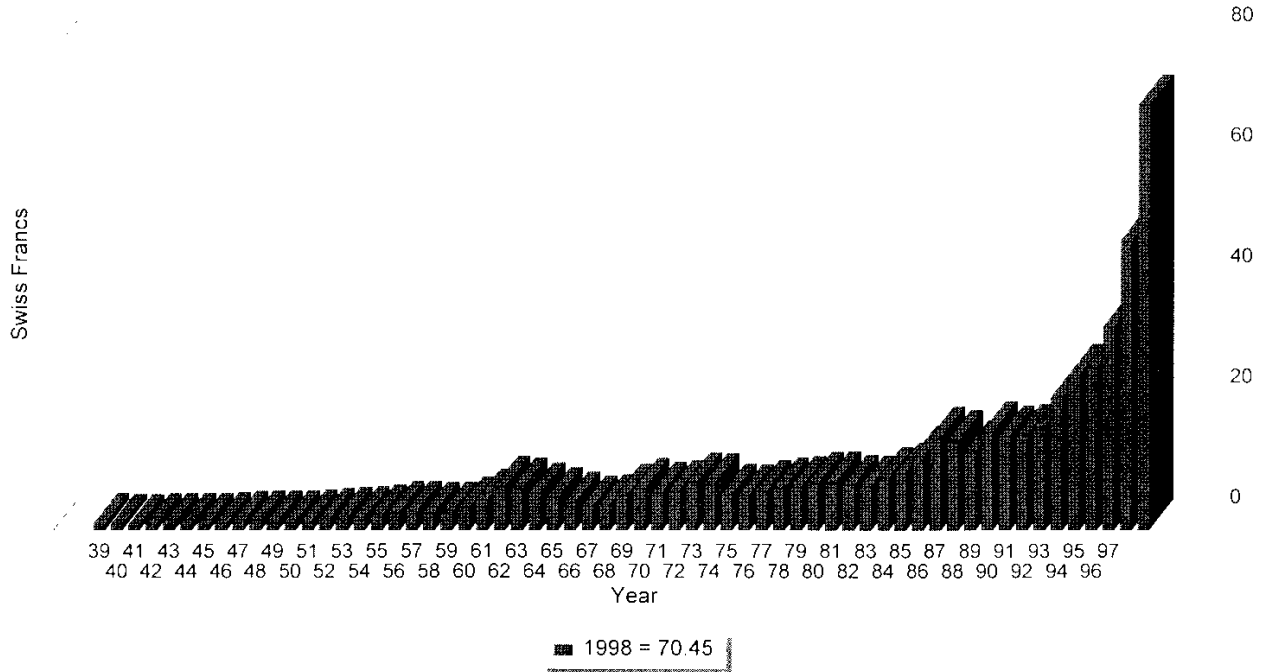
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Notes:

- (1) Full year 1998 is a projection utilizing values prevailing at June 30, 1998.
(2) Utilized Swiss Consumer Price Index.

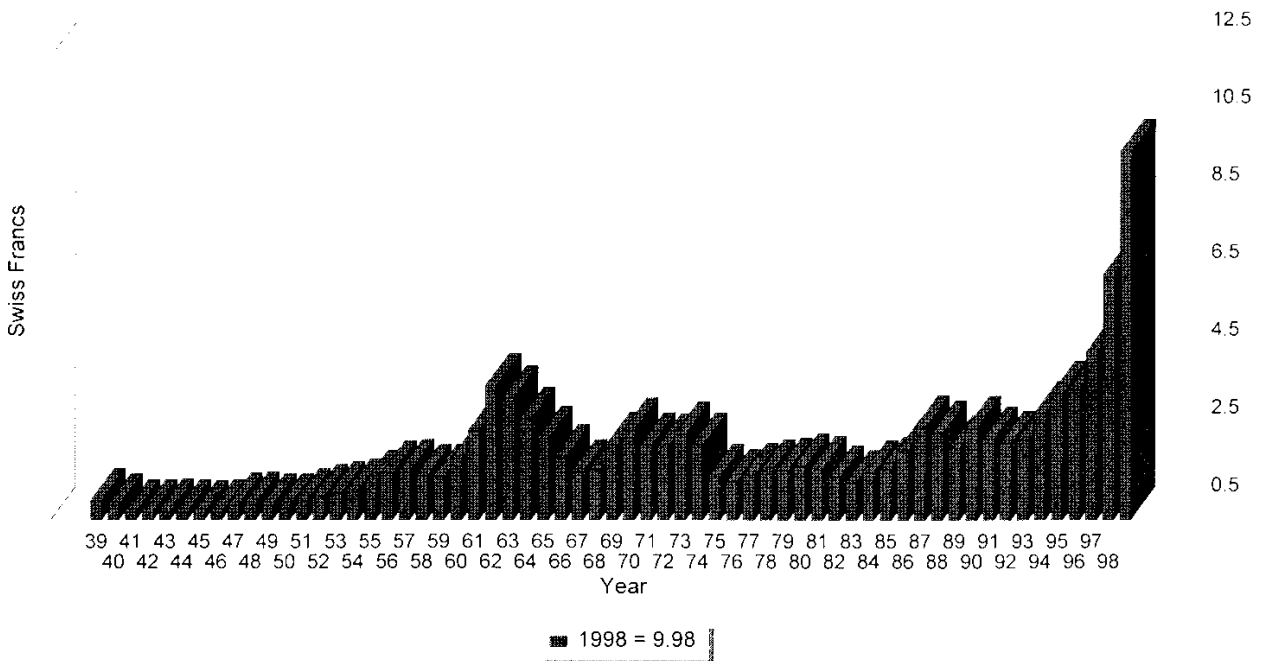
Swiss Equities - Figure 28

Compounded Nominal Value Of 1 Swiss Franc - 1939-1998



Swiss Equities - Figure 29

Compounded Real Value Of 1 Swiss Franc - 1939-1998



Note: Adjusted for Swiss Consumer Price Index

Figure 30
Managed Accounts - Swiss Bonds And Equities
1939-1998
 (Compounded Value Of 1 Swiss Franc)

Year (1)	Equities		Bonds		Inflation Adjusted		Portfolio Allocation		Compounded Values	
	Nominal Return	Net Yield	Inflation Rate CPI (1)	Returns	Returns	Percent	Percent	Nominal	Real	
1939	-12.06	3.66	0.80	-12.86	2.86	0.00	1.00	1.00	1.03	
1940	-9.46	3.96	9.20	-18.66	-5.24	0.00	1.00	1.08	0.97	
1941	15.55	3.29	15.30	0.25	-12.01	0.00	1.00	1.11	0.86	
1942	13.93	3.05	11.30	2.63	-8.25	0.00	1.00	1.15	0.79	
1943	1.18	3.22	5.10	-3.92	-1.88	0.00	1.00	1.18	0.77	
1944	-0.05	3.17	2.10	-2.15	1.07	0.00	1.00	1.22	0.78	
1945	4.83	3.19	0.70	4.13	2.49	0.00	1.00	1.26	0.80	
1946	24.35	3.00	0.50	23.85	2.50	0.00	1.00	1.30	0.82	
1947	8.15	3.07	4.50	3.65	-1.43	0.00	1.00	1.34	0.81	
1948	-4.43	3.32	0.30	-4.73	3.02	0.00	1.00	1.38	0.83	
1949	-0.47	2.84	-0.80	0.33	3.64	0.00	1.00	1.42	0.86	
1950	11.74	2.57	-1.50	13.24	4.07	0.00	1.00	1.46	0.90	
1951	15.17	2.84	4.80	10.37	-1.96	0.00	1.00	1.50	0.88	
1952	9.76	2.74	2.60	7.16	0.14	0.00	1.00	1.54	0.88	
1953	5.24	2.45	-0.70	5.94	3.15	0.00	1.00	1.58	0.91	
1954	17.68	2.52	0.70	16.98	1.82	0.00	1.00	1.62	0.93	
1955	18.18	2.87	0.90	17.28	1.97	0.00	1.00	1.66	0.94	
1956	3.00	3.01	1.50	1.50	1.51	0.05	0.95	1.71	0.96	
1957	-6.36	3.54	0.20	-6.56	3.34	0.05	0.95	1.77	0.99	
1958	0.99	3.09	1.80	-0.81	1.29	0.05	0.95	1.82	1.00	
1959	28.13	2.97	-0.60	28.73	3.57	0.05	0.95	1.90	1.04	
1960	36.37	3.00	1.40	34.97	1.60	0.05	0.95	1.98	1.08	
1961	43.36	2.86	1.80	41.56	1.06	0.05	0.95	2.08	1.11	
1962	-3.74	3.02	4.30	-8.04	-1.28	0.05	0.95	2.14	1.09	
1963	-11.81	3.14	3.40	-15.21	-0.26	0.05	0.95	2.19	1.08	
1964	-12.86	3.86	3.10	-15.96	0.76	0.05	0.95	2.25	1.08	
1965	-14.65	3.85	3.40	-18.05	0.45	0.05	0.95	2.32	1.08	
1966	-13.13	4.05	4.80	-17.93	-0.75	0.10	0.90	2.37	1.05	
1967	6.45	4.52	4.00	2.45	0.52	0.10	0.90	2.49	1.06	
1968	39.07	4.29	2.40	36.67	1.89	0.10	0.90	2.68	1.11	
1969	17.66	4.73	2.50	15.16	2.23	0.10	0.90	2.84	1.15	
1970	-10.03	5.56	3.60	-13.63	1.96	0.10	0.90	2.95	1.16	
1971	6.10	5.14	6.60	-0.50	-1.46	0.10	0.90	3.11	1.14	
1972	18.99	4.81	6.70	12.29	-1.89	0.10	0.90	3.30	1.14	
1973	-1.77	5.40	8.70	-10.47	-3.30	0.10	0.90	3.46	1.09	
1974	-23.23	6.97	9.80	-33.03	-2.83	0.10	0.90	3.59	1.03	
1975	-1.29	6.33	6.70	-7.99	-0.37	0.10	0.90	3.79	1.02	
1976	12.16	4.89	1.70	10.46	3.19	0.25	0.75	4.05	1.07	
1977	6.88	3.90	1.30	5.58	2.60	0.25	0.75	4.24	1.10	
1978	3.24	3.21	1.00	2.24	2.21	0.25	0.75	4.37	1.13	
1979	9.93	3.30	3.60	6.33	-0.30	0.25	0.75	4.59	1.14	
1980	0.69	4.62	4.00	-3.31	0.62	0.25	0.75	4.76	1.14	
1981	-6.57	5.42	6.50	-13.07	-1.08	0.25	0.75	4.87	1.09	
1982	-2.12	4.49	5.70	-7.82	-1.21	0.25	0.75	5.01	1.06	
1983	19.54	3.99	2.00	17.54	1.99	0.25	0.75	5.40	1.12	
1984	8.47	4.36	2.90	5.57	1.46	0.25	0.75	5.69	1.15	
1985	29.61	4.54	3.40	26.21	1.14	0.25	0.75	6.31	1.24	
1986	25.97	4.07	0.70	25.27	3.37	0.40	0.60	7.12	1.39	
1987	-3.53	3.87	1.50	-5.03	2.37	0.40	0.60	7.18	1.38	
1988	-11.72	3.83	1.90	-13.62	1.93	0.40	0.60	7.01	1.32	
1989	24.26	4.96	3.10	21.16	1.86	0.40	0.60	7.90	1.44	
1990	-4.25	6.20	5.40	-9.65	0.80	0.40	0.60	8.06	1.40	
1991	1.47	6.03	5.90	-4.43	0.13	0.40	0.60	8.40	1.37	
1992	7.81	6.22	4.00	3.81	2.22	0.40	0.60	8.97	1.41	
1993	29.80	4.38	3.30	26.50	1.08	0.40	0.60	10.28	1.57	
1994	16.54	4.73	0.90	15.64	3.83	0.40	0.60	11.25	1.70	
1995	4.77	4.37	1.80	2.97	2.57	0.40	0.60	11.76	1.75	
1996	24.94	3.80	0.80	24.14	3.00	0.40	0.60	13.20	1.95	
1997	42.31	3.20	0.50	41.81	2.70	0.40	0.60	15.69	2.31	
1998	46.84	2.73	0.00	46.84	2.72	0.40	0.60	18.89	2.78	

Compounded Average Annual Rate Of Return:

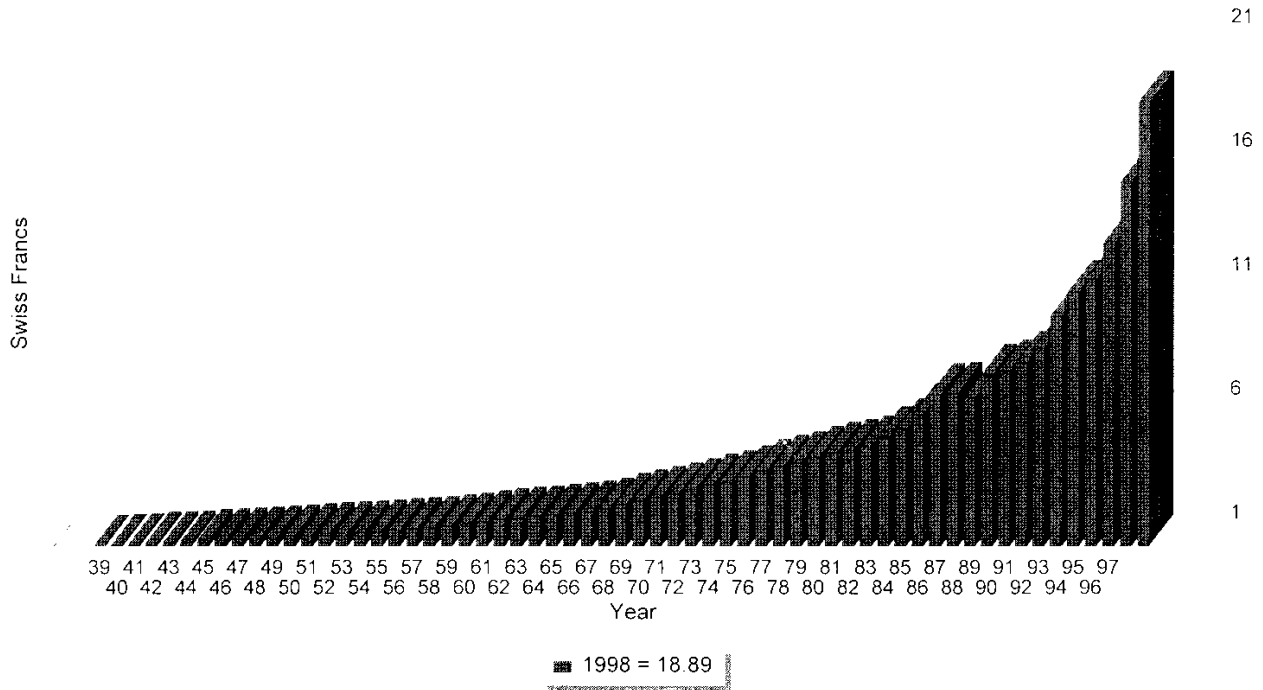
5.02% 1.72%

Notes:

- (1) Full year 1998 is a projection utilizing values prevailing at June 30, 1998.
 (2) Utilized Swiss Consumer Price Index.

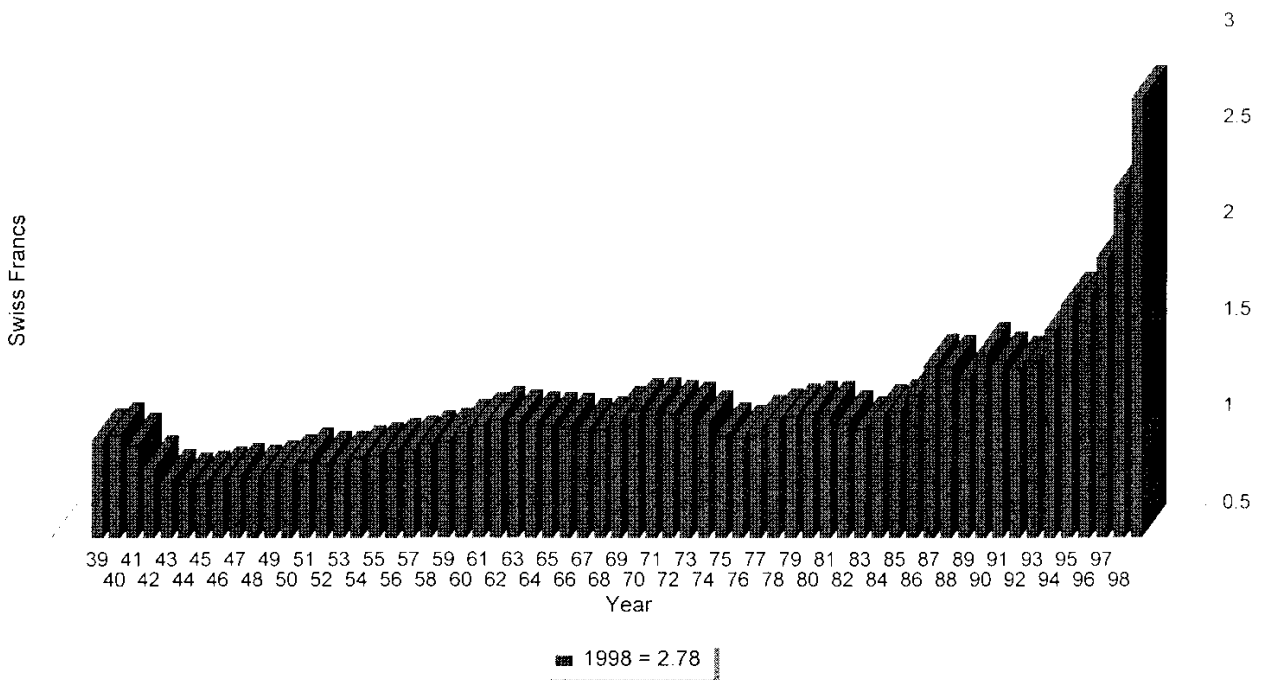
Managed Accounts - Swiss Bonds And Stocks - Figure 31

Compounded Nominal Value Of 1 Swiss Franc - 1939-1998



Managed Accounts - Swiss Bonds And Stocks - Figure 32

Compounded Real Value Of 1 Swiss Franc - 1939-1998



Note: Adjusted for Swiss Consumer Price Index

Auditor Reporting Requirements – December 1998

I. Preamble

ICEP was established to conduct a comprehensive, intensive, and independent investigation to determine whether there are any dormant accounts and other assets and financial instruments of the victims of Nazi persecution that were deposited before, during, and immediately after the Second World War in banks located in Switzerland. The scope of the audit includes an examination of whether there were accounts that would presently exist as dormant accounts in Swiss banks but for the fact that the funds in the accounts are unavailable for reasons other than their return to the original depositors or their legal representatives. The critical definitions adopted by ICEP for its investigation are contained in Annex A.

II. Reporting Instructions

Based on the First and Second Phase Mandates, the audit firms should include the elements contained in these reporting requirements in their December 1998 report for each bank they have been mandated to investigate. The audit firms may be specifically authorized by ICEP in writing to limit their reports for certain smaller banks, where the full scope of these reporting requirements would not be appropriate, and further reporting requirements will be issued as to the content of such reports.

A. Sources and Methodology

- a detailed description of the investigative plan implemented by the audit firm in carrying out the investigation, including, but not limited to, a description of:
 - the techniques and procedures used to carry out the investigation;
 - the methods used for identifying and analyzing relevant bank documentation;
 - the process of collecting data on accounts during the Relevant Period and creating computer databases of this information;
 - the process of matching the accounts databases with external databases, and analyzing and researching the resulting matches;

- other forensic accounting investigation methods used;
- the process of researching and analyzing closed accounts, including collective and suspense accounts;
- the sources of information utilized, including those outside of the bank (e.g., the Bergier Commission);
- the work performed by the staff of the bank;
- a list of any cases where the audit firm was not granted unfettered access to bank records.

B. Records & Record Keeping

- a review of the bank's record keeping practices during the 1933-1945 period and thereafter, the banks' practices with respect to the retention and destruction of records (including account opening, closing, transactional and other record keeping records), storage, or archiving systems, and the chain of custody for relevant bank records, and including a report on compliance with Swiss laws and regulations on destruction of bank records;
 - to the extent that there is only partial or incomplete opening, closing, or transaction account records for any type of account of the bank for the Relevant Period, report on any evidence that has been developed bearing on the proportion of the total number of accounts and the total amounts of such accounts represented by the missing records, as well as the circumstances in which the relevant records were destroyed, with particular emphasis on seeking to determine whether or not the missing records were destroyed in the ordinary course of business as part of the bank's regular records storage policy;
 - a report on the accuracy and integrity of bank record keeping for accounts that became dormant accounts both before and after they became dormant accounts;

C. Dormant Accounts

- a list of all dormant accounts (including all types of accounts, e.g., current accounts, safes, numbered accounts, depot accounts, etc.) which includes:
 - (1) the nationality/domicile of the account holder,
 - (2) the amount in the account at any relevant time for which information is available (including the opening principal amount, the amount in 1945, the current principal

balance or current value of the account, the amount of interest and rate of interest that has been paid on the account, and the record of additions or subtractions to the account over the period of its existence including any fees charged to the account);

(3) any information on whether the account belonged to a victim of Nazi persecution;

- provide summary data on

(1) the total number and amount of dormant accounts;

(2) the total number and amount of such accounts by nationality and by type of account;

(3) the proportion of the number and amount of all accounts and each type of account included in the accounts database;

(4) the total number and amounts of accounts of victims of Nazi persecution;

- review for each bank investigated the number and amount of dormant accounts published by the SBA and provide information on such accounts by size, account type and nationality of account holder;

D. Closed Accounts

- a list of closed accounts that belonged to victims of Nazi persecution, including (if available) a description of the facts and circumstances under which the accounts were closed, as well as whether the account balance was paid to the account holder or his or her heirs or successors in interest;

- provide any information available on whether closed accounts were paid to the account holder, his or her heirs or another person entitled by the account holder to withdraw funds; turned over to the government according to applicable law; or misappropriated by the bank or its employees;

E. Collective or Suspense Accounts

- a report on accounts incorporated into suspense accounts including:

(1) the number of such accounts,

(2) the amount of such incorporated accounts,

(3) the number and amount of such accounts by nationality,

(4) the number and amount of such accounts by type of account,

(5) the number and amount of such accounts taken into profits,

(6) the proportion of such accounts included in the accounts databases,

(7) an analysis of suspense, pooled, collection, custody and other accounts into which dormant accounts may have been transferred, as well as transfers to charity, inter-governmental payments, and permitted terminations of liability on certificates of deposit or other bank liabilities after passage of time;

(8) a description of the degree of success in unbundling collective accounts;

F. Results from Use of Other Forensic Accounting Investigative Techniques

- a report on the results of any other forensic accounting investigative techniques;

G. Policies and Practices Regarding Interest, Fees, and Charges

- a description of fees or other charges that have been assessed on all dormant, closed or collective accounts and the cumulative amount of such fees (if available);

- a report on the policies and practices on the payment of interest, application of fees and charges, and management of dormant accounts and accounts of victims of Nazi persecution as compared to non-dormant accounts and accounts of persons that were not victims of Nazi persecution, respectively;

H. Irregularities in Record Keeping, Misapplication, or Embezzlement of Accounts, Etc.

- a report on any evidence of:

(1) any deliberate or inadvertent record keeping errors or misclassifications of accounts, missing records, or irregularities in record keeping,

(2) systematic or isolated cases of misapplication or embezzlement of dormant or closed accounts by the bank, its employees, or third parties (with or without the knowledge of the bank);

(3) any lapses from accepted standards of ethical behavior expected of bank or other fiduciaries at the time any such actions were taken;

(4) bank policies or practices of obstructing access to dormant accounts,

(5) bank policies or practices of diverting dormant accounts to unauthorized uses;

(6) any systematic or isolated cases where treatment of accounts of victims of Nazi persecution varies from the treatment accorded to accounts of other customers; and

(7) any case where the bank has treated claims of Holocaust victims and their heirs who were attempting to recover deposited assets differently from claims of other individuals attempting to recover deposited assets.

- for any account related to the above, information regarding:

(1) the number of accounts,

(2) the amount of the accounts (in 1945 and now),

(3) the amount by which the account was affected,

and

(4) any information regarding or an estimate of the number and amount that belonged to victims of Nazi persecution.

- at each bank investigated, if no evidence has been found of systematic, deliberate errors or other irregularities in record keeping, significant departures from generally accepted accounting principles, misapplication or embezzlement of dormant or closed accounts, or similar systemic illegal or

unethical activity, the report on each such bank shall state that no such evidence has been found and shall detail the scope of the investigation made which provided the basis for this assessment of the bank's record.

I. Intermediaries Looted Assets & Other Cooperation with Bergier Commission

- a report on accounts matched with third party intermediaries and the amount in such accounts;
- a report on all evidence of looted assets;
- a report on any other evidence relevant to the Bergier Commission's investigation;

J. Methodologies of Previous Searches

- a report on the bank's methodologies and implementation procedures as regards previous searches for dormant accounts, including a description of the banks' compliance with Swiss laws and regulations, as well as directives of the SBA, as regards previous searches for dormant accounts.

ANNEX A Definitions

Account: accounts, assets or financial instruments of every kind, including, but not limited to cash, securities, art, jewelry, collectibles, gold and other valuable metals, held by a Swiss bank in any form and under any legal regime, e.g., general deposits, special deposits, safety deposit boxes or other trust, custody or funds management arrangements

"But For" Accounts: accounts that would presently exist as dormant accounts in Swiss banks but for the fact that the funds in the account are unavailable for reasons other than their return to the original depositors or their legal representatives.

Dormant Accounts: an account (i) with respect to which there have been no withdrawals or additions by, and no correspondence or other contacts with the account holder(s) or their representative(s) or with the beneficiary(ies) for a period of at least ten years in arrears from November 1, 1996; or (ii) whose holder(s) or representative(s) (physical person(s) or legal entity(ies)) are connected with the bank and with respect to which the only activity for a period of at least ten years in arrears from November 1, 1996, have been charges of fees and/or costs of administration or other action by the bank.

Relevant Period: January 1, 1933 to December 31, 1945

Victim of Nazi Persecution: In the past, this term has been narrowly construed so as to act as a barrier to a complete and just evaluation of the scope of the dormant account issue. The term is to be construed broadly to cover all persons fairly within this concept. For example, in the past this term was used to exclude persons who had died of disease, and include only those persons, or categories of persons, who had died of direct Nazi violence. To assure that this term is as understood by the Association, the Firms are directed to bring to the attention of the Association any doubtful categories of cases of inclusion or exclusion of people who deposited funds during the Relevant Period whose accounts have been closed or are dormant.

Class Action Settlement Agreement

This Settlement Agreement (“Settlement Agreement”) is made and entered into as of this 26th day of January 1999, by and between Settling Defendants and Settling Plaintiffs.

WHEREAS concerns have been raised about actions and omissions of Settling Defendants and other Releasees before, during, and after the Nazi Regime’s rule in Germany relating principally to financial transactions with or affecting Victims or Targets of Nazi Persecution as defined herein;

WHEREAS Plaintiffs commenced the Filed Actions, and specifically alleged, *inter alia*, that Settling Defendants (1) collaborated with the Nazi Regime and participated in a scheme to (a) unlawfully retain class members’ accounts deposited prior to and during the Second World War; (b) obtain for deposit, transfer, or exchange, assets looted by the Nazi Regime and its agents; and (c) profit from the use of slave labor, the fruits of which were deposited with Settling Defendants; and (2) concealed the true nature and scope of their conduct during and following the Holocaust all allegations that Settling Defendants dispute;

WHEREAS Settling Defendants believe that they could assert, have asserted, and would prevail in court on, defenses to the claims asserted against them; and Settling Plaintiffs believe to the contrary;

WHEREAS Settling Defendants and other Releasees, in recognition of the legal, moral and material aspects of the concerns referred to above, have initiated and pursued certain ameliorative measures outside the context of any litigation, such as establishing and supporting: (1) the Special Fund for Needy Victims of the Holocaust/Shoah (“Humanitarian Fund”), initiated by Settling Defendants in February 1997 with a voluntary contribution of approximately \$70 million to provide humanitarian aid to needy Holocaust survivors; (2) the Independent Committee of Eminent Persons (“ICEP”), chaired by Paul A. Volcker, which was established in 1996 by the Swiss Bankers Association, the World Jewish Congress, and other Jewish organizations to conduct an independent audit of Swiss banks to identify accounts from the World War II era that could possibly belong to victims of Nazi persecution; (3) the Independent Claims Resolution Foundation (“ICRF”), also chaired by Paul A. Volcker, which was

established to oversee an objective, impartial, streamlined process for resolving claims to dormant accounts listed in notifications published worldwide by the Swiss Bankers Association; and (4) the Independent Commission of Experts, an independent group of internationally recognized historians chaired by Professor Jean François Bergier, which the Swiss Confederation established in 1996 to examine Switzerland’s relationship with Nazi Germany;

WHEREAS Settling Plaintiffs and Settling Defendants commit to support and urge the conclusion of the mandates of the Volcker Committee and the Bergier Commission;

WHEREAS Settling Defendants and Settling Plaintiffs wish to bring about prompt and complete closure with respect to the concerns and allegations referred to in the paragraphs above;

WHEREAS Settling Defendants and Settling Plaintiffs believe and affirm that this Settlement Agreement, in conjunction with the steps initiated by Settling Defendants and other Releasees described above, does and should bring about complete closure with respect to the concerns and allegations described in the paragraphs above, and thereby brings to an end all confrontation between Settling Plaintiffs and Organizational Endorsers on the one hand and Releasees on the other hand;

WHEREAS counsel for Settling Plaintiffs have conducted as thorough an investigation as possible relating to the claims and the underlying events and transactions alleged in Settling Plaintiffs’ complaints, having (1) analyzed available information adduced through informal discovery, (2) reviewed relevant public information at the U.S. Archives and other sources, (3) researched the applicable law with respect to the claims of Settling Plaintiffs and defenses of Settling Defendants and other Releasees, and (4) consulted with experts;

WHEREAS Settling Plaintiffs, by their counsel, have conducted arms-length negotiations with Settling Defendants with respect to a compromise and settlement of the Filed Actions and other Claims against Releasees with a view to settling and finally resolving the Settled Claims, and to achieving the best possible relief consistent with the interests of the Settlement Classes;

WHEREAS solely for purposes of the settlement set forth in this Settlement Agreement, Settling Defendants have consented to conditional certification of Settlement Classes pursuant to Rule 23 of the Federal Rules of Civil Procedure (“Fed. R. Civ. P. 23”);

WHEREAS based on the investigation, discovery, review of public information, and research described above, Settling Plaintiffs have concluded that the terms and conditions of this Settlement Agreement are fair, reasonable, and adequate to Settling Plaintiffs and in their best interests;

WHEREAS Settling Plaintiffs, through their counsel, have agreed to settle the claims raised in the Filed Actions and to resolve any additional Claims that they have or could bring against any Releasee, after considering (1) the substantial benefits that Settling Plaintiffs will receive from the settlement, (2) the attendant risks of litigation, and (3) the desirability of an immediate resolution;

WHEREAS this Settlement Agreement is fully supported by the Organizational Endorsers that have endorsed it; and

WHEREAS nothing in this Settlement Agreement shall be construed as or deemed to be an admission of any kind by any party or Releasee.

NOW THEREFORE, it is agreed by and among the parties to this Settlement Agreement, through their respective attorneys, subject to approval of the Court pursuant to Fed. R. Civ. P. 23, in consideration of the covenants herein and the benefits flowing to the parties, the Settlement Classes, and the Releasees under this Settlement Agreement, that all Claims against the Releasees shall be settled and released, and that the Filed Actions shall be dismissed with prejudice, upon and subject to the following terms and conditions, and in exchange for the substantial benefits this Settlement Agreement confers upon the Settlement Classes.

1. DEFINITIONS

As used in this Settlement Agreement and in addition to any definitions elsewhere in this Settlement Agreement, the following terms shall have the meanings set forth below:

Assets means any and all objects of value including but not limited to personal, commercial, real, tangible, and intangible property, including, without limitation, cash, securities, gems, gold and other precious metals, jewelry, documents, artworks, equipment, and intellectual property.

Claims or Settled Claims means any and all actions, causes of action, claims, Unknown Claims, obligations, damages, costs, expenses, losses, rights, promises, and agreements of any nature and demands whatsoever, from the beginning of the world to now and any time in the future, arising from or in connection with actual or alleged facts occurring on or before the date of this Settlement Agreement, whether in law, admiralty, or equity, whether class or individual, under any international, national, state, provincial, or municipal law, whether now accrued or asserted or hereafter arising or discovered, that may be, may have been, could have been, or

could, be brought in any jurisdiction before any court, arbitral tribunal, or similar body against any Releasee directly or indirectly, for, upon, by reason of, or in connection with any act or omission in any way relating to the Holocaust, World War II and its prelude and aftermath, Victims or Targets of Nazi Persecution, transactions with or actions of the Nazi Regime, treatment of refugees fleeing Nazi persecution by the Swiss Confederation or other Releasees, or any related cause or thing whatever, including, without limitation, all claims in the Filed Actions and all other claims relating to Deposited Assets, Looted Assets, Cloaked Assets, and/or Slave Labor, or any prior or future effort to recover on such claims directly or indirectly from any Releasee.

Claims Resolution Tribunal means the group of arbitrators acting under the auspices of the ICRF.

Class Notice has the meaning set forth in Section 9.2 hereof

Cloaked Assets means Assets wholly or partly owned, controlled by, obtained from, or held for the benefit of, any company incorporated, headquartered, or based in Germany or any other Axis country or other country occupied by an Axis country between 1933 and 1946 or any other entity or individual associated with the Nazi Regime (regardless of where such entity or individual was or is located, incorporated, headquartered, or conducting business), the identity, value, or ownership of which was in fact or allegedly disguised by, through, or as the result of any intentional or unintentional act or omission of or otherwise involving any Releasee, including, without limitation, Internationale Industrie und Handelsbeteiligungen A.G. (a.k.a. “Interhandel”), and its predecessors, successors, or affiliates.

Court means the United States District Court for the Eastern District of New York.

Deposited Assets means (1) any and all Assets actually or allegedly deposited by the beneficial owner, fiduciary, or other individual or organization with any custodian, including, without limitation, a bank, branch or agency of a bank, other banking organization or custodial institution or investment fund established or operated by a bank incorporated, headquartered, or based in Switzerland at any time (including, without limitation, the affiliates, subsidiaries, branches, agencies, or offices of such banks, branches, agencies, custodial institutions, and investment funds that are or were located either inside or outside Switzerland at any time) in any kind of account (including, without limitation, a safe deposit box or securities account) prior to May 9, 1945, that belonged to a Victim or Target of Nazi Persecution, including, without limitation, any Assets that Settling Defendants or Other Swiss Banks determine should be paid to a particular claimant because the Assets definitely or possibly belonged to a Victim or Target of Nazi Persecution; and/or (2) any and all Assets that the ICEP or the Claims Resolution Tribunal determines should be paid to a particular claimant or to the Settlement Fund because the Asset definitely or possibly belonged to an

individual, corporation, partnership, sole proprietorship, unincorporated association, community, congregation, group, organization, or other entity (including, without limitation, their respective heirs, successors, affiliates, and assigns) actually persecuted by the Nazi Regime or targeted for persecution by the Nazi Regime for any reason. A determination by the ICEP or the Claims Resolution Tribunal to award a special adjustment for interest or fees to a particular claimant pursuant to the guidelines of the Panel of Experts on Interest and Fees and Other Charges shall be deemed to establish that the claimant was persecuted or targeted for persecution within the meaning of subsection (2) of this definition.

Escrow Agreement means the agreement dated November 19, 1998, attached hereto as Exhibit A.

Escrow Fund means the fund referenced in Section 5.1 herein and established pursuant to the Escrow Agreement.

Fairness Hearing means the hearing conducted by the Court in connection with the determination of fairness, adequacy, and reasonableness of this Settlement Agreement under Fed. R. Civ. P. 23.

Filed Actions means **Weiss Haus, et al. v. Union Bank of Switzerland, et al.**, CV-96-4849, **Friedman, et al. v. Union Bank of Switzerland, et al.**, CV-96-5161, **Trilling-Grotch, et al., v. Union Bank of Switzerland, et al.**, CV-96-5161, **Sonabend, et al. v. Union Bank of Switzerland, et al.**, CV-96-5161, and **World Council of Orthodox Jewish Communities v. Union Bank of Switzerland, et al.**, CV-97-0461, which are being considered together for pretrial purposes under the caption **In re Holocaust Victim Assets**, Master Docket CV-96-4849, pending in the United States District Court for the Eastern District of New York; **Markovicova et al. v. Swiss Bank Corporation, et al.**, CV-98-2934, pending in the United States District Court for the Northern District of California; and **Rosenberg v. Swiss National Bank**, No. CV-98-1647, pending in the United States District Court for the District of Columbia.

Final Order and Judgment means the order to be entered by the Court, in a form to be mutually agreed upon by the parties, approving this Settlement Agreement without material alterations, as fair, adequate, and reasonable under Fed. R. Civ. P. 23, confirming the certification of the Settlement Classes under Fed. R. Civ. P. 23, and making such other findings and determinations as the Court deems necessary and appropriate to effectuate the terms of this Settlement Agreement. For purposes of this Settlement Agreement, such order shall not become the Final Order and Judgment unless and until the Settlement Date occurs.

Humanitarian Fund means the Fund for Needy Victims of the Holocaust/Shoah referenced in the Decree of the Swiss Federal Council dated February 26, 1997, and described in the fifth paragraph of this Settlement Agreement.

ICEP means the Independent Committee of Eminent Persons described in the fifth paragraph of this Settlement Agreement.

ICRF means the Independent Claims Resolution Foun-

ation described in the fifth paragraph of this Settlement Agreement.

Looted Assets means Assets actually or allegedly belonging in whole or in part to Victims or Targets of Nazi Persecution that were actually or allegedly stolen, expropriated, Aryanized, confiscated, or that were otherwise wrongfully taken by, at the request of, or under the auspices of, the Nazi Regime.

Matched Assets means Deposited Assets that the ICEP or the Claims Resolution Tribunal determines belong, and should be paid to, particular claimants.

Nazi Regime means the National Socialist government of Germany from 1933 through 1945 and its instrumentalities, agents, and allies (including, without limitation, all other Axis countries), all occupied countries, and all other individuals or entities in any way affiliated or associated with, or acting for or on behalf or under the control or influence of, the Nazi Regime, including, without limitation, the Accused Organizations and Individuals in the Nurnberg Trial, 6 F.R.D. 69 (1946).

Organizational Endorsers means the organizations signing written endorsements of this Settlement Agreement.

Other Swiss Banks means banks listed on Exhibit B hereto.

Preliminary Approval means the Court's issuance of an order conditionally certifying the Settlement Classes, preliminarily approving this Settlement Agreement, and approving the plan for Class Notice to the Settlement Classes.

Releasees means the Settling Defendants; the Swiss National Bank; Other Swiss Banks; the Swiss Bankers Association; the Swiss Confederation (including, without limitation, the Cantons and all other political subdivisions and governmental instrumentalities in Switzerland); all business concerns (whether organized as corporations or otherwise) headquartered, organized, or incorporated in Switzerland as of October 3, 1996, including, without limitation, corporations incorporated in Switzerland that are owned, operated, or controlled directly or indirectly by corporations located outside Switzerland ("the Swiss-based Concerns") and their branches and offices, wherever located; and all affiliates of any Swiss-based Concern (whether organized as corporations, partnerships, sole proprietorships or otherwise) wherever headquartered, organized, or incorporated in which the Swiss-based Concern owns or controls directly or indirectly at least 25 percent of any class of voting securities or controls in any manner the election or appointment of a majority of the board of directors, trustees or similar body ("Owned or Controlled Affiliates"). As to each of the foregoing Releasees, the term Releasees also includes, without limitation, each of its predecessors, successors, assigns, officers, directors, employees, agents, attorneys, heirs, executors, administrators, and personal representatives wherever located. The term Releasees excludes Basler Lebens-Versicherungs-Gesellschaft, Zürich Lebensversicherungs-Gesellschaft, and Winterthur Lebensversicherungs Gesellschaft and their

subsidiaries in the insurance business, but only to the extent of insurance claims of the type asserted in **Cornell, et al. v. Assicurazioni Generali S.p.A., et al.**, 97 Civ. 2262 (S.D.N.Y.). The term Releasees also excludes parent companies and other affiliates of Swiss-based Concerns that (1) before 1945 were headquartered, based, or incorporated in Germany or any other Axis country or other country occupied by an Axis country between 1933 and 1946, (2) were not Owned or Controlled Affiliates as defined herein, and (3) disguised the identity, value, or ownership of Cloaked Assets or used Slave Labor. A company shall not be deemed a Releasee by virtue of being an Owned or Controlled Affiliate if (1) the company was headquartered, based, or incorporated in Germany or any other Axis country or other country occupied by an Axis country between 1933 and 1946, and (2) the company's parent was a Swiss-based Concern established for the sole purpose of disguising the identity, value, or ownership of Cloaked Assets.

Settlement Agreement means this agreement.

Settlement Amount has the meaning set forth in Section 5.1 hereof.

Settlement Class or Settlement Classes means the plaintiff classes described in Section 8.2 hereof for which Settling Plaintiffs and Settling Defendants shall seek certification pursuant to Fed. R. Civ. P. 23, except those persons who, in accordance with the terms of this Settlement Agreement and the Court's order certifying the Settlement Classes, submit a timely request for exclusion from the classes. For the sole purpose of permitting the WJRO to act as a representative of the Settlement Class or Settlement Classes, the WJRO is hereby included as a member of the Settlement Class or Settlement Classes as defined above and as used in this Settlement Agreement.

Settlement Date means the date on which all of the following have occurred: (1) the entry of the Final Order and Judgment without material modification; (2) the achievement of finality for the Final Order and Judgment by virtue of that Order having become final and non-appealable through (a) the expiration of all appropriate appeal periods without an appeal having been filed (not including any provision for challenging the Final Order and Judgment pursuant to Rule 60 of the Federal Rules of Civil Procedure), (b) final affirmance of the Final Order and Judgment on appeal or final dismissal or denial of all such appeals, including petitions for review, rehearing, or certiorari; or (c) final disposition of any proceedings, including any appeals, resulting from any appeal from the entry of the Final Order and Judgment, and (3) the expiration of any right of withdrawal or termination under Section 15 of this Settlement Agreement.

Settlement Fund means the fund established pursuant to Section 5.1 of this Settlement Agreement.

Settling Defendants means Credit Suisse and UBS AG (as successor to Union Bank of Switzerland and Swiss Bank Corporation) and each of their former and current corporate parents, subsidiaries, affiliates, and branches (including,

without limitation, Credit Suisse Group, Credit Suisse, Credit Suisse First Boston, Credit Suisse First Boston Corporation, Credit Suisse Financial Products, Credit Suisse First Boston (Europe) Ltd., Credit Suisse First Boston Canada, Inc., and CSFB Aktiengesellschaft), predecessors, successors, assigns, officers, directors, employees, agents, attorneys, heirs, executors, administrators, and personal representatives, wherever they were, are, or may be located, incorporated, or conducting business, except for Winterthur Lebensversicherungs Gesellschaft and its subsidiaries in the insurance business, but only to the extent of insurance claims of the type asserted in **Cornell, et al. v. Assicurazioni Generali S.p.A., et al.**, 97 Civ. 2262 (S.D.N.Y.).

Settling Plaintiffs means (1) the named plaintiffs in the Filed Actions, and their heirs, successors, affiliates, and assigns, and (2) all members of the Settlement Classes, except those who, in accordance with the terms of this Settlement Agreement and the Court's order certifying the Settlement Classes, submit a timely request for exclusion from the classes.

Slave Labor means work for little or no remuneration actually or allegedly performed by individuals involuntarily at the insistence, direction, or under the auspices of the Nazi Regime.

Supplemental Agreement means the agreement to be filed under seal with the Court permitting Settling Defendants to terminate this Settlement Agreement based on the number of exclusion requests filed in accordance with Section 10.1 herein.

Unknown Claims means Claims that a claimant does not know or suspect to exist in his/her favor as of the date of this Settlement Agreement.

Unmatched Assets means Deposited Assets identified by ICEP that are not awarded or paid to particular claimants, other than Matched Assets.

Victim or Target of Nazi Persecution means any individual, corporation, partnership, sole proprietorship, unincorporated association, community, congregation, group, organization, or other entity persecuted or targeted for persecution by the Nazi Regime because they were or were believed to be Jewish, Romani, Jehovah's Witness, homosexual, or physically or mentally disabled or handicapped.

WJRO means the World Jewish Restitution Organization and all of its constituent bodies. For purposes of this Settlement Agreement, the WJRO shall intervene as a party to this litigation and shall be, along with others, a representative of the Settlement Classes.

2. SETTLEMENT PURPOSES ONLY

2.1. This Settlement Agreement is for settlement purposes only, and, notwithstanding anything else in this Settlement Agreement, neither the fact of, nor any provision contained in, this Settlement Agreement nor any action taken hereunder shall constitute, be construed as, or be offered or received in evidence as an admission of any Claim or any

fact by any party or any Releasee.

2.2. Any certification of a Settlement Class pursuant to the terms of this Settlement Agreement shall not constitute and shall not be construed as an admission on the part of any Releasee that this action, or any other proposed or certified class action, is appropriate for trial class treatment pursuant to Fed. R. Civ. P. 23 or any similar class action statute or rule. This Settlement Agreement is without prejudice to the rights of any Releasee (1) to oppose any request for certification in the Filed Actions should the Settlement Agreement not be approved or implemented for any reason, or (2) to oppose any request for certification or certification in any other proposed or certified class action.

2.3. If this Settlement Agreement is not approved, is terminated, or fails to be implemented for any reason, any certification, either preliminary or final, of the Settlement Classes or any other alleged class shall be deemed null and void *ab initio*.

3. SUBMISSION FOR PRELIMINARY APPROVAL

Promptly after execution of this Settlement Agreement, Settling Defendants and Settling Plaintiffs shall submit this Settlement Agreement, through their respective attorneys, to the Court for Preliminary Approval.

4. ICEP INVESTIGATION AND CLAIMS RESOLUTION

4.1. Although the parties anticipate that the ICEP and the Claims Resolution Tribunal will continue, at certain Releasees' expense, in a manner that is appropriate in light of this Settlement Agreement, Releasees shall have no additional financial exposure or additional liability of any kind whatsoever beyond the Settlement Amount on account of the activities or findings of the ICEP, the ICRF, or the Claims Resolution Tribunal, or on account of any cessation of or change in the activities of the ICEP, the ICRF, or the Claims Resolution Tribunal, excluding costs associated with the functioning of those entities.

4.2. Settling Defendants shall pay Matched Assets, together with interest and fees as determined pursuant to guidelines established by the ICRF, to rightful claimants as and when determined by the ICEP or the Claims Resolution Tribunal. Such payments of Matched Assets shall be deemed to be included in, and part of, the Settlement Amount and shall in no event cause the Settlement Amount to be increased. As provided in Section 5.3, Matched Assets paid to claimants after Settling Defendants have paid the final installment of the Settlement Amount shall be refunded to Settling Defendants from the Settlement Fund if and to the extent the balance remaining in the Settlement Fund is sufficient to pay the refund.

4.3. Persons receiving payments as determined by the

ICEP or the Claims Resolution Tribunal shall not be precluded on account of those payments from receiving a distribution from the Settlement Fund.

5. SETTLEMENT PAYMENTS

5.1. Settling Defendants together shall pay to the funds identified in this Section 5.1 a total of \$1.25 billion ("Settlement Amount"), including the payments referred to in Section 4.2 hereof, which are deemed credits as provided for in Sections 5.2 and 5.3 hereof. The Settlement Amount constitutes the maximum principal amount that Settling Defendants shall have to pay for any reason with respect to Claims. Payment of the Settlement Amount shall fully satisfy and discharge Settling Defendants' and Other Swiss Banks' obligations with respect to Unmatched Assets. Except as provided in Sections 5.2 and 5.3, Settling Defendants shall pay the Settlement Amount in four installments: (1) \$250 million ("Installment 1") on November 23, 1998; (2) \$333 million ("Installment 2") on November 23, 1999; (3) \$333 million ("Installment 3") on November 23, 2000; and (4) \$334 million ("Installment 4") on November 23, 2001.

Settling Defendants have paid Installment 1 into an escrow account established in accordance with the Escrow Agreement attached hereto as Exhibit A ("Escrow Fund"). Settling Defendants shall pay Installments 2, 3, and 4 to a separate fund ("Settlement Fund") that Settling Plaintiffs shall establish following the Court's issuance of Preliminary Approval. Within thirty (30) days after the Settlement Date, the Escrow Agents shall authorize the transfer of the then existing balance of the Escrow Fund (including interest earned thereon), less a reserve for taxes payable by the Escrow Fund, to the Settlement Fund.

Settling Defendants will accelerate payment of a portion of Installments 2, 3, or 4 to benefit needy members of the Settlement Class in the event that Settling Plaintiffs make a written request to Settling Defendants showing that (1) the Humanitarian Fund has been exhausted, (2) preceding installments of the Settlement Amount have been fully disbursed in accordance with a Court-approved distribution plan, and (3) there is an immediate and specific need to provide relief to identified Settlement Class members prior to the next scheduled installment. Any dispute as to whether Settling Defendants must make an accelerated payment, or any dispute as to the amount of any such accelerated payment, will be submitted to the Court for resolution.

5.2. All amounts (including, without limitation, interest and fees) that Settling Defendants and Other Swiss Banks have paid since October 3, 1996, or may pay in the future to Deposited Asset claimants as a result of determinations made by the ICEP or the Claims Resolution Tribunal shall reduce the Settlement Amount and may be credited in full against the installment next due (e.g., payments made before November 23, 1999, may be credited against Installment 2) or against any subsequent installment. Any payments made to such

claimants on account of claims relating to Looted Assets shall be credited in an amount commensurate with the amount such claimants would have received from the Settlement Fund as members of the Looted Assets Class. Within thirty (30) days after the Court grants Preliminary Approval, Settling Defendants shall submit to the Court a schedule of payments made as of that date that are to be credited against the Settlement Amount pursuant to this Section 5.2. Settling Defendants shall thereafter provide the Court a schedule showing subsequent payments on a quarterly basis until Settling Defendants have paid the final installment of the Settlement Amount.

Payments to claimants on account of determinations by the ICEP or the Claims Resolution Tribunal made after Settling Defendants have paid the final installment of the Settlement Amount shall be refunded to Settling Defendants from the Settlement Fund if and to the extent the balance remaining in the Settlement Fund is sufficient to pay the refund. Beginning thirty (30) days after Settling Defendants pay the final installment of the Settlement Amount, Settling Defendants shall provide the Court a schedule every thirty (30) days reflecting such payments. The Settlement Fund shall pay the scheduled amount to Settling Defendants within fifteen (15) business days after the schedule is submitted.

5.3. All amounts that Settling Defendants and Other Swiss Banks have paid since October 3, 1996, or may pay in the future to individuals or entities (including, without limitation, individuals or entities falling within the class definitions for the Settlement Classes) to discharge Claims (including, without limitation, claims for contribution or common law indemnity) brought against Settling Defendants or Other Swiss Banks directly by claimants or through private or governmental organizations such as, without limitation, the New York Holocaust Claims Processing Office shall reduce the Settlement Amount and may be credited against the installment next due (e.g., payments made before November 23, 1999, may be credited against Installment 2) or against any subsequent installment. Payments made to claimants on account of claims relating to Looted Assets shall be credited in an amount commensurate with the amount such claimants would have received from the Settlement Fund as members of the Looted Assets Class. Within thirty (30) days after the Court grants Preliminary Approval, Settling Defendants shall submit to Settling Plaintiffs a schedule of payments made as of that date that are to be credited against the Settlement Amount pursuant to this Section 5.3. Within fifteen (15) business days thereafter, Settling Plaintiffs shall notify Settling Defendants of any objections to the scheduled amounts. If objections are raised, the parties shall promptly meet and confer to resolve them. If there are remaining disagreements, the parties shall notify the Court at least fifteen (15) business days before Settling Defendants are due to pay the next installment of the Settlement Amount. The Court shall decide, before the next installment of the Settlement Amount is due, which payments or portions thereof may be credited against any installment.

For subsequent payments to be credited against the Settlement Amount pursuant to this Section 5.3, Settling Defendants shall submit a quarterly schedule of such payments to Settling Plaintiffs. Within fifteen (15) business days after receiving a schedule, Settling Plaintiffs shall notify Settling Defendants of any objections to the schedule. If objections are raised, the parties shall promptly meet and confer to resolve them. If there are remaining disagreements, the parties shall notify the Court at least fifteen (15) business days before Settling Defendants are due to pay the next installment of the Settlement Amount. The Court shall decide, before the next installment of the Settlement Amount is due, which payments or portions thereof may be credited against the installment.

If Settling Defendants or Other Swiss Banks make payments that Settling Defendants are entitled to credit against the Settlement Amount under this Section 5.3 after Settling Defendants have paid the last installment of the Settlement Amount, Settling Defendants shall be entitled to a refund from the Settlement Fund for such payments if and to the extent the balance remaining in the Settlement Fund is sufficient to pay the refund. Beginning thirty (30) days after Settling Defendants pay the final installment of the Settlement Amount, Settling Defendants shall provide Settling Plaintiffs a schedule showing such payments every thirty (30) days. Settling Plaintiffs must notify Settling Defendants of any objection to the schedule within fifteen (15) business days of receiving the schedule. If Settling Plaintiffs raise no objection, the Settlement Fund shall pay the scheduled amount to Settling Defendants within fifteen (15) business days of receiving the schedule. If Settling Plaintiffs object to refunding all or part of the scheduled amount, the Court shall decide whether a refund is to be given and the amount of the refund.

To protect the privacy of claimants, schedules submitted to Settling Plaintiffs or the Court pursuant to Section 5.2 or Section 5.3 may, in lieu of listing the names of those receiving payments, describe the nature of the Claims for which payments were made and include a certification by Settling Defendants that the descriptions are accurate. Settling Defendants shall request that the ICEP and the Claims Resolution Tribunal cooperate with Settling Plaintiffs in providing information necessary to determine whether a particular claimant seeking compensation from the Settlement Fund has received compensation from Settling Defendants or Other Swiss Banks on account of a determination by the ICEP or the Claims Resolution Tribunal. Failure by the ICEP or the Claims Resolution Tribunal to provide the requested information shall in no way affect the credits and refunds to which Settling Defendants are entitled pursuant to Section 5.2 and Section 5.3.

5.4. Settling Defendants' obligation to pay the Settlement Amount may be terminated or reduced if (1) Settling Plaintiffs commit a material breach of this Settlement Agreement including without limitation, a breach of any of the provisions, of Section 11, or (2) any Organizational Endorser

commits a material breach of its written endorsement of this Settlement Agreement. For purposes of this Section 5.4, the act or omission of any officer, director, leader, or spokesperson of or for an Organizational Endorser shall be deemed the act or omission of the Organizational Endorser. If Settling Defendants determine that one or more Settling Plaintiffs or Organizational Endorsers have committed a material breach, Settling Defendants shall so notify the Court and Settling Plaintiffs within thirty (30) business days of detecting the breach. The Court shall determine whether the claimed breach has occurred and, if so, whether it constitutes a material breach warranting the termination of Settling Defendants' obligations to make further payment of the Settlement Amount. In lieu of ordering termination, the Court may order an equitable reduction in the Settlement Amount to compensate for losses suffered by Settling Defendants and other Releasees on account of the breach and to deter future breaches.

5.5. Commencing on January 23, 2001, interest at a rate of 3.78% per annum shall be payable on any unpaid installments of the Settlement Amount (after deducting any uncredited payments that are entitled to be credited against future installments as set forth in this Section 5). Interest shall be paid on each installment at the time the installment payment is made.

5.6. The Escrow Fund and the Settlement Fund shall be used to pay the expenses and fees authorized under Section 7; Settling Defendants and Releasees shall have no other responsibility or liability for fees and expenses in connection with this settlement. The balance of the Escrow Fund and Settlement Fund shall be distributed in accordance with the distribution plan developed by the Special Master and finally approved by the Court in accordance with Section 7 of this Settlement Agreement.

5.7. All funds held in the Escrow Fund and Settlement Fund pursuant to this Settlement Agreement shall be deemed to be *in custodia legis* of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed pursuant to this Settlement Agreement or this Settlement Agreement terminates in accordance with Section 15 hereof. Funds held in the Settlement Fund shall be invested in United States Government obligations with a maturity of 180 days or less and shall collect and reinvest the interest accrued thereon. At such time that the balance of the Settlement Fund shall total less than \$100,000, such balance may be held in an interest-bearing bank account insured by the FDIC.

5.8. If this Settlement Agreement is not approved or is terminated, canceled, or fails to become effective for any reason, the Escrow Fund and the Settlement Fund, together with interest earned but less expenses for fund administration and class notice actually incurred or due and owing and approved by the Court in connection with this Settlement Agreement, shall be refunded to Settling Defendants within ten (10) business days.

6. TAX STATUS OF FUNDS

At Settling Defendants' option, the Escrow Fund and/or the Settlement Fund may be established as, or converted to, Qualified Settlement Funds in accordance with Section 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder. The parties agree to negotiate in good faith and to cooperate in order to obtain an appropriate order, or the approval of the Court, and to fulfill any other legal necessity for this purpose.

7. FUND ADMINISTRATION AND DISTRIBUTION

7.1. Settling Plaintiffs shall apply to the Court for appointment of a Special Master within thirty (30) days after Preliminary Approval. The Special Master shall develop a proposed plan of allocation and distribution of the Settlement Fund, employing open and equitable procedures to ensure fair consideration of all proposals for allocation and distribution. The proposed allocation and distribution plan must be approved by the Court before the Settlement Fund may be distributed. Settling Plaintiffs shall implement the Court-approved plan under the Court's supervision. Settling Plaintiffs shall provide the Court and Settling Defendants a quarterly report accounting for expenses paid from the Settlement Fund and itemizing the amounts distributed to claimants against the Settlement Fund and other recipients of payments from the Settlement Fund.

7.2. Any attorney of record in the Filed Actions may apply to the Court for an award of attorneys' fees and expenses from the Escrow Fund or Settlement Fund. However, no attorneys' fees or expenses may be paid from the Escrow Fund or Settlement Fund until the Settlement Date. Settling Defendants and other Releasees shall have no liability for attorneys' fees or expenses beyond the Settlement Amount.

7.3. Pending issuance of the Final Order and Judgment, and subject to the requirements of the Escrow Agreement, the escrow agent(s) for the Escrow Fund may authorize disbursements of up to \$10 million in the aggregate for payment of bona fide costs normally, reasonably, and necessarily incurred for purposes of providing Class Notice or otherwise effectuating this Settlement Agreement, provided, however, no disbursements may be made for purposes of paying Settling Plaintiffs' attorneys' fees or expenses (other than expenses incurred for class notice or fund administration).

7.4. Additional amounts may be allocated to pay for notice costs with the approval of the Court.

7.5. Commencing on the Settlement Date, and pursuant to the Court's supervision, Settling Plaintiffs may distribute the Settlement Fund in accordance with the plan of allocation and distribution finally approved by the Court. Subject to Court approval, the reasonable fees and expenses of administering the Settlement Fund may be paid from the

Settlement Fund. Subject to Court approval, unpaid administrative debts of the Escrow Fund shall be assumed and paid by the Settlement Fund. Settling Defendants and other Releasees shall have no liability for such administrative fees and expenses beyond the Settlement Amount.

7.6. Each person or entity receiving a distribution from the Settlement Fund shall be required to submit to Settling Plaintiffs an executed Proof of Claim in a form to be designated in the administration and distribution plan. The required Proof of Claim shall include an acknowledgment of the release of all Claims. The releases and covenants not to sue granted in Section 12 are absolute, and shall not be affected in any way by the failure of any recipient of a payment from the Settlement Fund to submit the Proof of Claim or by any deficiencies in any Proof of Claim. On or before the tenth day of each month, Settling Plaintiffs shall provide Settling Defendants copies of all Proof of Claim forms filed within the preceding month.

7.7. The plan of allocation and distribution shall permit payments to any member of the Settlement Classes, regardless of whether the member received funds in connection with the ICEP's or the Claims Resolution Tribunal's determinations. Such payments shall not imply reappraisal or criticism of the findings and determinations of the ICEP, the ICRF, the Claims Resolution Tribunal, or related bodies or individuals.

7.8. Settling Defendants shall have no responsibility for preparing or implementing the plan for administration and distribution of the Settlement Fund, and shall have no liability to the Settlement Classes or any other person or entity in connection with the administration, allocation, and distribution of the Settlement Fund.

8. CLASS CERTIFICATION

8.1. Settling Plaintiffs shall submit to the Court a motion seeking, pursuant to Fed. R. Civ. P. 23, solely for purposes of settlement, certification of the classes of plaintiffs that are described in Section 8.2 hereof ("Settlement Classes"). The motion will state that Settling Defendants' consent to class certification is for settlement purposes only and is conditioned on the Court's entering the Final Order and Judgment and such order becoming fully effective on the Settlement Date. If the Court declines to confirm certification of the Settlement Classes as defined in Section 8.2, Settling Defendants may withdraw their consent to class certification and terminate this Settlement Agreement in accordance with Section 15. Following issuance of the Class Notice and the Fairness Hearing, Settling Plaintiffs shall seek an order from the Court confirming the certification of the Settlement Classes.

8.2. The motion for conditional class certification shall seek certification of the following Settlement Classes:

(a) Deposited Assets Class: The Deposited Assets

Class consists of Victims or Targets of Nazi Persecution and their heirs, successors, administrators, executors, affiliates, and assigns who have or at any time have asserted, assert, or may in the future seek to assert Claims against any Releasee for relief of any kind whatsoever relating to or arising in any way from Deposited Assets or any effort to recover Deposited Assets.

(b) Looted Assets Class: The Looted Assets Class consists of Victims or Targets of Nazi Persecution and their heirs, successors, administrators, executors, affiliates, and assigns who have or at any time have asserted, assert, or may in the future seek to assert Claims against any Releasee for relief of any kind whatsoever relating to or arising in any way from Looted Assets or Cloaked Assets or any effort to recover Looted Assets or Cloaked Assets.

(c) Slave Labor Class 1: Slave Labor Class I consists of Victims or Targets of Nazi Persecution who actually or allegedly performed Slave Labor for companies or entities that actually or allegedly deposited the revenues or proceeds of that labor with, or transacted such revenues or proceeds through, Releasees, and their heirs, executors, administrators, and assigns, and who have or at any time have asserted, assert, or may in the future seek to assert Claims against any Releasee for relief of any kind whatsoever relating to or arising in any way from the deposit of such revenues or proceeds or Cloaked Assets or any effort to obtain redress in connection with the revenues or proceeds of Slave Labor or Cloaked Assets.

(d) Slave Labor Class II: Slave Labor Class II consists of individuals who actually or allegedly performed Slave Labor at any facility or work site, wherever located, actually or allegedly owned, controlled, or operated by any corporation or other business concern headquartered, organized, or based in Switzerland or any affiliate thereof, and the individuals' heirs, executors, administrators, and assigns, and who have or at any time have asserted, assert, or may in the future seek to assert Claims against any Releasee other than Settling Defendants, the Swiss National Bank, and Other Swiss Banks for relief of any kind whatsoever relating to or arising in any way from such Slave Labor or Cloaked Assets or any effort to obtain redress in connection with Slave Labor or Cloaked Assets.

(e) Refugee Class: The Refugee Class consists of Victims or Targets of Nazi Persecution who sought entry into Switzerland in whole or in part to avoid Nazi persecution and who actually or allegedly either were denied entry into Switzerland or, after gaining entry, were deported, detained, abused, or otherwise mistreated, and the individuals' heirs, executors, administrators, and assigns, and who have or at any time have asserted, assert, or may in the future seek to assert Claims against any Releasee for relief of any kind whatsoever relating to or arising in any way from such actual or alleged denial of entry, deportation, detention, abuse, or other mistreatment.

9. NOTICE TO THE SETTLEMENT CLASSES

9.1. Settling Plaintiffs shall develop and submit to the Court for Preliminary Approval a plan for providing, in accordance with Fed. R. Civ. P. 23, notice to the Settlement Classes of the proposed class certification and settlement. Before submitting the plan to the Court, Settling Plaintiffs shall provide the plan to Settling Defendants and shall consider including such revisions to the plan that Settling Defendants may recommend. Any disagreements over the form, content, or method of class notification shall be resolved by the Court.

9.2. Upon Preliminary Approval and as the Court may direct, Settling Plaintiffs or their designee shall cause notice (“Class Notice”) of the pendency of the actions consolidated for pre-trial purposes in **In re Holocaust Victims Assets**, Master Docket CV-96-4849, the settlement embodied herein, the conditional certification of the Settlement Classes, class members’ exclusion and objection rights, and the Fairness Hearing to be provided to the members of the Settlement Classes in accordance with the Court-approved notice plan. The Class Notice shall include a reasonably detailed description of the process for developing the allocation and distribution plan under the Special Master’s direction.

10. SETTLEMENT CLASS MEMBERS’ RIGHT OF EXCLUSION

10.1. Any Settlement Class Member who wishes to be excluded from the settlement must submit a written request for exclusion to class counsel or an approved or appointed designee by the date specified in the Class Notice. The Court may, in its discretion, request such persons to describe the nature and amount of any Claims that the requestor may in the future wish to assert. The class counsel or the approved or appointed designee shall provide copies of any exclusion request to the Court, Settling Plaintiffs, and Settling Defendants within five (5) business days of receiving the request.

10.2. Any Settlement Class Member who does not submit an exclusion request meeting the requirements set forth in Section 10.1 by the date specified in the Class Notice will be a Settlement Class Member for all purposes under this Settlement Agreement. Any Settlement Class Member who elects to be excluded from the Settlement Class pursuant to Section 10.1 shall not be entitled to relief under or be affected in any way by this Settlement Agreement.

11. SETTLING PLAINTIFFS’ OBLIGATIONS

11.1. Settling Plaintiffs endorse this Settlement Agreement as a fair, adequate, and reasonable settlement, and affirm that the Settlement Agreement brings about complete closure and an end to confrontation with respect to the subject matter it covers.

11.2. Settling Plaintiffs shall not make any public statement or take any action that would violate or be inconsistent with this Settlement Agreement, including seeking or approving economic or other sanctions against, or opposing business transactions involving, any Releasee based on Releasees’ alleged conduct covered by the Settlement Agreement.

11.3. Settling Plaintiffs shall not call for or support suits or other proceedings asserting Claims against any Releasee.

11.4. Settling Plaintiffs shall instruct their counsel to comply with this Section 11, and any failure by counsel to comply shall be deemed the failure of Settling Plaintiffs to comply.

11.5. In accordance with and subject to Section 5.4, Settling Defendants may seek a Court order terminating or equitably reducing payment of the Settlement Amount if Settling Plaintiffs commit a material breach of this Settlement Agreement, including, without limitation, a breach of any of the provisions of this Section 11.

11.6. Settling Defendants shall not make any public statement or take any action that would violate or be inconsistent with this Settlement Agreement. Settling Defendants shall instruct their counsel to comply with this Section 11.6, and any failure by counsel to do so shall be deemed the failure of Settling Defendants to comply.

12. RELEASES AND COVENANT NOT TO SUE

12.1. As of the Settlement Date, Settling Plaintiffs irrevocably and unconditionally release, acquit, and forever discharge Releasees from any and all Claims. This release applies irrespective of whether any Settling Plaintiff receives a distribution from the Settlement Fund. Settling Plaintiffs covenant not to sue Releasees or initiate any form of proceeding seeking redress of any kind for any Claim covered by this Settlement Agreement in any judicial, administrative, or other proceeding anywhere in the world at any time, other than to enforce this Settlement Agreement, and consent to immediate dismissal with prejudice of any proceeding brought in violation of this provision. This release does not apply to Basler Lebens-Versicherungs-Gesellschaft, Zürich Lebensversicherungs-Gesellschaft, or Winterthur Lebensversicherungs Gesellschaft or their subsidiaries in the insurance business, but only to the extent of insurance claims of the type asserted in **Cornell, et al. v. Assicurazioni Generali S.p.A., et al.**, 97 Civ. 2262 (S.D.N.Y.).

12.2. Settling Plaintiffs, in releasing all Unknown Claims, shall waive any and all provisions, rights, and benefits conferred by Section 1542 of the Civil Code of the State of California, or any similar statute, regulation, rule, or principle of law or equity of any other state or applicable jurisdiction, and do so understanding and acknowledging the significance of such waiver. Section 1542 of the Civil Code of the State of California provides that:

A general release does not extend to claims which the credi-

tor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

12.3. Settling Plaintiffs also irrevocably and unconditionally release, acquit, and forever discharge the ICEP, the ICRF, the Claims Resolution Tribunal, and the Secretariat of the Claims Resolution Tribunal, as well as their respective officers, directors, employees, agents, attorneys, and contractors (including, without limitation, the individual arbitrators for the Claims Resolution Tribunal and the audit firms retained by the ICEP, including the audit firms' officers, directors, partners, employees, and agents) (collectively, "ICEP Entities"), including without limitation the ICEP Entities listed on Exhibit C, from any and all liability, claims, causes of action, obligations, damages, costs, and expenses arising out of or in any way associated with the ICEP Entities' activities relating to the investigation of Claims. Settling Plaintiffs covenant not to sue the ICEP Entities or initiate any form of proceeding seeking redress of any kind regarding ICEP activities in any judicial, administrative, or other proceeding anywhere in the world at any time, and consent to immediate dismissal with prejudice of any proceeding brought in violation of this provision.

12.4. At the request of any Releasee, Settling Plaintiffs shall provide a written release to the individual Releasee in the form of Exhibit D hereto. Settling Plaintiffs hereby grant power of attorney to Robert A. Swift to execute the requested release(s) on their behalf and instruct Robert A. Swift to execute each requested release within fifteen (15) business days of receiving the request for the release. Settling Plaintiffs shall appoint a replacement for Robert A. Swift in the event he is unavailable for any reason to carry out the requirements of this Section 12.4, and shall notify Settling Defendants of the replacement within ten (10) business days of appointing the replacement.

12.5. All Releasees themselves hereby irrevocably and unconditionally release, acquit, and forever discharge all persons from any and all claims relating to public statements or writings made before August 12, 1998, critical of the Releasees' conduct with respect to the Claims and/or issues raised in the Filed Actions.

13. DISMISSAL OF RELATED CASES

Within five (5) business days of executing this Settlement Agreement, Settling Plaintiffs shall seek to stay without prejudice **Markovicova, et al. v. Swiss Bank Corporation, et al.**, CV-98-2934 (N.D. Cal.) and No. 996160 (Cal. Super. Ct.) ("**Markovicova**") and **Rosenberg, et al. v. Swiss National Bank**, No. CV-98-1647 (D.D.C.) ("**Rosenberg**") (unless Settling Plaintiffs have previously stayed the cases). If the court denies Settling Plaintiffs' request for a stay, or if the court terminates any stay before the Settlement Date, Settling Plaintiffs shall move to dismiss without prejudice **Markovicova** and **Rosenberg** within five days of such denial or termina-

tion, subject to Settling Defendants' agreement (without waiving any defenses then available, including defenses based on the passage of time) to toll any applicable statutes of limitations from the date of dismissal without prejudice to such date as this Settlement Agreement may terminate. Any statutes of limitations tolled under this Section shall resume running on such date as Settling Plaintiffs become entitled to refile **Markovicova** and **Rosenberg** under the terms of this Section. Within fifteen (15) business days after the Settlement Date, Settling Plaintiffs shall file notices dismissing **Markovicova** and **Rosenberg** with prejudice.

14. COURT'S FINAL ORDER AND DISMISSAL

This Settlement Agreement is subject to and conditioned upon (1) the issuance by the Court following the Fairness Hearing of a Final Order and Judgment granting final approval of this Settlement Agreement in accordance with Fed. R. Civ. P. 23 and dismissing with prejudice the cases consolidated for pre-trial purposes under the caption **In re Holocaust Victims Assets**, Master Docket CV-96-4849, as well as any other suits pending before the Court asserting Claims that are released pursuant to Section 12 of this Settlement Agreement, and (2) the Final Order and Judgment becoming fully effective on the Settlement Date. As part of the Final Order and Judgment, the Court shall retain jurisdiction for the purpose of overseeing the administration and distribution of the Escrow Fund and the Settlement Fund and for the purpose of enforcing this Settlement Agreement.

15. TERMINATION OF THE AGREEMENT

15.1. Settling Plaintiffs and Settling Defendants shall separately have the right to terminate this Settlement Agreement by providing written notice of an intent to do so to counsel for the non-terminating party within twenty (20) days of (1) the Court's declining to grant Preliminary Approval in any material respect and/or declining to enter a preliminary order in a form to be mutually agreed upon by the parties; (2) the Court's refusal to approve this Settlement Agreement or any material part of it; (3) the Court's declining to certify the Settlement Classes as defined in this Settlement Agreement; (4) the Court's declining to enter a Final Order and Judgment in a form to be mutually agreed upon by the parties; or (5) any court modifying or reversing in any material respect the Final Order and Judgment as entered by this Court.

15.2. Prior to entry of the Final Order and Judgment, Settling Defendants shall have the right to terminate this Settlement Agreement if (1) economic sanctions are imposed or threatened against Releasees based on alleged acts or omissions covered by the Settlement Agreement; (2) any Settling Plaintiff named in the Filed Actions disavows this Settlement Agreement or acts in a manner contrary to Section 11 of this Settlement Agreement; (3) any Organizational Endorser

or officer, director, leader, or spokesperson of or for any Organizational Endorser disavows this Settlement Agreement or acts in a manner contrary to the Organizational Endorser's endorsement of this Settlement Agreement; or (4) a sufficient number of exclusion requests are filed in accordance with Section 10.1 of this Settlement Agreement that Settling Defendants' termination rights are triggered pursuant to the Supplemental Agreement.

15.3. If this Settlement Agreement is terminated for any reason under this Section or otherwise or it fails to become effective or implemented for any reason, the Settlement Agreement will have no force or effect whatsoever and will be rendered null and void ab initio and not admissible as evidence for any purpose in any pending or future litigation in any jurisdiction involving any of the parties hereto. In such an instance, the parties will be deemed to have reverted to their respective status as of the date immediately before the execution of this Settlement Agreement except for costs which have been expended in connection with class notice or administration of the Escrow Fund.

16. MISCELLANEOUS PROVISIONS

16.1. Upon the Settlement Date, all prior stipulations and orders entered by the Court shall terminate. Nothing in this Section 16.1 shall be construed to prevent Settling Defendants or Settling Plaintiffs from applying to the Court for relief from any such stipulation or order before issuance of the Final Order and Judgment.

16.2. This Settlement Agreement, including the Supplemental Agreement, the Escrow Agreement, and all other Exhibits attached hereto and hereby incorporated by reference herein, shall supersede any previous agreements and understandings between the parties with respect to the subject matter of this Settlement Agreement. This Settlement Agreement may not be changed, modified, or amended except in writing signed by all parties, subject to Court approval.

16.3. This Settlement Agreement shall be construed under and governed by the laws of the State of New York, applied without regard to its laws applicable to choice of law.

16.4. This Settlement Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16.5. This Settlement Agreement shall be binding upon and inure to the benefit of the parties, the Settlement Classes, and their representatives, heirs, successors, and assigns.

16.6. Representatives of the Settlement Classes under this Settlement Agreement shall have only that status and rights as conferred under Fed. R. Civ. P. 23.

16.7. The headings of this Settlement Agreement are included for convenience only and shall not be deemed to constitute part of this Settlement Agreement or to affect its construction. The decimal numbering of provisions herein is intended to designate subsections where applicable.

16.8. No party to this Settlement Agreement shall be considered to be the drafter of this Settlement Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Settlement Agreement.

16.9. The waiver by one party of any breach of this Settlement Agreement by any other party shall not be deemed a waiver of any prior or subsequent breach of this Settlement Agreement.

16.10. All counsel and other persons or entities executing this Settlement Agreement or any related settlement documents warrant and represent that they have the full authority to do so and that they have the authority to take the appropriate action required or permitted to be taken pursuant to the Settlement Agreement in order to effectuate its terms.

16.11. No portion of the Settlement Fund shall be deemed subject to the escheat or forfeiture laws of any government.

16.12. Any notice, request, instruction, application for Court approval or application for court orders sought in connection with the Settlement Agreement or other document to be given by any party to the other party shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, with copies by facsimile to the attention of Settling Defendants' representative, if to Settling Defendants, and to Settling Plaintiffs' representative, if to Settling Plaintiffs, or to other recipients as the Court may specify. As of the date of this Settlement Agreement, the respective representatives are as follows:

For Settling Defendants

Roger M. Witten, Esq.
 WILMER, CUTLER & PICKERING
 2445 M Street, N.W.
 Washington, D.C. 20037-1420
 (202) 663-6000
 (202) 663-6363 (fax)

For Settling Plaintiffs

Michael D. Hansfeld, Esq.
 COHEN, MILSTEIN, HAUSFELD
 & TOLL, P.L.L.C.
 1100 New York Avenue, N.W.
 West Tower, Suite 500
 Washington, D.C. 20005
 (202) 408-4600
 (202) 408-4699 (fax)

Robert A. Swift, Esq.
 KOHN, SWIFT & GRAF, P.C.
 1101 Market Street, Suite 2400
 Philadelphia, PA 19107
 (215) 238-1700
 (215) 238-1968 (fax)

Melvyn I. Weiss, Esq.
 MILBERG WEISS BERSHAD HYNES
 & LERACH LLP
 One Pennsylvania Plaza
 New York, NY 10119
 (212) 594-5300
 (212) 868-1229 (fax)

The above designated representatives may be changed from time to time by any party upon giving notice to all other parties in conformance with this Section 16.

IN WITNESS WHEREOF Settling Plaintiffs and Settling Defendants have executed this Settlement Agreement as of the date first written above.

Settling Defendants:**CREDIT SUISSE GROUP**

(for itself and on behalf of all other Credit Suisse Group entities included as Settling Defendants)

By _____
 Joseph T. McLaughlin
 Managing Director
 and General Counsel—Americas

UBS AG
 (for itself and on behalf of all other UBS entities included as Settling Defendants)

By _____
 Robert C. Dinerstein
 Managing Director
 and General Counsel—Americas

Settling Plaintiffs:**PLAINTIFFS' EXECUTIVE COMMITTEE**

By _____
 Michael D. Hausfeld
 Co-Chairperson
 COHEN, MILSTEIN, HAUSFELD & TOLL, P.L.L.C.
 1100 New York Avenue, N.W.
 West Tower, Suite 500
 Washington, D.C. 20005
 (202) 408-4600

By _____
 Robert A. Swift
 Co-Chairperson
 KOHN, SWIFT & GRAF, P.C.
 1101 Market Street, Suite 2400
 Philadelphia, PA 19107
 (215) 238-1700

By _____
 Melvyn I. Weiss
 Liaison Counsel
 MILBERG WEISS BERSHAD HYNES & LERACH LLP
 One Pennsylvania Plaza
 New York, N.Y. 10119
 (212) 594-5300

WORLD JEWISH RESTITUTION ORGANIZATION

By _____
 Israel Singer
 Co-Chairman Executive

By _____
 Avraham Burg
 Co-Chairman Executive

RELATED AGREEMENT

This Related Agreement ("Related Agreement") is made and entered into as of this ____ day of _____, 1999, by and between Settling Defendants and Settling Plaintiffs in conjunction with the Settlement Agreement that the parties have executed or will execute in settling the consolidated actions known as In re Holocaust Victim Assets, Master Docket CV-96-4849 (E.D.N.Y.) ("Settlement Agreement").

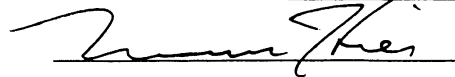
1. Capitalized terms in this Related Agreement shall have the meanings assigned to them in the Settlement Agreement.

2. Settling Plaintiffs shall use their best efforts to obtain the written endorsements of the Agudath Israel World Organization, Alliance Israelite Universelle, the American Gathering/Federation of Jewish Holocaust Survivors, the American Jewish Committee, the American Jewish Congress, the American Jewish Joint Distribution Committee, the Anti-Defamation League, B'nai B'rith International, the Centre of Organizations of Holocaust Survivors in Israel, the Conference of Jewish Material Claims Against Germany, the Council of Jews from Germany, the European Council of Jewish Communities, the Holocaust Educational Trust, the Jewish Agency for Israel, the Simon Weisenthal Center, the World Jewish Congress, and the World Zionist Organization in the form of Exhibit 1 hereto within twenty (20) days after the parties execute the Settlement Agreement.

3. If Settling Plaintiffs obtain the endorsements of all of the organizations listed in paragraph 2 above within the twenty-day period specified, the Settlement Agreement will become effective immediately upon Settling Plaintiffs' written notification to Settling Defendants of this fact. If Settling Plaintiffs fail to obtain the endorsements of all of the organizations listed in paragraph 2 above within the applicable twenty-day period: (a) Settling Defendants at their sole discretion may declare that the Settlement Agreement shall not become effective; and (b) Settling Plaintiffs and Settling Defendants will resume their negotiations in a good-faith effort to resolve the issue.

IN WITNESS WHEREOF the parties have executed this Related Agreement as of the date first written above.

EXHIBIT 1**ENDORSEMENT**

 hereby:

1. endorses the Settlement Agreement entered to resolve the consolidated actions known as In re Holocaust Victim Assets, Master Docket CV-96-4849 (E.D.N.Y.) (“Settlement Agreement”), as a fair, adequate, and reasonable settlement;

2. affirms that the Settlement Agreement brings about complete closure and an end to confrontation with respect to the issues dealt with in the settlement;

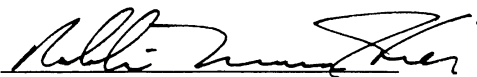
3. agrees not to make any public statement or take any action that would violate or be inconsistent with this endorsement, including requesting or approving sanctions or opposing business transactions involving Swiss entities released by the Settlement Agreement based on conduct covered by the settlement;

4. covenants not to sue, call for suits against, or support suits against any Swiss entity released by the Settlement Agreement based on conduct covered by the settlement;

5. waives any and all claims it may have against the Swiss entities released by the Settlement Agreement based on conduct covered by the settlement; and

6. agrees to be bound by Sections 11 and 12 of the Settlement Agreement as if it had executed the Settlement Agreement as a Settling Plaintiff.

SIMON WIESENTHAL CENTER

By 

Its DEAN + FOUNDER

Settling Defendants:

CREDIT SUISSE GROUP
(for itself and on behalf of all other Credit Suisse Group entities included as Settling Defendants)

By _____
Joseph T. McLaughlin
Managing Director
and General Counsel--Americas

UBS AG
(for itself and on behalf of all other UBS entities included as Settling Defendants)


By _____
Robert C. Dinerstein
Managing Director
and General Counsel--Americas

Settling Plaintiffs:

PLAINTIFFS' EXECUTIVE COMMITTEE

By _____
Michael D. Hausfeld
Co-Chairperson

COHEN, MILSTEIN, HAUSFELD
& TOLL, P.L.L.C.
1100 New York Avenue, N.W.
West Tower, Suite 500
Washington, D.C. 20005
(202) 408-4600

By 
Robert A. Swift
Co-Chairperson

KOHN, SWIFT & GRAF, P.C.
1101 Market Street, Suite 2400
Philadelphia, PA 19107
(215) 238-1700

By _____
Melvyn I. Weiss
Liaison Counsel

MILBERG WEISS BERSHAD HYNES
& LERACH LLP
One Pennsylvania Plaza
New York, N.Y. 10119
(212) 594-5300

EXHIBIT B

The term "Other Swiss Banks" means all banks and bank branches, agencies, and other banking organizations incorporated, headquartered, or based in Switzerland (including, without limitation, the subsidiaries, affiliates, branches, agencies, or offices of such banks and bank branches, agencies, and other banking organizations that are or were located outside Switzerland) other than Settling Defendants and the Swiss National Bank, including, without limitation, the following banks:

Swiss-based banks

A & A Actienbank	Zürich
Aargauische Kantonalbank	Aarau
ABB Export Bank	Zürich
Adler & Co. Aktiengesellschaft	Zürich
Alternative Bank ABS	Olten
Amtersparniskasse Oberhasli	Meiringen
Amtersparniskasse Schwarzenburg	Schwarzenburg
Amtersparniskasse Thun	Thun
Anker Bank	Zürich
Appenzell-Innerrhodische Kantonalbank	Appenzell
Arzi Bank AG	Zürich
Banca Amer SA	Lugano
Banca Commerciale Lugano	Lugano
Banca del Ceresio S.A.	Lugano
Banca del Sempione	Lugano
Banca dello Stato del Cantone Ticino	Bellinzona
Banca Privata Solari & Blum SA (Groupe Benjamin et Edmond de Rothschild)	Lugano
Bank am Bellevue	Zürich
Bank August Roth AG	Amriswil
Bank Bütschwil	Bütschwil
Bank EEK	Bern
Bank Eschenbach	Eschenbach
Bank Hugo Kahn & Co. AG	Zürich
Bank im Thal	Balsthal
Bank in Gossau	Gossau SG
Bank in Huttwil	Huttwil
Bank in Langnau	Langnau
Bank in Menziken	Menziken
Bank in Zuzwil	Zuzwil
Bank J. Vontobel & Co. Ag	Zürich
Bank Julius Bär & Co. AG	Zürich
Bank Leerau	Kirchleerau
Bank Linth	Uznach

Bank Lips AG	Zürich
Bank of New York Inter Maritime Bank	Genève
Bank Sarasin & Cie.	Basel
Bank Sparhafen Zürich	Zürich
Bank Suhrental	Schöftland
Bank Thorbecke AG	St. Gallen
Bank Wartau-Sevelen	Azmoos
Banque Bonhôte & cie Sa	Neuchâtel
Banque Cantonale de Fribourg	Fribourg
Banque Cantonale de Genève	Genève
Banque Cantonale de Jura	Porrentruy
Banque Cantonale du Valais	Sion
Banque Cantonale Neuchâteloise	Neuchâtel
Banque Cantonale Vaudoise	Lausanne
Banque de Patrimoines Privées Genève BPG SA	Genève
Banque Edouard Constant SA	Genève
Banque Galland & cie SA	Lausanne
Banque Jenni & Cie SA	Basel
Banque Jurassienne d'Epargne et de Credit	Bassecourt
Banque Kanz SA	Genève
Banque Piguet & Cie SA	Yverdon
Banque Privée Edmond de Rothschild SA	Genève
Banque SCS Alliance SA	Genève
Banque Syz & Co. SA	Genève
Banque Trady de Wattville et Cie, Banque	Genève
Basellandschaftliche Kantonalbank	Liestal
Basler Kantonalbank	Basel
Baumann & Cie.	Basel
BB Bank Belp	Belp
Berner Kantonalbank	Bern
Bezirkskasse Laufen	Laufen
Bezirkssparkasse Dielsdorf	Dielsdorf
Bezirkssparkasse Uster	Uster
BGG Banque Genevoise de Gestion	Genève
Biene-Bank im Rheintal	Altstätten
Bordier & Cie	Genève
Bürgergemeinde Bern, DC Bank, Deposito-Cassa der Stadt	Bern
Bern	
Bürgerliche Ersparniskasse Bern	Bern
BWO Bank für Wertschriften und Optionen	Zürich
BZ Bank Aktiengesellschaft	Freienbach
Caisse d'Epargne d'Aubonne	Aubonne
Caisse d'Epargne de la Ville die Fribourg	Fribourg

Caisse d'Epargne de le Crêt	Le Crêt
Caisse d'Epargne de Nyon	Nyon
Caisse d'Epargne de Prez, Corserey et Noréaz	Prez-vers-Noréaz
Caisse d'Epargne de Siviriez	Siviriez
Caisse d'Epargne de Vuistemens-devant-Romont	Vuistemens-devant Romont
Caisse d'Epargne du distict de Vevey	Vevey
Caisse d'Epargne du district de Courtelary	Courtelary
Caisse d'Epargne et de Prévoyance de Lausanne	Lausanne
Caisse d'Epargne et de Prévoyance d'Yverdon	Yverdon
Canto Consulting	Baar
Cantrade Banca Privata Lugano S.A.	Lugano
CBG Compagnie Bancaire Genève	Genève
Coop Bank, Banque Coop, Banca Coop, Banco Coop	Basel
Corner Banca S.A.	Lugano
Crédit mutuel de la Vallée S.A.	Le Sentier
Darier, Hentsch & Cie	Genève
Dreyfus Söhne & Cie. Aktiengesellschaft, Banquiers	Basel
E. Gutzwiller & Cie Banquiers	Basel
EB Entlebucher Bank	Schüpfheim
EFG Bank European Financial Group	Genève
EFG Privat Bank SA	Zürich
Ersparnisanstalt der Stadt St. Gallen	St. Gallen
Ersparnisanstalt Oberuzwil	Oberuzwil
Ersparnisanstalt Unterwasser	Unterwasser
Ersparnisgesellschaft Küttigen	Küttigen
Ersparniskasse Affoltern	Affoltern i. E.
Ersparniskasse Brienz	Brienz
Ersparniskasse der politischen Gemeinde Hemberg	Hemberg
Ersparniskasse des Amtsbezirks Interlaken	Interlaken
Ersparniskasse Dürrenroth	Dürrenroth
Ersparniskasse Erlinsbach	Obererlinsbach
Ersparniskasse Murten	Murten
Ersparniskasse Rüeggisberg	Rüeggisberg
Ersparniskasse Schaffhausen	Schaffhausen
Ersparniskasse Speicher	Speicher
Ersparniskasse Wyssachen-Eriswil	Wyssachen
Freie Gemeinschaftsbank BCL	Dornach
Gewerbebank Männedorf	Männedorf
Gewerbebank Zürich	Zürich
Gewerbekasse in Bern	Bern
Glarner Kantonalbank	Glarus
Gonet & Cie	Genève

Graubündner Kantonalbank	Chur
GRB Glarner Regionalbank	Schwanden
Habib Bank AG Zürich	Zürich
Hentsch, Chollet & Cie	Lausanne
Hottinger & Compagnie	Zürich
Hypotherkarbank Lenzburg	Lenzburg
IHAG Handelsbank Zürich	Zürich
KGS Sensebank	Heitenried
La Roche & Co.	Basel
Landolt & Cie	Lausanne
Leihkasse Stammheim	Oberstammheim
Lombard, Odier & Cie	Genève
Luzerner Kantonalbank	Luzern
Maerki, Baumann & Co. AG	Zürich
Marcuard Cook & Cie	Genève
MediBank	Zug
Migrosbank	Zürich
Mirabaud & Cie	Genève
Morval & Cie SA, Banque	Genève
Mourgue d'Algue & Cie	Genève
Nidwaldner Kantonalbank	Stans
Nordfinanz Bank Zürich	Zürich
Obersimmentalische Volksbank	Zweisimmen
Obwaldner Kantonalbank	Sarnen
OZ Bankers AG	Freienbach
Pictet & Cie	Genève
Privatbank Vermag AG	Chur
Rahn & Bodmer	Zürich
Regiobank Solothurn	Solothurn
Rüd, Blass & Cie AG, Bankgeschäft	Zürich
SB Saanen Bank	Saanen
Schaffhauser Kantonalbank	Schaffhausen
Schwyzer Kantonalbank	Schwyz
Scobag AG	Basel
Societa Bancaria Ticinese	Bellinzona
Spar- und Leihkasse Balgach	Balgach
Spar- und Leihkasse Beringen	Beringen
Spar- und Leihkasse Bucheggberg	Lütterswil
Spar- und Leihkasse des Bezirks Schleithelm	Schleithelm
Spar- und Leihkasse Ebnat-Kappel	Ebnat-Kappel
Spar- und Leihkasse Frutigen	Frutigen
Spar- und Leihkasse Gürbetal	Mühlethurnen
Spar- und Leihkasse Kirchberg	Kirchberg SG

Spar- und Leihkasse Leuk und Umgebung	Leuk-Stadt
Spar- und Leihkasse Löhningen	Löhningen
Spar- und Leihkasse Madiswil	Madiswil
Spar- und Leihkasse Melchnau	Melchnau
Spar- und Leihkasse Münsingen	Münsingen
Spar- und Leihkasse Neunkirch	Neunkirch
Spar- und Leihkasse Plaffeien	Plaffeien
Spar- und Leihkasse Riggisberg	Riggisberg
Spar- und Leihkasse Sumiswald	Sumiswald
Spar- und Leihkasse Thayngen	Thayngen
Spar- und Leihkasse Wilchingen	Wilchingen
Spar- und Leihkasse Wynigen	Wynigen
Spar + Leihkasse in Bern, Bern	Bern
Sparcassa 1816	Wädenswil
Spargenossenschaft Mosnang	Mosnang
Sparkassa Berneck	Berneck
Sparkasse der Ascoop	Bern
Sparkasse des Sensebezirks	Tafers
Sparkasse Engelberg	Engelberg
Sparkasse Horgen	Horgen
Sparkasse Küsnacht	Küsnacht ZH
Sparkasse Mättenwil	Brittnau
Sparkasse Oberriet	Oberriet SG
Sparkasse Oftringen	Oftringen
Sparkasse Schwyz	Schwyz
Sparkasse Thalwil	Thalwil
Sparkasse Trogen	Trogen
Sparkasse Wiesendangen	Wiesendangen
Sparkasse Wolfhalden-Reute	Wolfhalden
Sparkasse Zürcher Oberland	Wetzikon
St. Gallische Creditanstalt	St. Gallen
St. Gallische Kantonalbank	St. Gallen
Tempus Privatbank AG	Zürich
Thurgauer Kantonalbank	Weinfelden
Trafina Privatbank AG	Basel
Tribe Partner Bank	Triengen
Union Bancaire Privée, CBI-TBD	Genève
Urner Kantonalbank	Altdorf
Valiant Bank	Bern
Volksbank Ruswil AG	Ruswil
Von Graffenried AG	Bern
VP Bank (Schweiz) AG	Zürich
Wegelin & Co. Gesellschafter Bruderer, Hummler & Co.	St. Gallen

Privatbankiers

WIR Bank	Basel
ZLB Zürcher Landbank	Elgg
Zuger Kantonalbank	Zug
Zürcher Kantonalbank	Zürich

Swiss subsidiaries of non-Swiss-based banks

American Express Bank (Switzerland) SA	Genève
Anlage- und Kreditbank AKB	Zürich
Arab Bank (Switzerland)	Zürich
Asahi Bank (Schweiz) AG	Zürich
Banca Commerciale Italiana (Suisse)	Zürich
Banca del Gottardo	Lugano
Banca di Credito e Commercio SA	Lugano-Paradiso
Banca Monte Paschi (Suisse) SA	Genève
Banca Popolare die Sondrio (Suisse) SA	Lugano
Banca Unione di Credito (BUC)	Lugano
Banco Exterior (Suiza) SA	Zürich
Banco Santander (Suisse) SA	Genève
Bank Adamas	Zürich
Bank Aufina	Brugg
Bank Austria (Schweiz) AG	Zürich
Bank CIAL (Schweiz)	Basel
Bank Globo	Pfäffikon
Bank Guinness Mahon Flight AG	Zürich
Bank Hapoalim (Switzerland) Ltd	Zürich
Bank Leumi 1e-Israel (Schweiz) AG	Zürich
Bank Morgen Stanley AG	Zürich
Bank of Tokyo-Mitsubishi (Schweiz) AG	Zürich
Bank Sal. Oppenheim jr. & Cie (Schweiz) AG	Zürich
Bank von Ernst & Cie AG	Bern
Bankers Trust AG	Zürich
Banque Algérienne du commerce Extérieur SA	Zürich
Banque Amas (Suisse) SA	Genève
Banque Audi (Suisse) SA	Genève
Banque Banorient (Suisse)	Genève
Banque Baring Brothers (Suisse) SA	Genève
Banque Bruxelles Lambert (Suisse) S.A.	Genève
Banque de Camondo (Suisse) SA	Genève
Banque de Commerce et de Placement SA	Genève
Banque de Dépôts et de Gestion	Lausanne
Banque de Gestion Financière BAGEFI	Zürich

Banque Diamantaire Anversoise (Suisse) SA	Genève
Banque du Crédit Agricole (Suisse) SA	Genève
Banque Française de L'Orient (Suisse) SA	Genève
Banque Franck SA	Genève
Banque Générale du Luxembourg (Suisse) AG	Zürich
Banque Kankaku (Suisse) SA	Cologne
Banque Multi Commerciale	Genève
Banque Nationale de Paris (Suisse) SA	Basel
Banque Paribas (Suisse) SA	Genève
Banque Pasche SA	Genève
Banque Procrédit SA	Fribourg
Banque Unexim (Suisse) SA	Genève
Barclays Banks (Suisse) SA	Genève
Bayerische Landesbank (Schweiz) AG	Zürich
BBV Privanza Bank (Switzerland) Ltd.	Zürich
BFC Banque Financière de la Cité	Genève
BFI Banque de Financement et d'Investissement	Genève
BHF-Bank (Schweiz) AG	Zürich
BLP Banque de Portfeuille	Lausanne
BSI Banca della Svizzera Italiana	Lugano
C.I.M. Banque	Genève
Canadian Imperial Bank of Commerce (Suisse) SA	Genève
Cera Bank (Suisse) SA	Genève
Citibank (Switzerland) AG	Zürich
Commerzbank (Schweiz) AG	Zürich
Compagnie de Gestion et de Banque Gonet SA	Nyon
Coutts Bank (Schweiz) AG	Zürich
Credit Commercial de France (Suisse) SA	Genève
Crédit Lyonnais (Suisse) SA	Genève
Dai-Ichi Kangyo Bank (Schweiz) AG	Zürich
Daiwa Cosmo Bank (Schweiz) AG	Zürich
Daiwa Securities Bank (Switzerland)	Zürich
Deka Bank (Schweiz) AG	Zürich
Deutsche Bank (Suisse) SA	Genève
DG Bank (Schweiz) AG	Zürich
Discount Bank and Trust Company	Genève
Dominick Company AG	Zürich
Dresdner Bank (Schweiz) AG	Zürich
Eurasco Bank AG	Zürich
Experta-BIL	Zürich
F. van Lanschot Bankiers (Schweiz) AG	Zürich
FIBI Bank (Schweiz) AG	Zürich
Finansbank (Suisse) SA	Genève

Finter Bank Zürich	Zürich
FTI - Banque Fiduciary Trust	Genève
Fuji Bank (Schweiz) AG	Zürich
Goldman Sachs Co. Bank	Zürich
Guyertzeller Bank AG	Zürich
GZB-Bank (Schweiz) AG	Zürich
Handels-Finanz CCF Bank	Genève
Helaba (Schweiz) Landesbank Hessen-Thüringen AG	Zürich
Hypobank (Suisse) SA	Freienbach
IBI Bank AG	Zürich
IBZ Investment Bank	Zürich
ING Bank (Schweiz)	Zürich
Instinet (Schweiz) AG	Zürich
J. Henry Schroder Bank AG	Zürich
J.P. Morgan (Suisse) SA	Genève
Jyske Bank (Schweiz)	Zürich
Kredietbank (Suisse) SA	Genève
Kokusai Bank (Schweiz) AG	Zürich
Kredietbank (Suisse) Lugano SA	Lugano
Lavoro Bank AG	Zürich
Liechtensteinische Landesbank (Schweiz) AG	Zürich
M.M. Warburg Bank (Schweiz)	Zürich
Mees Pierson (Schweiz) AG	Zug
Merrill Lynch Bank (Suisse) SA	Genève
Merrill Lynch Capital Markets AG	Zürich
MFC Merchant Bank SA	Genève
Mitsubishi Trust & Banking Corporation (Schweiz) AG	Zürich
Nikko Bank (Schweiz) AG	Zürich
Nomura Bank (Schweiz) AG	Zürich
Norinchukin Bank (Schweiz) AG	Zürich
PKB Privatbank AG	Zürich
RNB Republic National Bank of New York (Suisse) SA	Genève
Robabank (Schweiz) AG	Zürich
Robeco Bank (Suisse) Sa	Genève
Robert Fleming (Schweiz) AG	Zürich
Rothschild Bank AG	Zürich
Royal Bank of Canada (Suisse) S.A.	Genève
Rüegg Bank AG	Zürich
Sakura Bank (Schweiz) AG	Zürich
Sanwa Bank (Schweiz) AG	Zürich
SchmidtBank (Schweiz) AG	Zürich
Sumitomo Bank (Schweiz) AG	Zürich
The Chase Manhattan Private Bank (Switzerland)	Genève

The Industrial Bank of Japan (Schweiz) AG	Zürich
Tokai Bank (Schweiz) AG	Zürich
Toyo Trust & Banking (Schweiz) AG	Zürich
Ueberseebank AG	Zürich
United Bank AG (Zürich)	Zürich
United European Bank	Genève
United Mizrahi Bank (Schweiz) AG	Zürich
Uto Bank	Zürich
Volksbank Bodensee AG	Rankweil
Wako Bank (Schweiz) AG	Zürich
Westdeutsche Landesbank (Schweiz) AG	Zürich

Swiss branches of non-Swiss-based banks

ABN AMRO Bank N:V:	Amsterdam
ANZ Grindlays Bank Ltd	Melbourne
Banco Espirito Santo e Comercial de Lisboa SA	Lisbonne
Bank of America National Trust and Savings Association	San Francisco
Banque Degroof Luxembourg SA	Luxembourg
Banque Internationale de Commerce - BRED	Paris
Banque Ippa & Associés, Luxembourg	Luxembourg
Caisse Nationale de Crédit Agricole	Paris
Citibank N.A.	New York
Crédit Agricole Indosuez	Paris
First National Bank of Southern Africa Ltd.	Johannesburg
Ford Credit Europe plc.	Brentwood
Habibsons Bank Limited, London	London
HSBC Investment Bank plc	London
LGT Bank in Liechtenstein Aktiengesellschaft, Niederlassung Zürich	Vaduz
Lloyds Bank p.l.c.	London
Morgan Guaranty Trust Company of New York	New York
Reisebank AG	Frankfurt a.M.
Société Générale Bank & Trust	Luxembourg
The British Bank of the Middle East	London
The Chase Manhattan Bank	New York
The Industrial Bank of Japan, Limited, Tokyo	Tokyo
Vorarlberger Landes- Hypothekenbank Aktiengesellschaft	Bregenz

EXHIBIT C

Independent Committee of Eminent Persons

Independent Association of Eminent Persons

Members of the Independent Committee of Eminent Persons:

Paul A. Volcker, Chairman

Michael Bradfield, Counsel

Hans J. Baer

Zvi Barak

Ruben Beraja

Avraham Burg

Curt Gasteyer

Alain Hirsch

Klaus Jacobi

Ronald S. Lauder

Peider Mengiardi

René Rhinow

Israel Singer

Independent Claims Resolution Foundation

Board of Trustees of the Independent Claims Resolution Foundation:

Paul A. Volcker

René Rhinow

Israel Singer

Andersen Worldwide S.C.

Arthur Andersen/London, England

Arthur Andersen AG/Zurich, Switzerland

Coopers & Lybrand/London, England (a legacy firm of PricewaterhouseCoopers)

Coopers & Lybrand AG/Zurich, Switzerland (a legacy firm of PricewaterhouseCoopers)

Coopers & Lybrand International (a legacy firm of PricewaterhouseCoopers)

Deloitte & Touche/London, England

Deloitte & Touche Experta/Zurich, Switzerland

KPMG/London, England

KPMG Fides Peat AG/Zurich, Switzerland

KPMG International

Price Waterhouse

Price Waterhouse/London, England (a legacy firm of PricewaterhouseCoopers)

Price Waterhouse AG/Zurich, Switzerland (a legacy firm of PricewaterhouseCoopers)

PricewaterhouseCoopers (worldwide) (a legacy firm of PricewaterhouseCoopers)

PricewaterhouseCoopers/London, England

PricewaterhouseCoopers AG/Zurich, Switzerland

Claims Resolution Tribunal for Dormant Accounts in Switzerland

Arbitrators of the Claims Resolution Tribunal for Dormant Accounts in Switzerland:

Hans Michael Riemer, Chairman

Hadassa Ben-Itto

Robert Briner

Thomas Buergenthal
L. Yves Fortier
David Friedmann
The Right Hon. Lord Terence Higgins
Howard Holtzmann
Andrew J. Jacovides
Franz Kellerhals
Hans Nater
Roberts B. Owen
William W. Park
Doron Shorrer
Zvi Tal
Jean-Luc Thevenoz
Staff of the Claims Resolution Tribunal for Dormant Accounts in Switzerland
Panel of Experts on Interest and Fees and Other Charges
Members of the Panel of Experts on Interest and Fees and Other Charges:
Henry Kaufman
Walter Ryser
Elhanan Helpman

EXHIBIT D**RELEASE AND COVENANT NOT TO SUE**

Settling Plaintiffs irrevocably and unconditionally release, acquit, and forever discharge _____, including, without limitation, each of its predecessors, successors, assigns, officers, directors, employees, agents, attorneys, heirs, executors, administrators, and personal representatives wherever located, from any and all claims covered by the Settlement Agreement made and entered into on _____, 1999, by and between Settling Defendants and Settling Plaintiffs in settling the consolidated actions known as In re Holocaust Victim Assets, Master Docket CV-96-4849 (E.D.N.Y.), and further covenant not to sue [Releasee], its predecessors, successors, assigns, officers, directors, employees, agents, attorneys, heirs, executors, administrators, or personal representatives, wherever located, or initiate any form of proceeding seeking redress of any kind for any claim covered by the Settlement Agreement in any judicial, administrative, or other proceeding anywhere in the world at any time, other than to enforce the Settlement Agreement, and consent to immediate dismissal with prejudice of any proceeding brought in violation of this provision.

IN WITNESS WHEREOF this Release has been executed as of the date set forth above.

For and on behalf
of Settling Plaintiffs

ICEP's Decisions on Completion and Focusing the Forensic Accounting Investigation

Wednesday, January 27, 1999

1. Firm Goals for Completion

- Completion of fact finding and data collection at most banks by March 31, 1999 and for all banks by end of April 1999, assuming full cooperation of banks.
- Completion of research of matches for all banks by May 31, 1999 including research of Yad Vashem matches.
- Completion of draft final reports to the banks, to the counsel of ICEP and SFBC by end May.
- Delivery of final reports to ICEP and FBC by end June 1999.
- It is not intended that these target dates would be modified, but if circumstances were to change so that additional flexibility is necessary, extensions would be for only very limited periods, and only after consultations with the SFBC.

2. Focusing of Matching Research

- Create databases of passbook accounts only where sample testing gives evidence of substantial numbers of foreign account holders.
- Matching and follow-up research on accounts opened in 1945 or before and dormant ever since, including suspense accounts, transfers to profit and loss accounts, and accounts closed to fees and charges. Small savings and domestic Swiss accounts are excluded from matching unless evidence developed by the auditors suggests that they might have belonged to foreign account holders or their intermediaries.

In addition, matching and research shall be undertaken for foreign accounts with undetermined opening dates or closed by unknown person to determine the existence of information on opening dates or ultimate disposition as a prerequisite for any further research or publication of accounts in these categories determined to be "foreign."

Results of all Matching and Research will be reported to ICEP without disclosing the names of the account holders.

3. Counsel of ICEP will establish, upon consultation with the SFBC, clear guidelines for the auditors to implement firm Completion Goals and Matching Research Focus, including guidelines on definition of "foreign accounts" and of "substantial proportion of foreign accounts."

4. ICEP will develop account publication criteria for recommendation to SFBC including the evidence necessary to determine that accounts closed by unknown person or accounts with unknown opening date would qualify as open dormant accounts.

5. In view of broad coverage of Swiss banking system, no new banks will be included in ICEP investigation beyond those already been selected. In selected banks where no digitalized database of savings accounts has been established by now the audit will be focused on review of other information (see para 2 above).

6. ICEP will consider the matching of databases with names of Holocaust victims who have already made claims for funds at Swiss banks, and eventual further claimants, against the full database covering all accounts opened in 1945 or before.

Guidelines for the ICEP Audit Firms for Completion of the Forensic Accounting Investigation

February 18, 1999

I. Introduction

1 On January 27, 1999, the members of the Independent Committee of Eminent Persons (“ICEP”) decided, in consultation with the Swiss Federal Banking Commission (the “SFBC”), to adopt firm goals for completion of the Second Phase forensic accounting investigations. ICEP also decided to make certain modifications in its Mandates to the audit firms.

2 These decisions were incorporated into a memorandum entitled “ICEP’s Decisions on Completion and Focusing the Forensic Accounting Investigation (the “Decisions Memorandum”) (Annex I). The purpose of the changes outlined in the Decisions Memorandum is to better focus the matching and research program undertaken by the audit firms to implement the “Audit Firm Mandate and Instructions - The First Phase” (dated November 19, 1996) and the “Audit Firm Mandate - The Second Phase” (dated January 30, 1998). These Guidelines, which direct an increased focus on foreign accounts, are based on knowledge developed during the investigation indicating that savings accounts open in the Relevant Period, and particularly small savings accounts, were typically not held by non-residents of Switzerland, and on the ability of the various databases of accounts established by the audit firms or by the banks under the supervision of the audit firms to identify foreign accounts.

3 The Decisions Memorandum calls for Guidelines to be issued to the audit firms to provide a framework for the completion of their work in a manner consistent with the setting of firm goals by ICEP for completion of the databases of accounts for most banks by March 31, 1999 and for all banks by April 30, 1999, the matching and research by May 31, 1999, the draft final reports of the audit firms by June 14, 1999, and their final reports by July 12, 1999. (See also Part VII, Target Dates.)

4 While these Guidelines are specific as to implementation methodology, the techniques for carrying out the Guidelines may need to be adapted to the specific circumstances of each audit firm and each bank. Accordingly, each audit firm may seek authorization from the Independent Association of Eminent Persons (the “IAEP”) for the specific implementation methodology that it proposes to employ at each bank. Part VIII contains a glossary of terms used in these Guidelines.

II. Banks to be Investigated

A. Banks included in the ICEP Investigation

5 The ICEP investigation covers the banks that have been included in the pilot investigations and in the Second Phase forensic accounting investigation (see list in Annex II).

B. Scope of Investigation at newly included Banks

6 Some banks, newly included in the Second Phase of the ICEP investigation, will not have savings accounts databases established except as provided in paras. 11-12. In these banks, the audit firms will investigate based on an expedited program to be approved by IAEP in consultation with the SFBC. In particular, where a bank has prepared databases of accounts and other data for use in the investigation, the audit firms shall test the accuracy and completeness of this data using standard sampling procedures of the audit firms. If the audit firms are satisfied that the bank data is accurate and complete, they are authorized to use this data in preparing their reports to IAEP.

III. Exclusion of Certain Accounts From Databases

A. Exclude Small Savings Accounts from the Savings Accounts Databases

7 Each audit firm shall separate out Savings Accounts

(para. 43) from the Global Accounts Databases (para. 40).

8 Each audit firm shall establish a database of Savings Accounts from those accounts separated out under para. 7 (the “Savings Accounts Database”).

9 Each audit firm shall exclude Small Savings Accounts (para. 44) from the Savings Accounts Database, and establish a “Small Savings Accounts Database”, which would not be included in Matching and Research provided for in Part IV.

B. Exclude Domestic Accounts from the Global Accounts Databases

10 Each audit firm shall separate out all domestic accounts from the Global Accounts Databases (para. 40) and establish separate Domestic Accounts Databases (para. 37), leaving in the Global Accounts Databases all Foreign Accounts as defined in para. 39 and all other accounts remaining in the Global Accounts Databases.

C. Creation of Databases of Savings Accounts at Banks Where Such Databases Have Not Been Established or Where Unentered Savings Accounts are Being Added to Existing Databases

11 Databases of Savings Accounts at banks where such databases have not been established shall be created only if testing conducted by the audit firm provides evidence that at least 15 percent of the Savings Accounts are considered to be Foreign Accounts (para. 39). Testing shall be based on standard sampling procedures of the audit firms but shall not involve examination of less than 500 accounts nor more than 1,000 accounts. The same testing procedure shall be followed in determining whether to add previously unentered Savings Accounts to existing databases.

12 The percentage of Foreign Accounts shall be calculated by dividing the total number of Foreign Accounts (as determined by the relevant audit firm) in the selected sample by the total number of Savings Accounts in the selected sample after subtracting the number of savings account holders with unknown domiciles from the total number of Foreign Accounts and Savings Accounts in the sample.

D. Select Foreign Accounts from the Domestic Accounts Database

13 Each audit firm shall test the Domestic Accounts Databases to determine the presence of Foreign Accounts among the accounts contained in such Databases. For the purpose of such tests, the procedures of para. 11, the definition of Foreign Accounts in para. 39, and the method for calculating the percentage of Foreign Accounts provided in para. 12, shall apply.

14 If desirable to accelerate the testing required by para. 13, the audit firms may Match the Domestic Accounts Database in order to limit the number of domestic accounts for which an analysis of foreign status needs to be made.

E. Additional Testing of Savings Accounts (Part IIIC) and Domestic Accounts Databases (Part IIID)

15 If the tests made under paras. 11-14 for Savings Accounts and Domestic Accounts indicates that 15 percent or more of the accounts are Foreign Accounts, these Foreign Accounts are to be examined to determine the existence of Ultimate Disposition Information (para. 45).

16 If information on ultimate disposition to an account holder or another known party is available for 30 percent or more of these Foreign Accounts, the Savings Accounts Database and the Domestic Accounts Database shall be searched for Foreign Accounts and these Foreign Accounts shall be reincorporated into the appropriate Global Accounts Databases.

IV. Accounts to be Matched and Researched

A. List of Accounts to be Matched and Researched

17 Each audit firm shall use its best efforts to Match and Research all accounts in the Global Accounts Databases (adjusted as provided for in Part III) by May 31, 1999 in accordance with the priorities established under para. 20.

18 At banks where a determination is made under Part III not to (i) establish a Savings Accounts Database, or (ii) add all of the Foreign Accounts in the Savings Accounts Database or the Domestic Accounts Database to existing databases, such Savings Accounts and Domestic Accounts Databases shall not be Matched and Researched. The audit firms may seek authorization from IAEP to review such Accounts or other accounts in special circumstances, for example, where Savings Accounts have been used as a place to transfer un-bundled suspense accounts.

B. Research Information and Priorities

19 In the Research process, the information to be developed by each audit firm is defined in para. 41.

20 Each audit firm shall

(i) Match and Research Foreign Accounts in the priority order established in the definition of Foreign Accounts in para. 39, and

(ii) give first priority to suspense accounts in Matching and Researching the Foreign Accounts defined in para. 39(i)(2) and para. 39(i)(3).

V. Final Reporting to IAEP

A. December Reports Reporting Instructions Apply

21 The audit firms shall report in the format and content required by ICEP’s December Report reporting instructions, and on any other results or evidence relevant to the ICEP Mandates.

22 IAEP will establish a statistical reporting format to be used by each audit firm in its final report to IAEP.

B. Aggregate Statistical Reporting

23 In the formats established under paras. 21 and 22, each audit firm shall report on the total number and value of accounts included in the Global Accounts Databases prior to the time any adjustments are made to these Databases under Part III and the coverage of all accounts that existed in 1945. In addition, each audit firm shall update the information contained in their December Reports to IAEP on aggregated information on the various types of accounts included in the accounts databases, including such account categories as current accounts, depot accounts, Savings Accounts, etc., the number and value of each type of account to the extent such information has been determined, accounts of foreign or of unknown nationality or domicile, and the aggregated results of Matching and Research (para. 41), all in the format established under paras. 21 and 22.

24 Without limiting the reporting required under paras. 21 and 22 for each type of account, the audit firms shall report other information on such accounts including their status as open, closed, or in suspense, as well as on Ultimate Disposition Information to the extent this information has been determined. The information provided shall also include the number of accounts for which the domicile of the account holder is known or unknown, whether the accounts are Dormant or “but for”, active or inactive since the end of 1945, and, if closed, whether the ultimate disposition of the accounts on closure is known or unknown.

C. Reporting of Matching and Research

25 The results of Matching and Research on individual accounts shall be reported to IAEP in the same format as was required for the December Reports including, but not limited to, reports on suspense accounts, accounts transferred to profit and loss, and accounts closed to fees and charges. Each account that was closed but for which there is no Ultimate Disposition Information, or where such Ultimate Disposition Information indicates that the account was paid to an unknown third party, shall be reported on separately by each audit firm.

26 The results of the research on opening dates in the Relevant Period (para. 42 for each account shall be reported to IAEP in the following three categories: (a) evidence pointing to opening of the account before or in the Relevant Period; (b) evidence pointing to an opening date after 1945, and (c) lack of evidence of either (a) or (b). In the report to IAEP on each account, the evidenced developed in each of categories (a) and (b) should be briefly summarized.

27 The results of Research for the purposes of determining whether accounts are Foreign Accounts for each account shall be reported to IAEP in the following three categories: (a) evidence pointing to a Foreign Account, (b) evidence pointing to a domestic account, and (c) lack of evidence either (a) or (b).

28 The audit firms shall continue to report, as they have in their December Reports, on open dormant Foreign Accounts, as well as on previously unreported accounts as

potentially those of victims of Nazi persecution without the benefit of Matching, all in accordance with the format required for the December Reports.

D. Cooperation by Banks

29 The status of the cooperation of each bank shall be reported monthly to IAEP, and any lack of cooperation shall be reported to IAEP immediately, and IAEP will consult with the SFBC.

VI. Detailed Workplans and Budgets

30 The audit firms shall prepare a detailed workplan and budget for completion of work by the end of February 1999 for approval by IAEP. Banks will receive a copy of the IAEP approved plan relevant to each bank.

VII. Target Dates

31 The audit firms shall respect the following target dates, which are established assuming full cooperation of the audited banks.

32 March 31, 1999: completion of fact finding and account data collection for most banks, and 30 April 1999 for all banks.

33 May 31, 1999: completion of Matching and of Research on matches, including research of Yad Vashem matches, with the work of the audit firms to continue at the banks for the purpose of completing their final reports.

34 June 14, 1999 delivery of draft final reports including draft executive summary to the banks with copy to the Counsel of ICEP and to the SFBC.

35 June 28, 1999 delivery of comments made by the audited banks to the respective audit firms with copies to the Counsel of ICEP and to the SFBC.

36 July 12, 1999 delivery of the final reports to the Counsel of ICEP and to the SFBC with a copy to the audited banks.

VIII. Glossary

37 Domestic Accounts Database: The portion of the Global Accounts Database composed of account holders classified as domiciled in Switzerland, or of Swiss nationality, in contemporaneously created bank records separated into a database as provided in para. 10.

38 Dormant Accounts: Those accounts for which there is reasonable evidence that they were open in the Relevant Period and with respect to which (i) there have been no withdrawals or additions by, and no correspondence or other contacts with the account holder(s) or their representative(s) or with the beneficiary(ies) initiated by, these parties for a period of ten years in arrears from November 1, 1996; or (ii) whose holder(s) or representative(s) (physical person(s) or legal entity(ies)) are connected with the bank and with respect to which the only activities for a period of at least ten

years in arrears from November 1, 1996, have been charges or fees and/or costs of administration or other action by the bank.

39 (i) Foreign Accounts: Foreign Accounts are accounts of persons:

- (1) holding numbered or hold-mail accounts;
- (2) of foreign nationality;
- (3) of unknown nationality and foreign domicile or residence;
- (4) holding accounts linked to an account defined in (i)-(iii) above;
- (5) of Swiss nationality and a domicile or residence in an Axis or Axis occupied country during the Relevant Period, or
- (6) of unknown nationality and unknown or Swiss domicile or residence.

(ii) Para. 39 (i)(1)-(6) establishes the priority for Matching and Research provided for in para. 20. The objective in this prioritization is to maximize the application of investigative resources within the Target Dates established in Part VII to the categories of Foreign Accounts established in para. 39(i)(1)-(6) in the numerical order provided for in this paragraph.

(iii) For the purpose of para. 39:

(1) residence in Switzerland includes, but is not limited to, the address of a bank branch, hotel, intermediary, refugee camp or c/o address;

(2) a person recorded in bank records as resident or domiciled in a city that may be either a Swiss or foreign shall be considered to be domiciled or resident in a foreign country; and

(3) any person who, in the judgment of the audit firm, was a resident of an Axis or Axis occupied country during all or part of the Relevant Period shall be considered to be resident in a foreign country.

(iv) If Research establishes Swiss domicile or residence of an account holder during the Relevant Period the relevant account shall not be considered as a Foreign Account. Swiss residence or domicile in bank records or otherwise established without reasonable evidence of such status shall not be considered determinative of domicile or residence.

40 Global Accounts Databases: Databases containing open accounts (including suspense accounts) and closed

accounts of a bank that were open in the Relevant Period, or that have an unknown opening date, or that have an opening date prior to 1933 but an unknown closing date.

41 Matching and Research:

(i) Matching means the victims databases (distributed to the audit firms by Price Waterhouse) and account databases comparison procedures used for the December Reports, including the four disqualification factors, and supplemented by near-exact name matching if so determined by ICEP;

(ii) Research means the search for information relative to an account for which Research is authorized under these Guidelines and includes, but is not limited to, (1) the search for account opening dates, and account Ultimate Disposition Information on open dormant (with known or uncertain opening dates), suspended or closed accounts, (2) evaluation of information on the account holder's domicile, residence, and nationality, (3) whether open dormant accounts have already been reported to ATAG and published in 1997, and (4) the development of such other information as may be relevant to the ICEP investigation; and

(iii) Research priorities are set out in para. 20.

42 Relevant Period: January 1, 1933-December 31, 1945.

43 Savings Accounts: Accounts that were labeled as "savings accounts" in the Relevant Period as well as passbook accounts (including those passbooks deposited at a bank) provided such accounts contain no other assets.

44 Small Savings Accounts: Savings Accounts of less than Swiss Francs 250 determined on the basis of current book values. Savings Accounts for which the value is unknown shall be deemed to be accounts of less than Swiss Francs 250 for the purposes of this paragraph.

45 Ultimate Disposition Information: Information on the disposition of an account, which is authorized to be Matched under these Guidelines or reported on under paras. 25-28 including disposition to the client or a party known or unknown, or to the bank in some form.

IX. Annexes

ICEP's decisions of January 27, 1999

List of banks included in the pilot and Second Phase forensic accounting investigations

Swiss National Bank Statistics on Foreign Liabilities

Liabilities of the 63 Swiss banks included in the SNB statistics Towards creditors in foreign countries as of December 31, 1945 - by country

(all amounts in Swiss Francs million)

Country		Due to banks- sight	Due to banks- other	Sight deposits- customers	Time deposits- customers	Savings and similar deposits	Total
France	occupied	53.3	4.2	213.5	9.4	51.2	331.6
Italy	Axis power	23.6	3.3	50.9	4.0	8.9	90.7
Romania	occupied	13.8	0.1	50.7	0.4	1.1	66.1
Germany	Axis power	19.6	0.3	24.9	2.3	17.3	64.4
Belgium	occupied	14.7	0.1	21.5	0.8	1.3	38.4
Hungary	occupied	11.0	0.1	13.1	0.8	0.7	25.7
Low Countries	occupied	14.4	-	10.0	-	0.8	25.2
Czechoslovakia	occupied	13.7	-	6.5	0.3	1.1	21.6
Bulgaria	occupied	9.1	-	5.0	0.1	0.2	14.4
Yugoslavia	occupied	3.1	-	7.1	0.1	0.5	10.8
Denmark	occupied	6.1	-	3.0	-	0.2	9.3
Russia	occupied	6.6	-	2.2	-	0.2	9.0
Austria	Axis power	2.6	-	3.5	-	1.8	7.9
Greece	occupied	0.5	-	6.3	0.5	0.4	7.7
Luxemburg	occupied	1.1	-	3.4	0.1	0.1	4.7
Poland	occupied	0.1	-	1.6	0.2	0.4	2.3
Finland	occupied	1.4	-	0.5	-	0.3	2.2
Norway	occupied	0.6	-	1.3	-	0.1	2.0
Total Axis powers or (partly) occupied		195.3	8.1	425.0	19.0	86.6	734.0
Total not occupied countries		140.3	15.0	390.0	23.3	32.9	601.5
Grand total		335.6	23.1	815.0	42.3	119.5	1,335.5

Source data used for this table: Swiss National Bank – Department of Economic Studies and Statistics. Document name: Foreign assets and deposits in Swiss Banks and assets and liabilities in foreign currencies of Swiss Banks at December 31, 1945, Table No. 4.

The banks included in this statistic are: 23 Cantonal Banks, 5 Large banks, 27 Local and other banks, 8 Branches of foreign banks, 63 Banks in total.

**Liabilities of the 63 Swiss banks included in the SNB statistics
Towards creditors in foreign countries as of December 31, 1945 - by country**
(all amounts in Swiss Francs million)

France
Italy
Romania
Germany
Belgium
Hungary
Low Countries
Czechoslovakia
Bulgaria
Yugoslavia
Denmark
Russia
Austria
Greece
Luxemburg
Poland
Finland
Norway

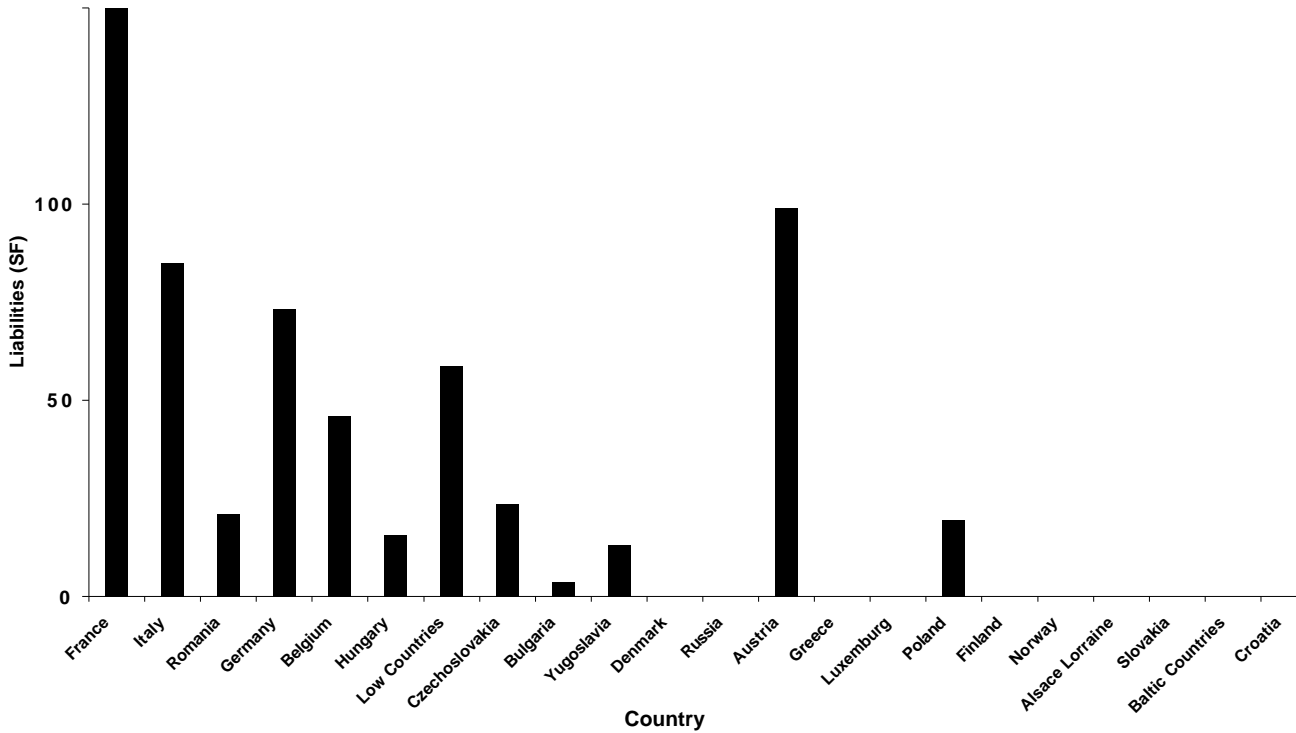
**Liabilities to creditors in foreign countries of the 63 Swiss banks
included in the SNB statistics
December 31, 1937 to December 31, 1945**
(all amounts in Swiss Francs million)

Country		1937	1938	1939	1940	1941	1942	1943	1944	1945
France	occupied	520.4	436.9	305.2	280.1	247.5	252.6	256.1	244.1	331.6
Italy	Axis power	85.0	87.2	73.2	102.3	92.2	82.2	91.4	88.9	90.7
Romania	occupied	21.0	19.1	20.3	33.8	42.7	87.3	87.3	66.6	66.1
Germany	Axis power	73.2	105.2	85.4	82.8	82.0	95.3	106.1	83.2	64.4
Belgium	occupied	45.8	44.5	36.8	35.4	26.3	26.1	26.4	21.1	38.4
Hungary	occupied	15.5	20.7	18.9	19.9	26.9	29.6	37.7	28.3	25.7
Low Countries	occupied	58.6	66.9	37.5	26.0	22.2	19.9	19.1	17.0	25.2
Czechoslovakia	occupied	23.3	17.0	25.5	30.2	17.1	8.8	9.5	10.6	21.6
Bulgaria	occupied	3.5	2.7	3.3	15.0	18.6	25.9	18.8	19.2	14.4
Yugoslavia	occupied	13.1	13.5	14.8	19.8	11.2	12.0	10.7	8.0	10.8
Denmark	occupied		4.4	4.1	5.0	7.4	8.1	9.1	11.2	9.3
Russia	occupied	-	-	-	-	11.7	11.2	14.0	14.0	9.0
Austria	Axis power	99.0	-	-	-	-	-	-	-	7.9
Greece	occupied	-	7.2	6.4	9.2	8.6	8.7	8.0	5.6	7.7
Luxemburg	occupied	-	46.9	28.3	5.1	4.3	3.6	2.7	2.9	4.7
Poland	occupied	19.3	14.4	5.0	3.7	3.4	3.4	2.3	1.6	2.3
Finland	occupied	-	-	-	-	4.9	2.4	4.1	2.4	2.2
Norway	occupied		1.6	1.4	3.0	2.2	1.5	1.6	1.6	2.0
Alsace Lorraine	occupied	-	-	-	-	26.3	26.0	26.2	24.6	-
Slovakia	occupied	-	-	-	-	3.5	6.0	9.2	11.1	-
Baltic Countries	occupied	-	4.9	6.5	2.3	2.2	2.0	1.4	1.1	-
Croatia	occupied	-	-	-	-	5.4	3.9	3.7	5.2	-
<i>Total Axis power or (partly) occupied</i>		<i>977.7</i>	<i>893.1</i>	<i>672.6</i>	<i>673.6</i>	<i>666.6</i>	<i>716.5</i>	<i>745.4</i>	<i>668.3</i>	<i>734.0</i>
<i>Total not occupied countries</i>		<i>493.9</i>	<i>418.4</i>	<i>408.7</i>	<i>377.8</i>	<i>361.0</i>	<i>420.7</i>	<i>489.6</i>	<i>552.0</i>	<i>601.5</i>
Grand total		1,471.6	1,311.5	1,081.3	1,051.4	1,027.6	1,137.2	1,235.0	1,220.3	1,335.5

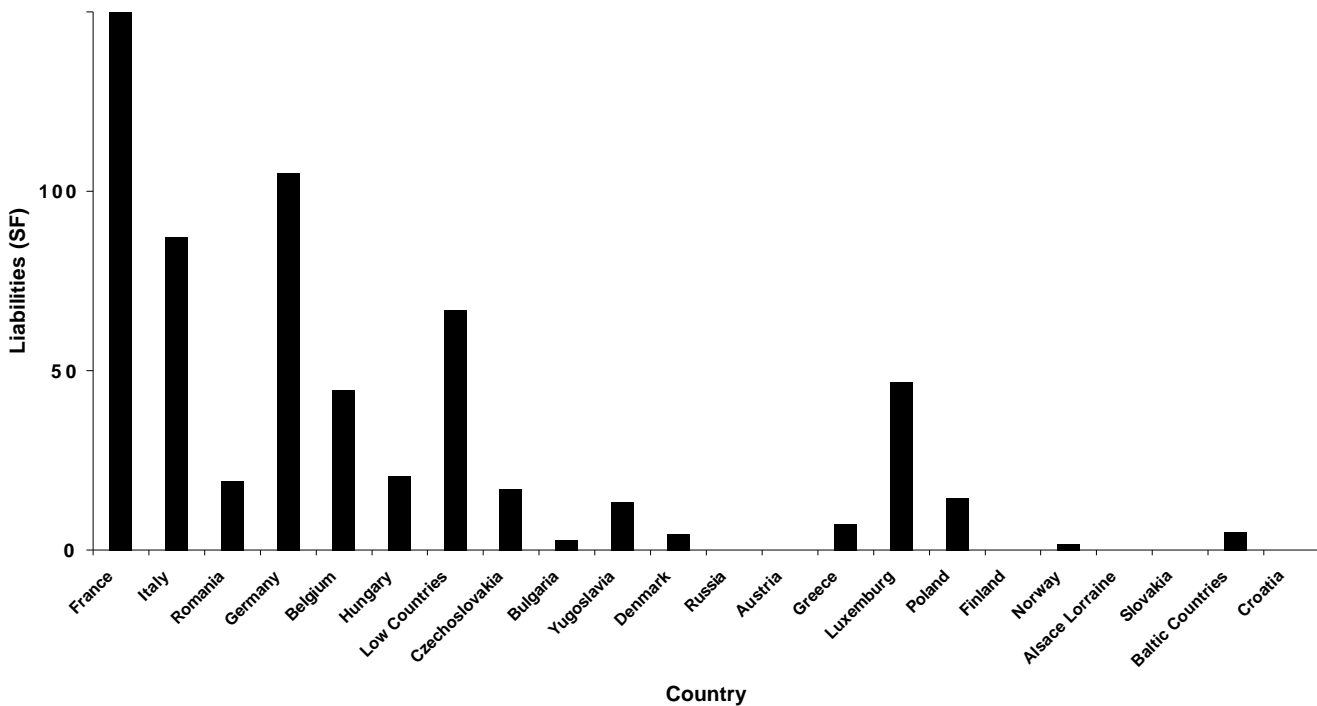
Source data used for this table: Swiss national Bank- Department of Economic Studies and Statistics. Document name: Foreign assets and deposits in Swiss Banks and Assets and Liabilities in foreign currencies of Swiss Banks at December 31, 1945, Table No. 6.

The banks included in this statistic are: 23 Cantonal Banks, 5 Large banks, 27 Local and other banks, 8 branches of foreign banks, 63 Banks in total.

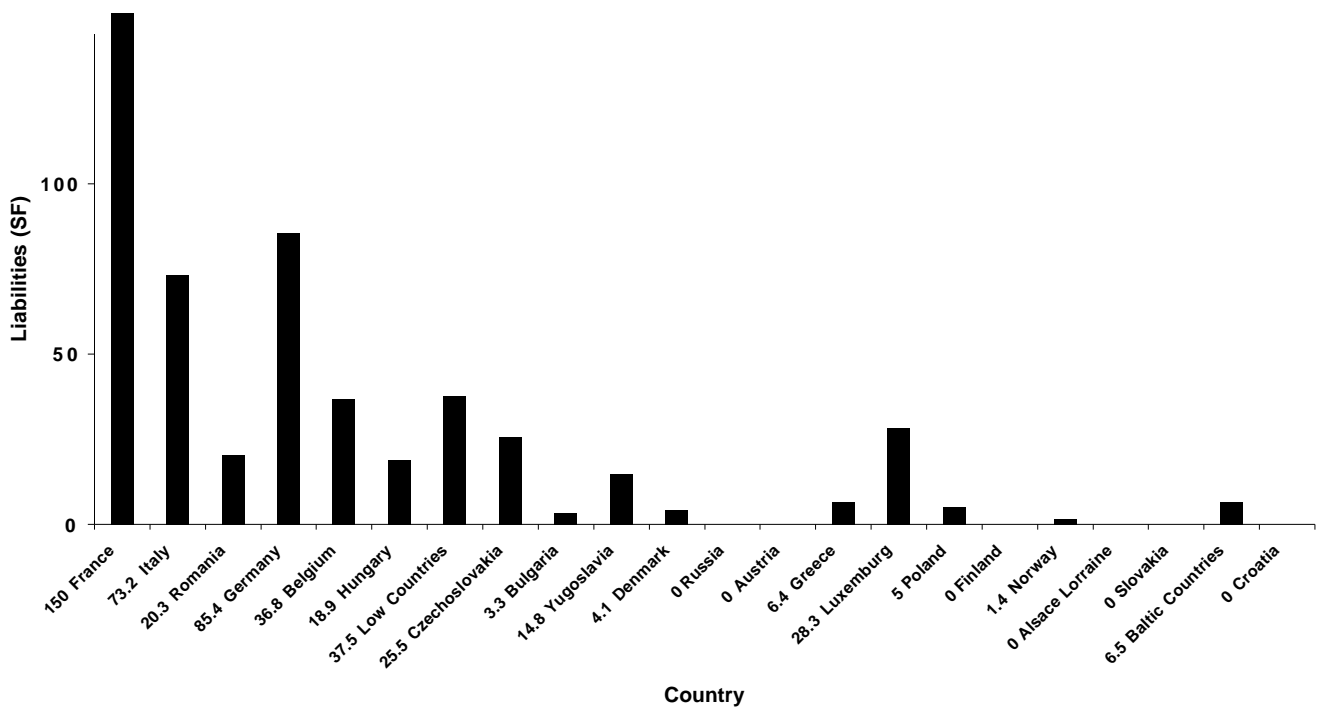
**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics -1937
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



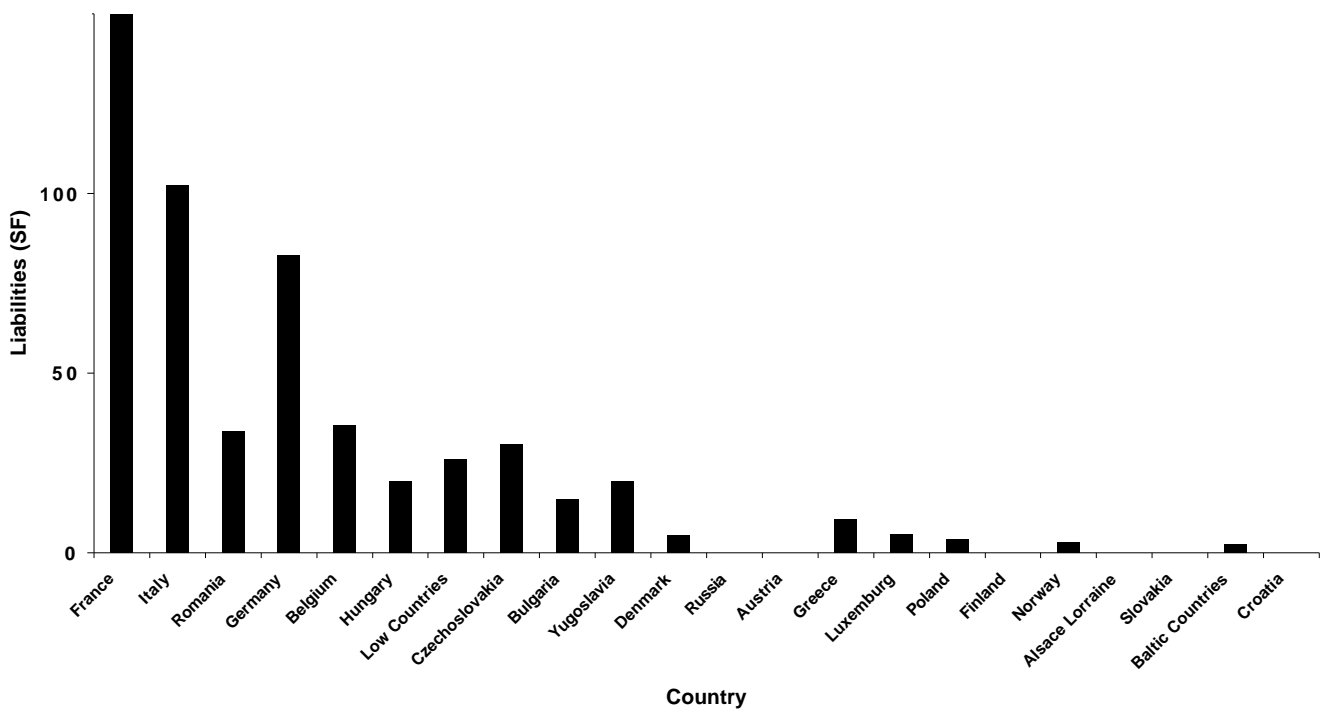
**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1938
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



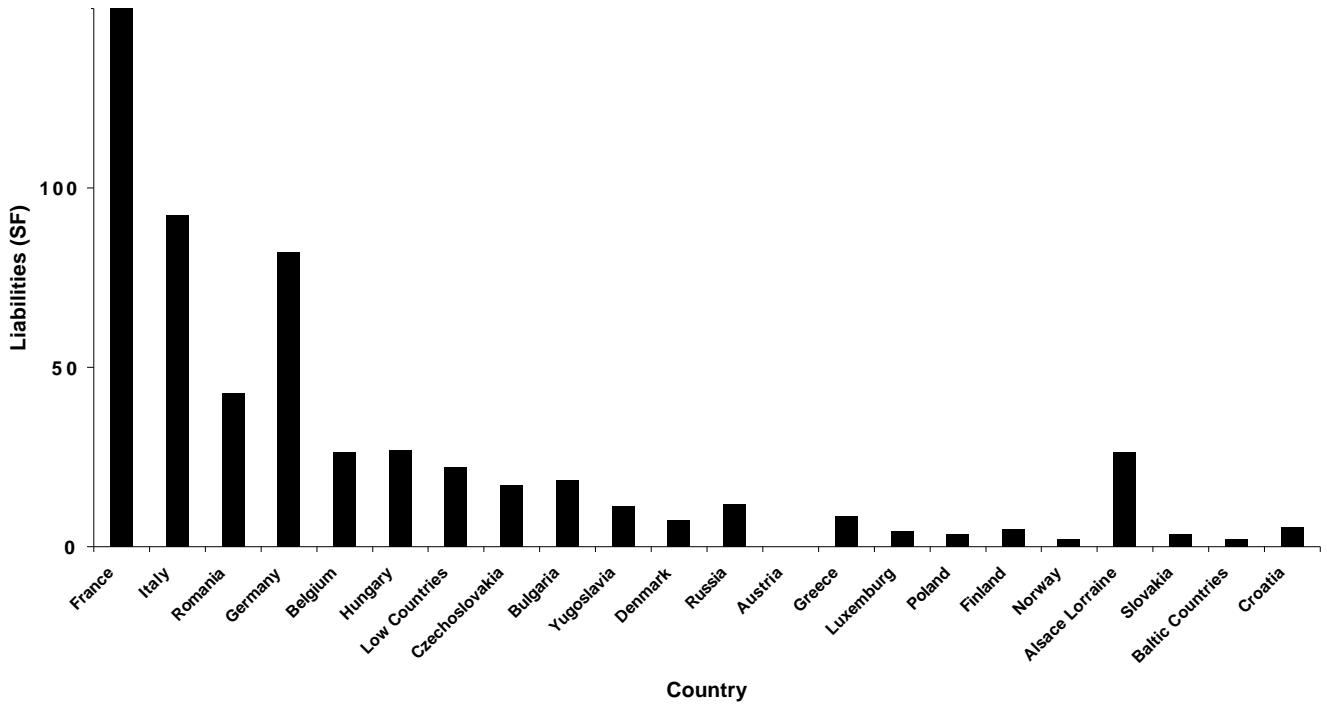
**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1939
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



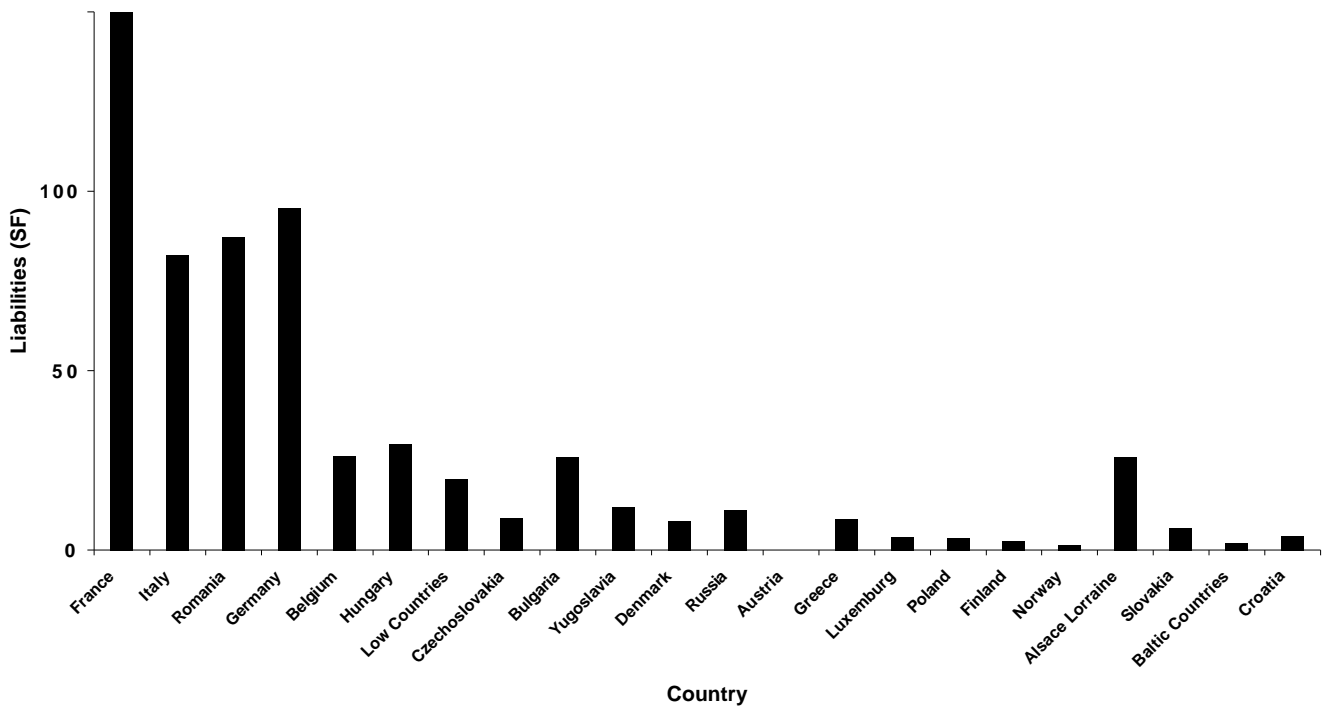
**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1940
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



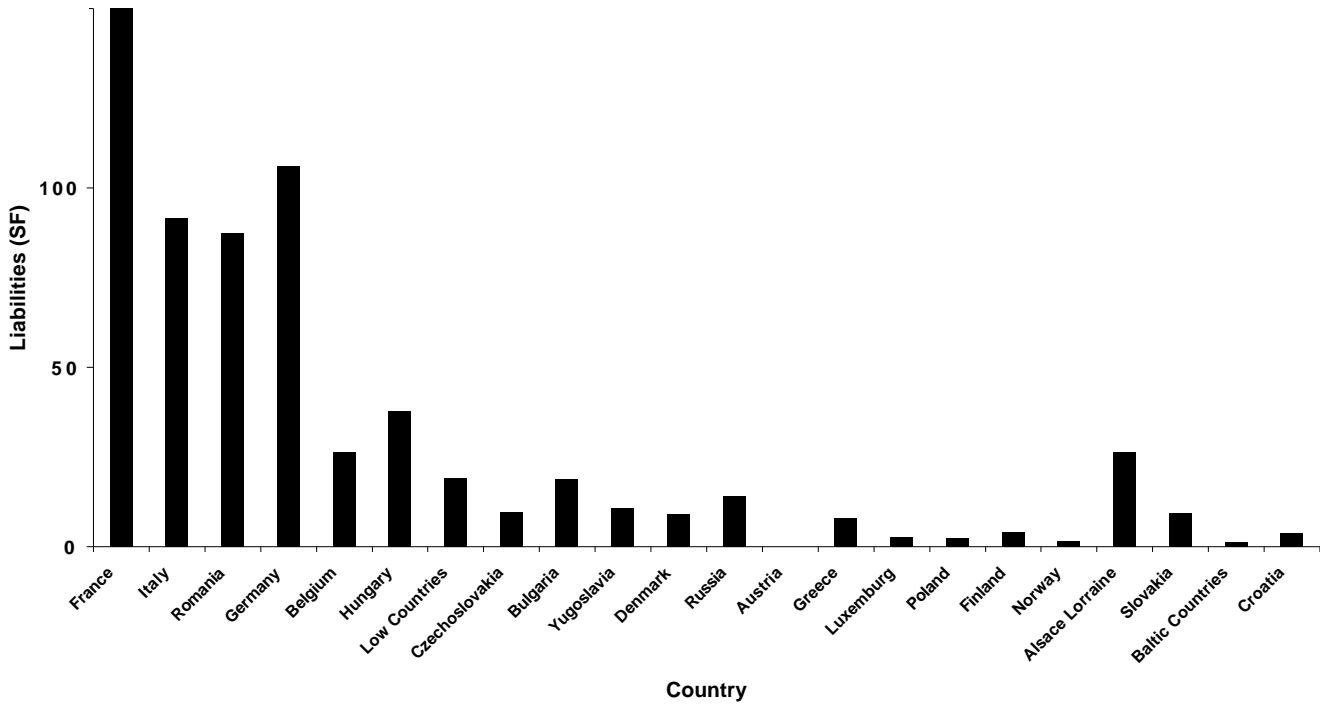
**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1941
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



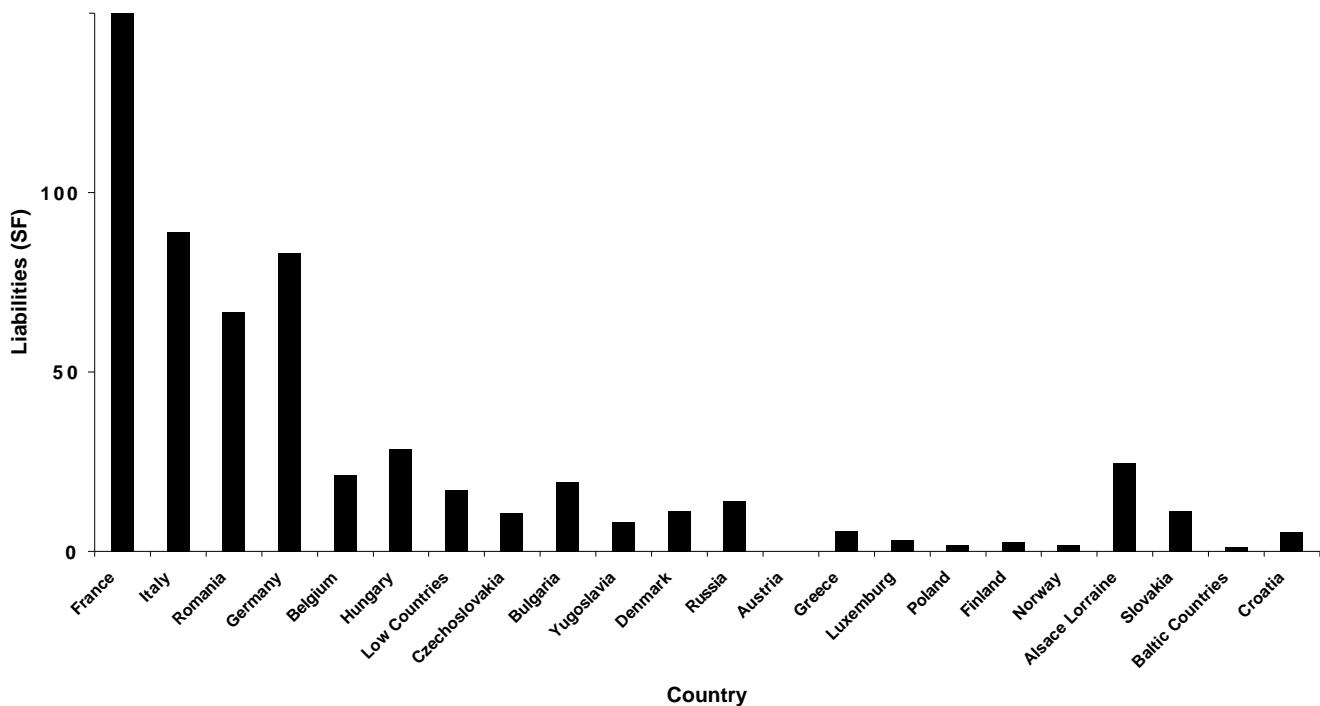
**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1942
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



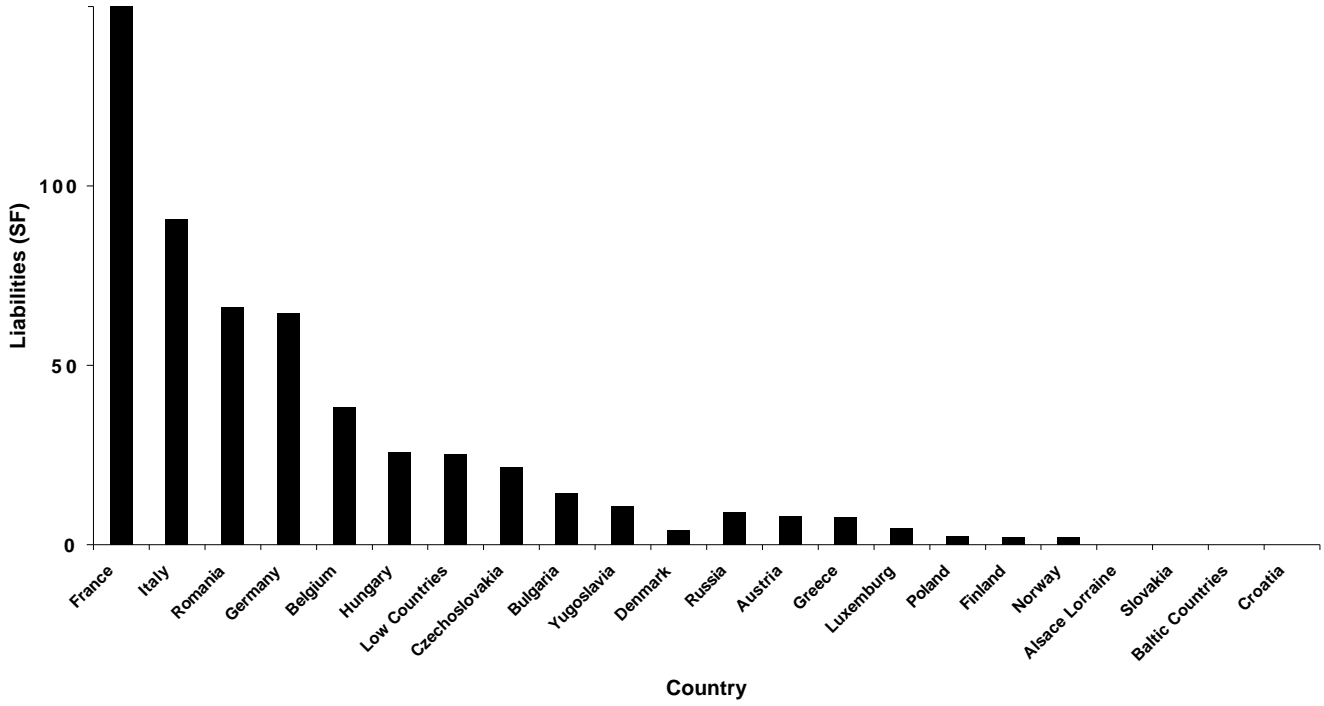
**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1943
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1944
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



**Liabilities to Creditors in Foreign Countries of the 63 Swiss Banks
Included in the SNB statistics - 1945
December 31, 1937 - December 31, 1945
(all amounts in Swiss Francs million)**



Report on the Pre-War Wealth Position of the Jewish Population in Nazi-Occupied Countries, Germany, and Austria

How the Economics of the Holocaust Add

By Helen B. Junz

Acknowledgements

This report, seeking to document the pre-war wealth of the Jewish populations in countries that fell under the sway of the Nazis, is written at the request and with the support of the Independent Committee of Eminent Persons (ICEP). I am grateful to the Committee for asking the question and supporting the search for answers. Curt Gasteyger, the Committee's liaison on the concept for the project, provided encouragement throughout.

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Obviously, the responsibility for remaining errors and omissions is entirely mine.

I. SUMMARY AND CONCLUSIONS

A. Introduction

The aim of this report is to reach reasonable estimates of the wealth owned on the eve of the devastation by the Jewish population in those countries where the Nazis came to hold sway. In most cases, with the notable exception of Germany, this was 1938/39. **The ultimate goal is to help put in perspective the question of dormant accounts in Swiss banks. The size of asset holdings of the Jewish population in countries from which flows seeking safe harbour were likely to have come can provide a macro-economic dimension to the micro-search conducted under the auspices of the Independent Committee of Eminent Persons (ICEP).** Implicit in this task is an estimate of the structure of Jewish pre-war wealth in addition to its size. While recognising that any such estimates will be flawed and, therefore, can give only an indication of the amounts that could have been lodged abroad, they can help serve as one of the benchmarks against which actual discovery can be tested.

The war the Nazis waged on the Jews was total. They destroyed a community of more than 8 million people and took the lives of more than 6 million individuals from the Atlantic Ocean to the Caspian Sea. The Nazis' war aimed to destroy the Jewish people and their culture, but to keep intact, for their own uses, the economic assets owned by the Jews. It is this neutron bomb side of the Holocaust which this report tries to help clarify.

The suffering of the Holocaust has no bottom line; nor will it be possible to draw a full balance sheet of the economic devastation inflicted on the Jews by the Nazis. Thus, we must recognise that, even after best efforts, much will remain unknowable. **It is important, however, to understand what still can be known and what is lost in history. Despite the lack of comprehensive data, we believe that it is possible to make a contribution to what can be known.**

In doing so, we first needed to dispel or at least clarify some myths about Europe's Jews: the myth that they had nothing, so why bother looking; the opposite one, that they had so much and were so well-informed that all they had reached a safe haven; the fallacy that only the poor were murdered or that Jews all came from large families, so that someone surely survived to retrieve any non-looted assets.

We are not the first to try and put a figure on the wealth of Europe's Jewish people. Nehemiah Robinson undertook this task as early as 1944 for the World Jewish Congress.¹ His work was path breaking for its time: he tried to establish links between national income and wealth data, to derive the private sector portion and then make the leap from private sector wealth to Jewish-owned wealth country by country. With national income accounting now well into its middle age, we know that these relationships are vastly more intricate than they appeared in the early stages of this type of work. This is not to say that Robinson's results are not valuable – by no means as he was not only an ingenious researcher, but also a very intuitive one.²

To us, it became clear quite early on that a top-down approach, trying to distil the specific data from macro-numbers, such as national income, money supply, capital flows etc. was not do-able. While personal income flows were available, they generally did not relate to specific population groups and, as noted above, the relationship between income and wealth is not a straightforward one. In addition, attempts to track movements of flight capital through the ebb and flow of the volume of bank deposits and bank notes in circulation did not prove very illuminating. Examination of such data around what we now know to have been crisis dates should have yielded some clues. However, between 1934 and 1938, when the tolling of the bell could no longer be ignored, the progression of important dates on the Nazis' path to the exclusion of Jews from economic and social life (see Appendix I) spanned periods of currency instability characteristic of the 1930s. This frustrates the drawing of inferences from capital flows about either the size of the flight of Jewish-owned capital to safety or the destinations that may have been involved.

Furthermore, much of the stream of assets out of the Nazi-affected countries did not involve market transactions, but rather other avenues, such as movement from one safe deposit box to another (particularly precious stones and metals and securities), which would not have shown up in the money statistics.

B. New Approach

For the reasons stated above, we followed a totally different approach and **searched for direct wealth data or their proxy**. These could generally be found in tax statistics, specifically in wealth and estate taxes. Of course, these are good only to the extent that tax compliance was reasonable and/or estimates of the relative importance of tax evasion could be made. A further problem was that in most countries, and especially in the Western European ones, income and tax statistics were not recorded by religious affiliation. Accordingly, estimates relating to the Jewish population had to be based on a picture of its socio-economic structure and fitted into the general population data on that basis. Our bottom-up approach thus required, in addition to building on prior studies, a search of archival source materials as little detail was preserved in published historical statistics and much of the base data had been routinely destroyed. It involved a close study of the paper trail left by the Nazi looters as well as of the documentation on restitution. Estimates of the amounts of looted assets and of those that escaped the Nazis help put the plausibility of our wealth estimates in perspective. However, within the time and resource constraints of this project, it has not been possible to try and make first-hand estimates of these latter two elements. Accordingly, we have relied on what source materials were at hand and focussed our efforts on testing their reliability. Whenever feasible, we have used all three to come to as well-founded a conclusion as possible.

The temptation to oversimplify and to generalise is all but overwhelming given the complexity of the subject matter. Awareness of this problem remained a constant priority as we went along. Obviously, it is not possible to arrive at a single hard figure. But, building on a variety of approaches, depending on the type of data available in the different countries, it is possible to find different pieces of the puzzle so that, ultimately, a reasonably comprehensive picture can emerge.

In many ways, the puzzle-pieces come down to basically three interconnected estimates:

- **what was the initial wealth position,**
- **how much was looted and**
- **how much was left, including how much escaped abroad.**

1 Nehemiah Robinson, *Indemnification and Reparations*, Institute of Jewish Affairs, New York 1944 and Nehemia Robinson, *Spoilation and Remedial Action*, Institute of Jewish Affairs, New York, 1962.

2 Indeed, Sidney Zabudoff recently updated his results in, *And It All But Disappeared: The Nazi Seizure of Jewish Assets*, Institute of Jewish Affairs of the World Jewish Congress, 1998.

In the end, we found that, if we could identify any of the three pieces of the puzzle, each piece helped corroborate the plausibility of the other parts.

C. The Results

We chose six countries, the Jewish population of which – at 5.0 million³ – constituted more than three-quarters of European Jewry outside the Soviet Union, and which could be considered representative of a yet larger segment. The second reason for the choice was a far sadder one: these are the countries from which about three-quarters of those who perished came. They thus include a high percentage of those most likely to have left heirless assets. (See Table 1).

The six sample countries were sufficiently diverse to yield a basis for indicative conclusions to be drawn for countries not included in the study. Among the countries that had to be omitted because of time and resource restraints, only Czechoslovakia and Romania had large Jewish populations; together they accounted for 15 percent of Europe's Jews.

A separate picture was compiled for each country, partly dictated by source data availability, which varied considerably across the region. As in all areas covered in this report, hard figures were hard to come by. In particular, Jewish population statistics come with a note of caution. Whenever possible we chose to rely on official census figures. But even this produces potential for miscalculation: first, the 1930s, of their

³ By Nuremberg definitions.

SUMMARY: Table 1			
Jewish Population and Death Toll			
Country	Jewish Population ¹	Perished	
	Number	Number	Percent of Total
Austria	217,250	65,459	30.1
Netherlands			
a) incl. pre-war immigrants	140,001	104,000	74.3
b) excl. pre-war immigrants	118,000		
Germany	550,000	165,000	30.0
Hungary	521,640	298,000	57.1
France			
a) incl. pre-war immigrants ²	305,000	76,134	25.0
b) excl. pre-war immigrants	250,000		
Poland	3,300,000	2,900,000	87.9
Total incl. Pre-war Immigrants	5,033,891	3,608,593	71.7
Total Europe	9,450,000	5,800,000	61.1
Europe excluding USSR	6,350,000	4,700,000	74.0
Six country total as % Europe excluding USSR	79.3	76.8	
Six country total excluding pre-war immigrants	4,956,890	3,608,593	72.8
As % of Europe excluding USSR	78.1	76.8	
<p>Note: For the Netherlands and France, it was not possible to distinguish the death toll for the immigrant population separately. Thus, the six-country totals including and excluding immigrants are the same.</p> <p>1. Pre-war population, Nuremberg definition. 2. Excluding the final post-invasion wave of refugees.</p>			

nature, are characterised by both population flows across borders – often in both directions – and border changes, making avoidance of double counting difficult. Second, in some countries, e.g. France, the division between church and state precluded questions regarding religion being asked in the population census. For these no official figures exist for the Jewish population in the pre-war period. Third, even where population groups were distinguished by religion, it was only in some East European countries that censuses asked, in addition to religious affiliation, questions also about nationality, race and language preference. In the absence of such data, the official sources could not provide even a starting point for comparison between the pre- Hitler population statistics based on religion and the Nazi censuses based on the Nuremberg laws.

The flow of Jews out of Germany after 1933, and later out of Austria, joined the more economic than politically motivated migration streams from further East. The early waves of emigrants went, in the first instance, to other European destinations, where a large number later were caught by the German occupation. Many of them had taken at least part of their wealth with them or sent it onwards. The problem for our purposes is in which country's wealth estimate the wandering Jew should be placed. We have attempted to exclude the immediate pre-war refugee stream from each country's estimate and, where data availability allowed, separate estimates for the original and the more recently arrived population are shown. Though that may not always have been successful, we are confident that the potential for double counting is not distorting the results to any significant extent.

Not surprisingly, the socio-economic profile of Europe's Jews found them predominantly urban and self-employed, primarily in commerce, banking and the professions. But what that meant as an indication of wealth for a Jew in Poland was totally different from what it meant in France; for that matter, within each country there was a world of difference as well. For example, the Jews were the peddlers of Holland, but they also were its department store owners. This skewness of income distribution and social status was typical of all the countries in our sample, except to some extent Germany, which had a much broader middle class. Further, it was not possible within the resource constraints of the project, to try and improve upon the very soft data on the value of land, real estate and enterprises. Such improvement could materially contribute to strengthen the results.⁴

For our purposes we focussed on the part of the Jewish population that had sufficient wealth to be able to consider putting significant amounts aside for safekeeping. **In that respect, our estimates are de minimis as they tend to leave out what wealth might have been held by those living nearer the edge of subsistence. For consistency reasons we also eliminated the top slice, the super-rich, as this relatively small group would have imparted an upward bias to the results.** Furthermore, even if these could not save

themselves, they may have been in a better position to prevent what wealth they safeguarded from winding up in dormant accounts.

What follows are our global totals, our estimates of Jewish-owned wealth as well as of how much might have been available for transfer or already lodged abroad, an assessment of the robustness of the estimates and a brief summary of country-by-country results. The detail about how we reach these figures, e.g. the setting that motivated financial decisions and opportunities and the characteristics of the Jewish population, is supplied in the body of paper.

In our six target countries, the estimates of pre-war Jewish-owned wealth total US\$12.9 billion at nominal exchange rates. Based on exchange rates adjusted for purchasing power differentials, the total comes to \$12.1 billion. (See Table 2). The largest differences are to be found in the overvaluation of the RM and the undervaluation of the Polish zloty, the Dutch guilder and French franc. In each country, though the structure of wealth differed, financial assets were the single most important savings instrument.

We estimate that about US\$3.0 billion may have been available for transfer to, or already lodged in, a safe haven destination. (See Table 3). With the high degree of portfolio flexibility, this amount could have been, and probably was, augmented materially at later crisis points. But some of the flow abroad was recaptured when Germany invaded France and the Low Countries.

To reach our estimate, we posited that the foreign currency denominated and tax evasion parts of financial assets would have been indicative of the amount of financial resources already abroad, or poised to move there.

In all countries, tax avoidance and tax evasion played a major role and this has been explicitly taken into account in the estimates. The additions to the base numbers for these factors were spread among business capital, tangible valuables and financial assets on the assumption that tax cheating on land and real estate would have been difficult. While outside estimates or consolidated data on the Jewish population's asset holdings abroad are lacking for all our sample countries, partial data and anecdotal evidence helped give substance to our estimates. Given the socio-economic status of our target population, their obvious business experience and the sophistication of their financial portfolios, it is clear that most, if not all, would have tried to send some of their assets to safe havens. Stories from each country suggest an array of both obvious and ingenious methods for disguising asset transfers, ranging from over-invoicing through bank drafts in fictitious names to simply hiding precious stones in hollowed-out shoe heels.

⁴ We know, for example, that at the moment of crisis people increased their liabilities (mortgages, borrowing on inventory) to enhance the amount of liquid funds poised for flight. However, the basis for a sound estimate is lacking.

SUMMARY: Table 2

**Estimated Pre-War Wealth of the Jewish Population
Total and Per Capita Wealth Total Jewish Population and People of Means**
(Local currency and US dollars)

Country	In Local Currency			In US Dollars					
	Total Wealth (billion)	Per Capita		At Nominal Exchange Rates			At Purchasing Power Related Exchange Rates		
		Total Jewish Population	People of Means	Total Wealth (billion)	Total Jewish Population	People of Means	Total Wealth (billion)	Total Jewish Population	People of Means
Austria (RM)	2.7	12,009	21,860	1.1	4,990	9,083	0.8	3,885	7,072
Netherlands (fl)	1.7	11,786	32,609	0.9	6,511	17,945	1.0	6,852	18,953
Germany (RM)	16.0	29,090	46,176	6.4	11,684	18,545	5.0	9,091	14,430
Hungary (pengő)	3.7	7,093	35,343	0.7	1,407	6,744	0.7	1,315	6,553
France (FF)	32.6	130,400	233,691	1.3	5,200	9,319	1.4	5,600	10,358
Poland (Zl)	13.3	4,030	48,718	2.5	758	9,158	3.2	966	11,681
Total and Average	-	-	-	12.9	2,602	12,503	12.1	2,426	11,728

Note: Wealth and population data generally refer to 1938/39, except for Germany, where they are for 1933. For France, they exclude post-1933 refugees. US dollar figures are derived using 1938 exchange rates except for Germany, where the 1934/35 rate is used and France, where the foreign currency portion of the portfolios is converted at the 1936 exchange rate and the remainder at the 1937 rate.

1. Weighted average.

The estimates of the amounts that might have been put abroad stand up when viewed in the context of total pre-war wealth and wealth looted. In local currency, they cluster around one-fifth of total wealth, except for Germany and Poland. In US dollars (at 1938 exchange rates, except for Germany and France), they range from about US\$150 million for Hungary to US\$1.6 billion for Germany. Germany accounts, thus, for more than one half of the US\$3.0 billion six-country total. This predominance is in part explained by the longer lead time the Jewish population in Germany had before the curtain came down definitively, and in part is associated with the very large emigration flow: 130 - 170,000 people in the five years between Hitler's assumption of power and the time when large scale expropriation started. A further 100,000 left thereafter. However, as noted above, many were

recaptured with the German occupation of much of Western Europe.

We are confident of the internal consistency of the country estimates. One way of testing them is through the coherence of the cross-country results. (See Table 4). However, this coherence or otherwise may not be immediately apparent on first view and thus requires some clarification. This is so not only because of differences in the quality of the data, but also because of differences in starting dates and in population structure. So, while one would have expected per capita wealth in Germany to be higher than in Austria, the seemingly large difference – which is explained primarily by Germany's smaller average family size – needed this further elucidation. And, indeed, the large gap in per capita wealth is narrowed when wealth per family is considered.

SUMMARY: Table 3
Estimated Amounts of Flight Capital
(Local currency and US dollars)

Country	In Local Currency	In US Dollars
	million	
Austria (RM)	550	221
Netherlands (fl)	350	193
Germany (RM)	4,000	1,606
Hungary (pengö)	800	153
France (FF)	7,000	419
Poland (Zl)	2,000	377
Total		2,969

Note: In 1938 exchange rates, except 1934/35 for Germany and 1936 for France.

Similarly, the fact that per capita wealth among people of means in the Netherlands outstrips that in Germany is, in part, explained by the difference in starting points. The base year for Germany is 1933 as it was immediately following the Nazi rise to power that the need to think about putting funds abroad began to emerge. But that also was the economic low point of the decade. For the Netherlands, the base year for the wealth estimates was on the eve of the war, a number of years after economic growth had been resumed and wealth levels had begun to recover.

Otherwise, however, the spread of the estimates appears to be plausible: per capita wealth of Polish Jews is at the bottom of the range, but that of the small percentage of people of means is about average after taking account of the undervaluation of the zloty. Further, the skewness of the income distribution in Poland and the Netherlands is clearly discernible from the large difference between per capita wealth of their Jewish population at large and that of those of means. This lopsided income distribution was relatively widespread among the six countries. (See Table 4). The share of the Jewish population of means ranged from a low of 8 percent in Poland to a high of 63 percent in Germany, with Hungary and the Netherlands clustering toward the lower end and France and Austria around the 50 percent point.

Although Poland was at the bottom of the six-country range in terms of per capita wealth and at the top of the poverty scale, it ranked second in terms of total wealth by virtue

of its sheer population size. (See Table 5). Germany's more even income distribution together with the middle class nature of its population put it at the top of the six-country wealth array.

The structure of wealth, important for the determination of how much might have been available for safekeeping abroad, also allows only general conclusions to be drawn from a cursory look at the numbers. (See Table 6). For example, the German and Austrian data both rely mainly on the results of the Census of Jewish Assets conducted by the Nazis in 1938. In Austria the census came at the heels of the Anschluss, but for Germany it came five years into the implementation of exclusionary laws. The structure of assets in the latter obviously would reflect the resulting hollowing out of assets much more strongly. Consequently, in Germany much of the structural weight would already have been shifted from business capital and real estate to financial assets, while in Austria the change relative to normal times would have been much less. For the Netherlands and France, the basic data source was estate tax returns. These would normally also show a bias toward liquid assets to the detriment of business capital. However, in France we had to rely on national statistics, whereas in the Netherlands we could examine individual estate tax returns of Jews, many of whom had died in the camps. Thus, the effects of expropriation and forced liquidation are reflected in the Dutch data and help explain a yet lower level of business capital.

SUMMARY: Table 4**Jewish Population (Nuremberg Definition)
By Country and Distribution of Wealth**

Country	Total Jewish Population	People of Means and their Dependents	
	Number	Number	Percent of Total
Austria	217,250	119,350	55.0
Netherlands	140,001	50,600	36.1
Germany	550,000	346,500	63.0
Hungary	521,640	104,689	20.1
France			
a) including pre-war immigrants	305,000	153,250	50.2
b) excluding pre-war immigrants	250,000	139,500	55.8
Poland	3,300,000	273,000	8.3
Total			
a) including pre-war immigrants	5,033,891	1,047,389	20.8
b) excluding pre-war immigrants	4,978,891	1,033,639	20.8

Note: Includes pre-war immigrants for the Netherlands; for France the total incl. immigrants still excludes the final wave of post-invasion refugees. The total excl. pre-war immigrants differs from that in Table 1, where such exclusion was possible for the Netherlands as well.

SUMMARY: Table 5**Jewish Population (Nuremberg Definition)
and Pattern of Distribution of Population and Wealth among Countries**

Country	Number	Percent Distribution		
	Jewish Population	Population	People of Means	Wealth Estimate ¹
Austria	217,250	4.4	11.3	6.6
Netherlands	140,001	2.8	4.8	8.3
Germany	550,000	11.0	34.8	41.3
Hungary	521,640	10.5	9.9	5.8
France ²	250,000	5.0	13.3	11.6
Poland	3,300,000	66.3	25.9	26.4
Total	4,978,891	100.0	100.0	100.0

1. At purchasing power adjusted exchange rates.

2. Excluding pre-war immigrants.

SUMMARY: Table 6**Structure of Wealth**

(In percent)

Assets	Austria	Netherlands¹	Germany	Hungary²	France	Poland
Real estate and land	25.2	20.1	29.0	39.7	24.4	35.0
Business capital ³	24.4	2.3	13.4	11.4	4.1	15.0
Tangible valuables ³	4.4	6.4	5.2	0.5	6.5	7.0
Financial assets ³	46.0	71.4	52.4	48.4	65.0	43.0
of which:						
<i>foreign currency denominated³</i>	20.0	21.1	<i>n.a</i>	21.5	21.5	<i>n.a</i>
Total	100.0	100.0	100.0	100.0	100.0	100.0

1. Financial assets includes claims (largely mortgages) amounting to 14.5 percent.

2. Budapest, Districts V-VII; tangible valuables includes "all other".

3. Adjusted to include tax evasion. For financial assets this was added to the foreign-currency-denominated subtotal.

The big picture that emerges from the cross-area view further illuminates the individual country findings:

- There was a high degree of poverty among the Jews in the countries we studied. While, on average, about half barely eked out a living, the other half were reasonably well-off. The exceptions are Germany, with a more even income distribution and Poland, where more than 90 percent lived in poverty. However, in Poland the few with means were relatively affluent. (See Tables 2 and 4).
- In its high degree of poverty, the Jewish community did not differ all that much from the population at large. On average, it appeared to be somewhat better off: for those countries where tax data are available for Jews and non-Jews, the Netherlands and Hungary, the share of Jews in the tax population outstrips its general population share by far. But much of this difference tends to be explained by the overwhelmingly urban nature of the Jewish population.
- Urbanisation also is an explanatory factor in the large weight of financial assets in Jewish portfolios. These ranged from 43 percent in Poland to 71 percent in the Netherlands. (See Table 6). Though myth has it that Jews owned most of the real estate in a number of cities, their ownership of fixed assets, on average, is of lesser relative importance than that for the non-Jewish population. When there is a basis for comparison of asset structures by region, as in the Netherlands, the weight of fixed assets in the portfolios of Jews in the rural areas tends to be higher than that for urban Jews.
- Portfolio structures tend to attest to cosmopolitan attitudes. The share of foreign currency denominated assets was high and, in most cases where detail is available, "junk" paper was of low importance. There was a distinct difference, however, in asset preference: despite the inflation experience of the 1920s, the relative weight of shares diminished in favour of bonds from West to East.
- Foreign bank deposits, gold and cash appear under-represented in the visible portfolios. But this may be because these assets tend to be preferred tax evasion instruments.
- Favoured destinations for flight capital, when stated, differed distinctly: for the Netherlands it was the United States, with an apparent preference for transfers in bank name to avoid probate problems; for France, it was Switzerland and the United States, at times with North Africa as a way station; for Austria, it was Switzerland and France, with assets lodged in Prague also relatively frequent, often in connection with real estate holdings; for Hungary, it was Switzerland; for Poland, the United States and Switzerland. Great Britain came in a low third as a stated destination, though branches of British banks were mentioned regularly both as intermediaries as well as depositories.

In the six target countries, between 25 and 88 percent of the Jewish populations did not survive. (See Table 1). In Poland, 88 percent, that is almost 3 million people, perished; in the Netherlands, 74 percent, 104,000 people perished; in pre-war Hungary, 57 percent, almost 300,000 people perished; in

Austria, 30 percent, more than 65,000 people perished; in Germany, 30 percent, 165,000 people perished; in France, 25 percent, about 75,000 people perished. **In total more than 3.5 million Jews from our target countries died. It is clear that a significant number would have been in a position to attempt to safeguard their wealth and presumably tried to do so.**

D. Summary of Country Results.

1. Austria:

We estimate pre-war Jewish-owned **wealth at RM 2.6 – 2.9 billion, of which about RM 550 million, or 21 percent, was likely to have been held abroad or available for transfer.** Favoured destinations were Switzerland and France. Our estimates are based in the first instance on data from the Nazi census of Jewish assets. Specifically, a sample was drawn from the 52,000 odd forms that still exist and analysed in detail. The results were augmented from archival documentation on the expropriation process and tested against income and wealth statistics for the population at large. They are considered to be especially robust. The background section on Austria is particularly extensive because the richness of the documentation allows Austria to serve as a prototype for the analysis of other countries. Accordingly, the deeper background material was thought to help broaden the general understanding. More than 65,000 Austrian Jews were killed.

2. The Netherlands:

We estimate pre-war Jewish-owned **wealth at fl 1.65 billion, of which fl 350 million or 21 percent, would have been either held outside the country or easily transferable.** Favoured destination was the United States. We used Jewish estate tax data, documentation on Nazi looting and general statistics on income and wealth taxation and regional differentials to derive the level of wealth and its asset structure. These results are exceptionally robust, in part because they, more than elsewhere, rest on material that allowed for thorough testing for internal coherence. More than 100,000 Dutch Jews were killed.

3. Germany:

We estimate the wealth owned by Jews in Germany in 1933, prior to the Nazi expropriations, **at RM 16 billion.** Germany is a special case because of the early date at which the Nazis commenced their spoliation. We estimate that, despite the tight currency restrictions, much of the wealth of German Jewry would have been moved abroad in advance of, or with, the flood of emigration in the six years before the war. Some of this would have been to destinations later overrun by the Nazis. This latter part is subsumed in our estimate of **about RM 4.0 billion, or 25 per cent of wealth in 1933, that might**

have escaped through transfer abroad. Our estimates are based on Nazi documentation on the wealth of the Jewish population, including data on dispossession, and special taxes and fines, augmented by general economic data on income and wealth taxation. The estimates are reasonably hard. 165,000 German Jews were killed.

4. Hungary:

We estimate pre-war Jewish-owned **wealth at 3.7 billion pengö, of which 0.8 billion pengö or 22 per cent, may have been available for transfer or already lodged abroad.** Favoured destination was Switzerland. Our estimates are based on detailed income and wealth tax data for Jews and non-Jews for Budapest and more general data for Hungary; socio-economic indicators, regional dispersion and statistical analyses and data from Jewish and Fascist studies of the time. We consider them to be quite robust. Almost 300,000 Hungarian Jews were killed.

5. France:

We estimate pre-war Jewish-owned **wealth at FF 32.6 billion, of which FF 7 billion or 22 percent, may have been available for transfer or already lodged abroad.** Favoured destinations were Switzerland and the United States, at times via North Africa. Our estimates are based on socio-economic indicators, estate tax data for France and the Paris region for the population at large, and archival documentation of the expropriation process. Because the Matteoli Commission's work is still in progress, and material was temporarily unavailable in the interim, we expect that these figures can be improved over time. More than 75,000 Jews resident in France were killed.

6. Poland:

We estimate pre-war Jewish-owned **wealth at Zl 13.3 billion.** Despite considerable trawling of source material, the paucity of data in Poland made independent estimates of the structure of wealth impossible. On the basis of our findings elsewhere, the socio-economic profile of Poland's more affluent Jews and their cultural, commercial and financial ties with other countries, we estimate that **the amount of transferable wealth would have been at the low end of our country estimates, at around 15 percent or Zl 2 billion.** Favoured destinations were Switzerland and the United States. Our estimate of wealth is based on a combination of socio-economic profiling, income statistics for Jews and non-Jews, general information on savings behaviour. Archival source material was spotty, partly because of the great difficulty in accessing Polish archives. Consequently, we consider the results for Poland to be the least robust of the sample. At least 2.9 million Polish Jews were killed.

II. INTRODUCTION

A. Income and Wealth Estimates

While estimates of pre-World War II national income are generally available, albeit of varying reliability, there is a paucity of data on national wealth. Methods of deriving wealth estimates from national income data are fraught with problems, intensified when one attempts to isolate private wealth from national wealth. Therefore, national income/wealth relationships are used as one of several indicators only. Further, as the source material often does not differentiate between the population groups according to religion, estimates of private wealth have to be adapted to reflect differences in demographics, occupational structure and geographic concentration between the population at large and its Jewish component. Results of such calculations are tested against estimates of Jewish-owned wealth derived from other sources, including those made by the Nazi authorities. Wherever possible, wealth estimates are based on more direct data derived from tax revenues, profit ratios and secondary sources.

Given the mandate, our target population was defined as the more affluent among the Jewish populations. Of course, the term “more affluent” carries a different meaning across countries: what would be described as “low income” in France, could well have been “relatively affluent” in Poland. Clearly, generalised definitions must be seen in the context of the socio-economic conditions in each of the country. This difficulty already describes the problems that in inter-country approach would have presented. It was, therefore, necessary to treat each country *sui generis* and to distil useful country-carriers as we went along.

In defining our target population, we asked the question: “who would have had the wherewithal and the connections to put significant amounts of funds abroad at the time alarm bells were ringing”. On the whole, that eliminated the lower-income slice of the Jewish populations, though there were exceptions. For example, in Poland, with its close-knit Jewish communities, it was known that funds might be pooled to be sent abroad. And, on a more technical basis, those sufficiently wealthy to live on their capital might have shown a relatively low income level, while still being able to dispose of a considerable amount of assets. We also, where data availability allowed, eliminated the super wealthy. Their inclusion would have imparted an upward bias to our estimates, while we preferred to err on the low side. Our estimates, thus, are based on the assets held by the middle and upper-middle wealth groups, ignoring what savings those who lived at the edge of subsistence or just above it might have accumulated. By the same token, they also exclude the largest fortunes. **The results should, therefore, be taken to tend toward the lower end of the range.**

If the definition of the target population presented problems, that of what funds might have been available to move to safe harbours proved yet more difficult. We chose to base

our estimate on those assets for which there were markets with depth and which could be considered temporarily dispensable. This means, to all intents and purposes, financial assets and precious metals and stones. We also assumed that a relatively high share of foreign-currency denominated assets in a portfolio indicated a level of investment sophistication that would allow the presumption of knowledge and opportunity to move assets abroad. We, thus, took the portion of foreign currency denominated assets, augmented by that part of estimated tax evasion/avoidance wealth attributable to financial assets, as indicative of funds that might already be abroad or be poised to move there. Of course, this definition is also open to question. It is clear that at moments of crisis, those who could, would – and, indeed evidence tells did – increase their liabilities, cash in near-liquid assets (e.g. insurance policies) and call in debts. But as there was no basis for estimating the size of flows thus generated, prudence dictated to remain with a more circumscribed definition.

B. Potential Cross-border Flows of Jewish-owned Assets

How much capital was potentially available for safekeeping abroad depended not only on how much there was, but also on its asset structure. For example, wealth concentrated in fixed assets or in business investment would not generally be movable abroad nor would financial assets with low or only locally high liquidity, e.g. mortgage paper. Accordingly, estimates had to be made, or at least a view formed, of the relative importance of liquid assets in the total wealth structure.

Attempts to track movements of flight capital through the ebb and flow of the volume of bank deposits and bank notes in circulation proved not very illuminating. Examination of such data around what we now know were crisis dates should have yielded some clues. Unfortunately, a number of the important dates in the progression of Nazi measures to exclude Jews from economic and social life between 1934 and 1938 (see Appendix I) coincided with periods of currency instability characteristic of the 1930s. This frustrates the drawing of clear inferences about the flow of Jewish-owned capital to safety and the destinations that may have been involved. Only with the events of 1938 – the Anschluss and the tightening of the Nazi noose around the Jewish population – could the rise in currency in circulation in what then were thought to be relatively “safe” destinations (e.g. Switzerland, France, the Netherlands, and the United States) be taken as a clue to the enlarged flow of unaccompanied and accompanied capital seeking refuge. (See Table 1). In fact, the amounts coming out of Germany were sufficiently large – even though restrictions were tight and by then the pauperisation of German Jewry through progressive exclusion from economic activities was nearing completion – that they led Field Marshal Göring, as head of the German Four-Year-Plan, to seek preventive measures.

The reason why the money measures fail to throw much

INTRODUCTION: Table 1**Bank Notes in Circulation as Percent of National Income
1931 – 1939**

Year	Netherlands	Sweden	Switzerland	United Kingdom	United States
1931	20.0	7.9	18.7	9.9	5.5
1932	21.1	8.7	21.0	8.7	8.5
1933	20.8	9.5	19.6	10.5	10.5
1934	21.0	9.1	19.0	10.4	8.4
1935	19.0	9.5	18.4	10.3	7.4
1936	18.2	9.8	19.9	10.6	7.1
1937	18.1	9.5	18.9	11.0	6.1
1938	20.2	8.9	20.1	10.9	6.9
1939	22.1	n.a	23.2	11.0	7.1

n.a – not available.

Source: League of Nations: *Statistical Yearbook 1942/44*, Geneva.

light on the capital flight situation may be due, in part, to the asset composition of some of these capital flows, e.g. foreign currency-denominated securities and precious metals, which would not show up in the money statistics. In addition, a good portion of foreign currency bank notes, especially Swiss francs and US dollars, would have been accumulated much earlier and their deposit abroad not easily tracked if placed with private banks, fiduciaries or in safe deposit boxes. Nevertheless, the amount of Swiss and Dutch bank notes in circulation, after adjustment for changes in economic activity, rose noticeably in 1938/39. And the declining trend in bank note circulation in the United States began to reverse in 1938. But the data are too gross to draw conclusions about the role cross-border demand for foreign currency may have played. Thus, in 1938-1939 bank deposits in Switzerland actually dropped as the Austrian Anschluss led to a break in confidence and banks moved some of their customers' assets to branches and correspondent banks abroad, especially to the United States. The rise in demand for money may thus have been the counterpart of the deposit drop rather than stemming from additional external demand. This is not to say, however, that research in greater depth could not throw further light on such movements. However, this was not feasible within the scope of the current study.

Because of these difficulties, our estimates of flows abroad rely largely on evidence of savings habits and asset

preferences, tax compliance or the lack thereof, economic/financial external relationships and other indirect indicators collected on a country-by-country basis. Corroborative data, especially on the size and composition of assets held abroad were drawn largely from secondary sources, including the safe-haven documentation released by the US Government.

C. The Estimates

As noted above, in the absence of direct data on the size and structure of the wealth of the Jewish populations, we had to rely on partial data and fit various source materials together to reach an overall impression. The process was very much in the nature of forming a view of what a jigsaw puzzle depicts with most of the pieces missing. Each piece found was used to test and corroborate the full picture we had derived. Quality, availability and accessibility of data differed greatly across countries. The methodology developed sought to integrate direct sources with secondary ones, including qualitative material.

The direct sources came largely from the records of the Nazi looting institutions, post-war records of assets restituted, national tax records, specifically wealth tax, income tax and estate tax data, and community tax and contribution records. Secondary material, as we define it, sought to derive the financial position of the Jewish population from national data

where data by religion were not available. This required determination of how the Jewish population itself was structured and how this structure fit into the national picture based on population, occupation, employment and earnings data, income and wealth distribution and other socio-economic indicators, such as degree of urbanisation, spread over residential districts, degree of literacy, etc.

While for the quantitative material, in most cases, statistical sources were accessed directly, extensive use was made of existing studies as well as personal recollections of surviving experts on this and related subjects. In particular material on the socio/political/economic environment was drawn from such sources. The results are described in the background sections to the country chapters and were essential for the understanding and interpretation of the statistical material.

The country sections are arranged more or less in the order of relative richness of source material and focus on specific approaches. This mandated the following order: Austria, the Netherlands, Germany, Hungary, France and Poland.

Austria was particularly rich in data on the level as well as the structure of the wealth owned by Jews as gathered by the looting institutions. Full documentation on the 1938 Census of Jewish Assets (the 1938 Census) has been preserved and is accessible in the Austrian State Archive as is a large amount of outgoing correspondence of Nazi officials in charge of the expropriation process. By contrast, tax data other than income tax are sparse and not reliable.

The Netherlands provided the prototype for the analysis on basis of estate tax data and their integration with estimates of the extent and structure of assets looted. Detailed data exist on both the spread of the Jewish population across the country as well as within the cities and on its taxable income by tax brackets. In addition, we were given access to individual estate tax documentation, which provided a sufficiently large data base to draw conclusions about the level as well as the structure of assets.

For Germany, we relied on a combination of general data from the 1938 Census (none of the rich detail found in Austria was available for Germany, though some is preserved, but exceedingly difficult to access), the record of dispossession (e.g. flight tax revenues), national wealth and income tax data, and a wealth of existing studies.

Hungary offered detailed national statistics by confession, in particular for Budapest where more than two-fifths of the Jewish population lived. Income and wealth tax data for both, confessional Jews and non-Jews were the core source for our estimates.

For France, direct source materials were very sparse. Nazi efforts to determine the size and whereabouts of the wealth held by Jews were not as successful as elsewhere, partly owing to the size of the country and partly to the division between the Occupied and the Unoccupied Zones, all of which made compliance with Nazi directives more a local matter than elsewhere. We relied on partial data on spoliation mainly for testing purposes of our indirect estimation results. The

core of these was national estate tax data.

For Poland we relied to a large extent on secondary sources setting out the economic structure of the Jewish population, its share in overall earnings, taxes, etc., records in various archives on the destruction and dispossession of the Jews in Poland, particularly in the US National Archives, the French National Archive, Yad Vashem and the archives of various Jewish institutions. The archival sources are mentioned here specifically, although they, of course, were drawn on for all the other countries as well. But, in the case of Poland, the paucity of direct source materials accessible to us makes these materials relatively more prominent.

While all our estimates are capable of improvement, the greatest scope exists for the data on France and Poland. In both cases part of the paucity stems from access difficulties. In France, apparently extensive archival material was not accessible during our two visits as most of it was reserved for the use of researchers for the Matteoli Commission. Once the full report of the Commission is available and the materials are again freed for use by other researchers, it may be possible to fill certain gaps. Similarly, in Poland, access to archival material proved fraught with difficulties. Both resource and time constraints made it impossible to conduct more extensive searches. In any case, Polish experts suggested that these would be unlikely to provide greater insights, though we would hope that they might help to back up our conclusions. Finally, additional material on Germany has become accessible – which could be mined given time and effort – especially in the archives that were formerly lodged in the East.

III. COUNTRY STUDIES

A. AUSTRIA

1. Background

The Jewish population in Austria faced ebbs and flows of anti-Semitism throughout its existence. Although the advent of liberalism in the 19th century brought equal rights for the Jewish population, it reinforced the anti-Semitic groundswell: the threat it posed to the established order of things sparked fears and uncertainty, especially among the lower middle-class which, as always, proved fertile feeding ground for anti-Semitism. Thus, it became convenient to blame all difficulties associated with social and political change on the Jews: it was they, it was said, who had caused the perceived ill-effects of the revolution of 1848 and it was they who were responsible for the events that led to the break-up of the Habsburg empire and the consequent diminution of Austrian influence and prosperity after World War I.

Still, throughout the period, the equal rights status accorded to Jews was legally maintained, even through the civil war of February 1934, which wound up outlawing the Social-Democratic party in which many Jews had been prominent. Thus, Jews in Austria accepted the “acid rain” of

anti-Semitism as an integral part of their environment; an environment that nevertheless allowed them to prosper and that, as a consequence, attracted waves of immigration, first, at the turn of the century and during the World War I period from Eastern Europe and Russia, and after 1933, from Germany.

Under these circumstances, there was little anticipation of the virulence with which anti-Jewish sentiment would erupt within hours after the de facto Anschluss. And this was despite the danger signs that had been mounting since Hitler's assumption of power. Among these, to note a few, were:

- discernible, increasingly overt growth of race – as well as religion-based anti-semitism;
- the growing prominence of personalities with NSDAP ties, even though the Party had been outlawed since June 19, 1933;
- the widespread view that Austria was essentially a “German State”, a view propagated since the break-up of the Austro-Hungarian monarchy dividing those who held that this was compatible with Austria remaining a separate entity from those who looked for Anschluss. This division narrowed progressively in favour of the latter in the years prior to 1938;⁵
- the progressive encroachment of the Hitler regime into Austrian affairs, formalised in the Austro-German agreement of July 1936, which codified Austria as the second German State, committed Austria to following Germany's external policy and allowed the NSDAP to re-emerge;
- and, heralding what was to come, Schuschnigg's agreement in February 1938, under direct pressure from Hitler, to the inclusion of Seyss-Inquart in the Cabinet.

Some, however, did see the writing on the wall very clearly, especially after the economic persecution Jews were subjected to in Germany began to spill across the Austrian border. Though the exodus of Austrian Jews, largely to other European destinations and Palestine, began before the Anschluss, it amounted to a bare trickle. This reflected in part the difficulty of finding willing recipient countries, but largely the fact that few realised how short a time was left. Thus, there was a rude awakening virtually within hours of the Nazi take-over. In the night of March 12-13, 1938 there were large-scale arrests of Nazi opponents, including a high proportion of Jews, and the first transport of detainees to Dachau left on April 1. On the same night the looting of Jewish homes and businesses began, first in the form of individual, freewheeling actions, but soon through an extraordinarily efficient effort aimed to achieve full legal and factual exclusion of the Jews from economic life in Austria.

Whereas in Germany the intention of the Nazi regime to exclude Jews from economic activity and to confiscate their assets to the benefit of the Reich had been heralded early on, the actual process was relatively gradual. Accordingly, though Jewish-owned wealth in Germany had been progressively eroded since 1933, by March 1938 there still was a substantial core left in Jewish hands. But by that time both the inter-

nal and external considerations that had dictated such gradualism had virtually disappeared. As a consequence of the rearmament policy, the economic focus had shifted toward autarky and idle resources had been absorbed, so that fears of internal economic disruption or the need to worry about foreign views no longer stood in the way of the single-minded pursuit of the exclusionary policy. Thus, the Austrian Anschluss came at a moment of growing conviction in Berlin that the process of the “de-Jewing” of the economy and of taking control of their remaining assets should be brought to a speedy conclusion. Nevertheless, the swiftness and thoroughness with which the Jewish population in Austria was stripped of its livelihood and possessions – only nine months later, the Nazi authorities judged the Aryanisation process to be 75 percent complete – were extraordinary.

The first wave of dispossession was little more than a large-scale, outright looting of Jewish homes and businesses. Thousands of self-styled Kommissars possessed themselves of Jewish-owned businesses or their contents. The Nazi authorities estimated that in Vienna alone some 7,000 such businesses, out of a total of 33,000, were dissolved in this process.⁶ This went so far as to disquiet Berlin's representatives who saw large parts of the loot they had anticipated directing into the Reich's coffers disappear into the pockets of the Austrian population – Party members or not. In fact, the fear that the economic value of viable Jewish-owned businesses was being dissipated and that the important, and heavily Jewish-dominated, export sector would suffer, emerges in reports from Vienna to Berlin⁷ and in parallel warnings in the Nazi press that private plundering of Jewish wealth had to stop. The *Völkische Beobachter* (VB) of April 26, 1938, was all too clear about the intent to eradicate all traces of Jewish life:

“By 1942 the Jewish element must have disappeared from Vienna. No business, no enterprise may then be managed by Jews, nor may any Jew then have any opportunity to earn anything, and with the exception of those streets where old Jews and Jewesses are left to consume their money – which they are forbidden to send abroad – and await their death, they must have disappeared without a trace from the city panorama.”

It went on:

“Those who are familiar with the views of any Viennese on the Jewish question will not be surprised

5 Both Dollfuss and Schuschnigg described Austria as the “better German State”. Though at least through 1936 this was rooted in Germanism and in opposition to National Socialism, the latter eroded fast. So much so, that on the eve of the plebiscite a Proclamation signed by Austrian bishops in support of the Anschluss was read from the pulpit in Catholic churches throughout Austria.

6 Letter of Rafelsberger, head of the Vermögensverkehrsstelle (VVST), to Heinrich Himmler, Reichsführer SS, dated August 14, 1939, cited by Gertraud Fuchs in *Die Vermögensverkehrsstelle als Arierungsbehörde Jüdischer Betriebe*, unpublished dissertation, Vienna, October, 1989, p. 55.

7 Austrian State Archives (AdR) Bürckel files: Judenfrage in Österreich, document undated, but clearly written around April – July 1938, AdR 04 Bü 90, VVST, 2160/00 Bd III.

to learn that the four-year period which has been set for the execution of the economic death sentence on the Jews seem to him to be too long. He is surprised at all the “fuss” people are prepared to make, at the scrupulous care with which Jewish property is being guarded and protected – enough of that, in his view: ...“The Jew must get out, but his stuff stays here!”...”,

but it ended with:

“Because – and this must be remembered by everyone – Germany is a “Rechtsstaat”. This means: in our Reich nothing happens without a legal basis.... No pogroms will be initiated, also not by Frau Hinterhuber against that Sarah Kohn of the third court, mezzanine, by the water tap.”⁸

In the event, the path to virtual elimination of Jewish participation in the Austrian economy and the process of dispossession proved much shorter than the four-year span foreseen in the VB. The “legal” framework was in place by end 1938. While a multiplicity of orders, laws and regulations was promulgated, the basic objective was contained in three directives:

first, the order to register by end-June all assets owned by Jews as of April 27, 1938 (the 1938 Census);

second, the “order regarding the elimination of Jews from the German economy” of November 12, 1938; and,

third, the “order regarding the utilisation of Jewish assets” of December 3, 1938.

While these orders covered the entire Reich, those in control of the “Ostmark” (Austria) had in fact acted well ahead of this formalisation of the dispossession process, so much so, that most of it was, to all intents and purposes, achieved before the end of 1939.⁹ As a consequence the Austrian “model,” its originators and, in any event, the Austrian experience exercised considerable influence on the implementation of the policy of dispossession throughout the Reich and later in some of the occupied countries as well. In fact, Austrian historians report that the Austrian experience contributed to Göring’s decision to formalise the centralisation of the spoliation process.¹⁰ However that may be, the evidence shows that Bürckel and Fischböck were important contributors to the discussions that culminated in the November 12, 1938 order.¹¹

The growing concern in Berlin that the free-for-all plundering of Jewish houses and businesses in the weeks after March 12, 1938 was to the detriment of the Four-Year Plan’s and the Reichsbank’s coffers, caused Bürckel to enunciate three principles:

- first, the complete elimination of the Jew from the economic and the general life in Austria, especially Vienna, was a sine qua non;
- second, the “de-Jewing” should proceed in such a way that neither the internal economy nor the export sector would suffer significant difficulties;
- third, the Jewish question should be solved on a legal

basis, with strict laws as this was the only way to ensure that the economy remained fully functioning.

These principles were to be put in play through a central organisation charged solely with the Aryansation of Jewish assets, the Vermögensverkehrsstelle (VVST). The VVST was lodged in the Ministry of the Economy and Labour and headed by a newly created Staatskommissar in the Private Sector Economy, Walter Rafelsberger, a Party member since 1933. Although the VVST was officially created only on May 18, 1938, it began its work that April, having been named collection point for the declarations of Jewish assets.

The principles underlying the creation of a central de-Jewing organisation not only reflected the objective to proceed with dispossession in a controlled and “legalised” manner, but also that of the general Nazification of the Austrian economy. The basis for a rapid integration into the Nazi economic structure already had been laid in the aftermath of the banking crisis of 1931. In a nutshell, the rescue operation after the collapse of Credit-Anstalt resulted in de facto nationalisation of a large part of the Austrian banking system. As the Austrian banks, in turn, controlled large parts of commerce and industry, the Government found itself either owning or in control of large segments of the economy. With little taste or aptitude for hands-on management of financial or industrial institutions, the Government allowed the management functions that had devolved upon it to become highly politicised. Thus, the fundamentals for Nazification of the economy were in place: i) concentration of economic ownership; ii) government control; and iii) political cronyism. Because a large part of what economic power remained in the private sector was in the hands of Jewish or anti-Nazi owners or managers, the elimination of these “undesirables” from economic life simultaneously served the political and the economic purposes of the Nazi regime.

Specifically, the policy of sequestration of Jewish property provided an opportunity to gain control over what banking had remained outside government ownership and to proceed with large-scale liquidation of the small and medium size enterprises that typified the Austrian economy. The latter was particularly important as the economic Anschluss of Austria was proceeding at an artificially high exchange rate for the schilling,¹² all but wiping out the wage differential that had compensated for the productivity gap between the two countries.

8 Völkischer Beobachter, Vienna, April 26, 1938, p.2,4 cited by Botz, et al., in *Eine zerstörte Kultur*, Obermayer GmbH, 1990, p.288. Italics as in original.

9 Those responsible, in addition to Reichsstatthalter Seyss-Inquart, were Josef Bürckel, Reichskommissar for the Re-unification of Austria with the German Reich (a German) and Hans Fischböck, Minister of the Economy and Labour (like Seyss-Inquart, an Austrian).

10 Botz, *op.cit.*, Erika Weinzierl, *Zu wenig Gerechte*, Styria, 1969.

11 *Der Prozess gegen die Hauptkriegsverbrecher vor dem Internationalen Militärgerichtshof*, Nuremberg, 1948, document 1816-PS, Vol. III – IV, p. 499 ff.

12 On April 23 1938, with the abolition of the schilling, the rate was changed from RM 1 = Sh 2.15 to RM 1 = Sh 1.5.

But the objective of improving productivity in the Austrian economy through modernisation and rationalisation now appeared jeopardised by the flood of wild Aryanisations that had taken place over the six weeks from March 12, 1938. More often than not, the new self-proclaimed owners had little or no management experience so that the future of viable businesses was less than assured. And any reversal of the takeover of those businesses actually slated for liquidation or consolidation could hardly be accomplished without creating public ill-will, especially where Party members were involved. Party members, particularly those who had been part of the underground NSDAP, considered having the pick of Jewish-owned businesses – without commitment of capital – as their due: this was the “Wiedergutmachung” they claimed to be owed both for economic deprivation suffered during the period the NSDAP was outlawed and for the ill-effects they experienced as a consequence of the Jewish influence on the economy. It seems ironic that the post-war German and Austrian Governments would choose to use the same term for their indemnification of Nazi-victims!

Bürckel thus saw the need to drive a wedge between the process of “Wiedergutmachung” and that of the “de-Jewing” of the economy as one of his early tasks. In that, he never quite succeeded. Party members overwhelmingly became the new owners of Jewish businesses: Rafelsberger, in his report on the activity of the VVST of February 1, 1939, notes that by that time over three-quarters (77.6 percent) of the Aryanisation of Jewish businesses slated to survive had been accomplished.¹³ Of these more than two-thirds (67.2 percent) had gone to Party members. The German authorities clearly were content that the sale price credited to the Jewish owner be held to a minimum, but the price actually to be paid by the new owner was to reflect the market value of the enterprise, the difference, the “Aryanisation tax” (Auflage), going to the Reich. This division between sale and transaction price was, in any event, artificial as there was no intention of letting the Jewish “seller” have control over his share of the proceeds. The latter was paid into a frozen account under control of the Nazi authorities, who were concerned only that the amounts held should at least suffice to cover the Reichsfluchtsteuer and other emigration and tax-related charges. In fact, the pricing procedures neatly demonstrate the Kafkaesque nature of the complex of legal and contractual fiction that enshrouded what was simply an expropriation process.

As Party members often did not have – or claimed not to have – the resources to cover even the sale price of the enterprises they vied for, let alone the market price, they received credit facilities based on the future earnings of the business in question. And, obviously, despite efforts to put the valuation procedure into the hands of professional auditors, there remained sufficient leeway for cronyism to ensure that price considerations did not always exert constraints. Thus, the Aryanisation process yielded the Reich considerably less than anticipated. While, according to the VVST, business assets reported in the 1938 Census totalled RM 321 million, the

market prices realised (though not necessarily fully paid) by end-1939, when Aryanisation was 85 percent complete, amounted to only RM 137.5 million.^{14 15} **This shows how little reliance can be placed on official Nazi accounting data of spoliation flows as a basis for estimating actual values of Jewish-owned assets: the amounts officially realised on behalf of the Reich appear to be a fraction of the actual market values at the time, which themselves represent a fraction only of the values in normal times before their owners came under Nazi jurisdiction.**

Nevertheless, the Austrian data from the 1938 Census provide a reasonable guide to the minimum level of the wealth of the Jewish population in Austria. As the declarations were made within weeks of the Anschluss, Jewish-owned wealth had not yet been eroded to anywhere near the extent that it had in Germany. Nor had the majority of the Jewish population given up hope that they would be able to preserve a reasonable part of their assets through compliance. Accordingly, mistaken optimism together with overwhelming fear appear to have produced an extraordinary degree of compliance. Even so, the VVST complained with considerable frequency about apparent pre-positioning of assets. In the business sphere, cash holdings, inventories and accounts receivable were said to have been reduced and liabilities increased, or at least not met when due, leaving the business with net liabilities below its market value (normally calculated on the basis of a formula relating turnover for the three previous years, net profits customary for the branch in question, the balance sheet position and net assets, defined in a very restrictive way). Reported non-business liabilities also appear relatively high. Furthermore, the census covered only those who owned assets worth RM 5,000 and over. A large part, perhaps one half, of the Jewish population thus was exempted. The relatively high percentage of business owners falling below the reporting line is indicated by official Nazi data on business assets: the census reported 13,724 owners, including those in the free professions, while the number of non-farm businesses slated for Aryanisation (4,755) and liquidation (21,143), at 25,898, was almost twice as large.

2. The Jewish Population

On the eve of the Anschluss there were still 185,246 confessional Jews in Austria as compared with 191,481 registered in the 1934 Census. This relatively small decline largely

13 AdR 05, Finanzen, Der Staatskommissar in der Privatwirtschaft: Bericht über die Entjudung der Ostmark, 1 Feber 1939.

14 Including liquidation proceeds.

15 Note that only those owning assets worth RM 5,000 or more were included in the census. Businesses could exclude liabilities, so that their cut-in point was at RM 5,000 in net assets. This excluded a large part of Jewish-owned businesses, which, however, did not escape the Aryanisation process. Not surprisingly, reported net values included an unusual amount of liabilities in a sufficient number of cases to make a difference. Consequently, the gaps between both original and actual values and those reported in the Aryanisation process most certainly exceed the 2 to 1 ratio implied by these numbers.

reflected natural shrinkage associated with a reduced birth rate. This was partly offset by an influx of Jews from neighbouring countries, especially from Germany, at a time when the progressive closure of borders to would-be Jewish immigrants constrained outflows from Austria.

The majority of the Jewish population was concentrated in Vienna, with 175,099 or almost 92 percent living there according to the 1934 Census. Thus, though Jews in 1934 accounted for only 2.8 percent of the overall population, their visibility in Vienna, where they had a population share of 9.4 percent, was vastly greater. Although capital cities often were the most important Jewish population centres in other countries as well, the Austrian degree of concentration was quite extraordinary, especially as compared with Germany. Inclusion of those later counted as Jews under the Nuremberg laws would have raised the concentration ratio yet more.

There are no estimates available of the number of Jews who would fall under the Nazi definition at the time of the Anschluss. By the time of the next census, in May 1939, the number of confessional Jews – the only group for which a basis of comparison is available – had more than halved to 81,943, or 42.8 percent, of their 1934 total. Under the assumption that the number of non-confessional Jews would have shrunk in line with those registered with the Jewish Community (Kultusgemeinde), one can estimate that in the spring of 1938 there might have been about 217,500 “full Jews” in Austria.¹⁶

A count of the number of ration books issued indicates that only 5,243 Jews remained in Vienna by the end of the war. According to Erika Weinzierl¹⁷ no more than some 200 had been hidden by non-Jews. As there likely were only a few, if any, left in the countryside, the total remaining in Austria by 1945 probably did not exceed 5,500. Blau gives a figure of about 5,000 “Stammesjuden” (full Jews), of which 2,228 were confessional Jews. Many non-confessional Jews lived in mixed marriages and thus had been saved from deportation.¹⁸ This means that Nazi Austria had virtually accomplished its goal: all but a shade over one percent of the Jewish population of 1934 had been driven out or killed. The stark deportation statistics show that 48,504 Jews were sent to concentration camps from Austria and that of those who managed to emigrate, an estimated 15,000, once again fell into German hands and perished in the camps. **This means that with only 2,142 Austrian Jews surviving in the camps, a reported 65,459 did not.**¹⁹ **The evidence, as shown below, indicates that a reasonably large proportion of these probably had some asset holdings abroad.**

3. Occupational Structure

Official data on occupation and employment did not provide a breakdown by religion before the Anschluss. Only the census of May 1939, by which time the Jewish population already had shrunk to about one half its pre-Anschluss size, gives a detailed picture of the economic structure of what

Jewry remained. Data for earlier periods rely largely on information provided by the Kultusgemeinde which, necessarily, is only fragmentary. Most writers resort, often without attribution, to a 1937 monograph on the economic situation of the Jewish minorities published by the World Jewish Congress in 1938 (WJC1938).²⁰ This study, which relates apparently – no specific dates are given – to the situation in 1935/36, describes the economic condition of the Jews in Austria as significantly worse than that of the population at large. The latter, in turn, was bad enough as in Austria the generally difficult economic environment was exacerbated by the structural weaknesses in the economy and by deliberate German efforts to increase pressure on the Austrian Government, including through economic measures. These circumstances were particularly disastrous for the Jewish population, much of which gained its livelihood from running small, independent enterprises that operated at the margin of profitability and yielded their owners little more than a subsistence level existence. This, on top of the ongoing de facto exclusion of Jews from many parts of economic life, which was part and parcel of the functioning of the Austrian Corporate State, led to increasing pauperisation of the Jewish community.

According to WJC1938 only 36.5 percent of Austrian Jews, or about 70,000, were gainfully employed; this compared with 45 percent for the population at large. Thus, while the ratio of working to non-working persons in Austria was roughly one-to-one, it was one-to-two among the Jewish population. The tax rolls of the Kultusgemeinde show that of its 191,481 members in 1934, 52,453 (or 27.4 percent) paid Community tax. **If the average size of the taxpaying family unit was 2.3, this means that roughly 63 percent of the Jewish community population had sufficient means to be taxable, whereas almost two-fifth were indigent or had only marginal incomes.** This fits with the general description of the economic plight of a large part of Austrian Jewry cited above. On top of this came the burden imposed by the stream of refugees, most of whom fell to the care of the local Community.

The concentration of the Jewish population in Vienna is key to its occupational spread and its economic situation. More than half, as in other middle-European countries, was self-employed and business units tended to be small, creating little additional employment outside the family unit. This view appears to be supported also by the large share of Jewish women in employment, especially in the industry and

¹⁶ Moser cites a number of 206,00 in Benz, *op.cit.*, p.70.

¹⁷ Weinzierl, *op.cit.*

¹⁸ Blau, “Zur Statistik der Juden in Österreich Während der Nazizeit”, Österreichisches Institut für Zeitgeschichte, Sammlung Albert Loewy, Do 854, NL 73, folder 107.

¹⁹ Jonny Moser, *Die Judenverfolgung in Österreich 1938-1945*, Europa Verlag. The Archive for the Documentation of Austrian Resistance (Dokumentationsarchiv des Österreichischen Widerstandes (DOW)) is currently engaged in a project to provide a full listing of all Jewish Holocaust victims.

²⁰ Congres Juif Mondial, Departement Economique, *La Situation Economique des Juifs dans le Monde*, Vol. I, Paris 1938, p. 25ff.

trades sector and in the free professions, 32 and 47 percent, respectively.²¹ Although the occupational spread differs somewhat among sources, the general distribution is clear: about one half was employed in commerce and transportation, over one-fifth in the professions and the public service, and up to one-fifth in industry and trade. As noted above, the economic structure of the Jewish population explains much of the penury under which more than one-third lived. But it also shows the important role Austrian Jewry played in some sectors of the economy and explains the ability of a significant number to join the relatively affluent classes. Thus, fully 10 percent of those paying Community tax lived off the income from their capital. While this, plus the high visibility of Jews in the banking, retail, professional and certain trades sectors, led to the belief of far greater wealth in the Jewish Community of Austria than actually existed, there is no doubt that the amount of assets held by Austrian Jews was significant, even if it disappointed the efficient despoiler.

4. Income and Wealth Position

Data on income and wealth in pre-war Austria are more scarce than elsewhere. Estate taxes, a major source elsewhere for both the level and structure of wealth, are available only as gross totals. Furthermore, their low yield suggests that no, or only sporadic, enforcement efforts were made. The wealth tax was designed to supplement the income tax, i.e. it was imposed only on income-generating assets. The Austrian authorities, therefore, considered it a wealth tax in name only.²² It cut in at Sh 36,000 (RM 24,000) and generated only modest revenues, Sh 8 million vs Sh 106 million for the income tax. In fact, it was considered of such limited value that, as an administrative saving measure, wealth tax returns were reported in detail only every second year. Income tax evasion was rife and little, if any, work has been done on trying to establish a relationship between income and wealth. Thus, wealth estimates must rely on partial data and there is only limited opportunity to test the reasonableness of results based on one approach against those found in different ways. **The core source for research into the economic position of Austrian Jewry, therefore, is the data the Nazis amassed themselves in their pursuit of Jewish assets.**

As noted above, the spoliation machine began its work in Austria with extraordinary speed and with devastating efficiency. Because the Jewish population had been long used to adapting its life to the prevalent anti-Semitism and to its exclusion from a number of activities, it was perhaps even less prepared for the swift and thoroughly organised ways in which Nazi Austria would reach for its assets. “The soup is never eaten as hot as it is cooked” was the sentiment of the day and many seemed to believe that compliance with Nazi regulations would help ward off the worst. In any event, the feeling overwhelmingly was that lightning would only strike next door. About six weeks after the Germans marched into Austria, Jews with assets of at least RM 5000 were ordered to list all they owned as of April 27, 1938. They complied with

astonishing meticulousness. Even those who had managed to escape abroad frequently registered through trustees in, as it would turn out, the vain hope of saving something.

The registration of assets was the first step in the ruthless dispossession process that was to follow. It provided the basis on which the VVST developed its blueprint for expropriation. Both, the analytical summaries of the results of this census of Jewish-owned assets and the bulk of the individual registration forms still survive. They tell the story of the economic destruction of Austrian Jewry in devastating detail.

The VVST operated from the Ministry of the Economy and Labour, but the political push and pull between Berlin and Vienna quickly led to actual responsibility for this issue, so important to Berlin, to come under the direct control of Bürckel, who represented Berlin at the highest level. The VVST very quickly made its statistical analysis of the results of the census public. The findings were based on 47,768 declarations, which came to a gross total of RM 2,295,085,000 and to RM 2,041,828,000 after deduction of liabilities.²³ (See Table 1).

The actual number of declarations filled in, however, appears to have been 66,605, according to the file numbers issued and the fact that registration forms with numbers in the 60,000 series can be found at the Austrian State Archives.²⁴ This total number also is plausible as the core of the VVST files, more than 52,000 completed forms is still lodged at the State Archives in Vienna. Additional files were ceded to the regional authorities, to which the VVST passed jurisdiction for their residents on November 15, 1939.²⁵ At that time the activities of the VVST also passed from an active to a wind-up mode. By the end of 1943, when nothing was left to be despoiled, the remnants of the VVST were downgraded to a section in the Office of the Reichsstatthalter.

The number of forms completed is of importance because it indicates the size of the Jewish population that had a certain amount of wealth, even though the starting point, at RM 5,000, was low. There are no firm data for the number of Jews who would fall under the reporting requirement at the time of the Anschluss. However, interpolating between the results of the May 1939 Census, the number of confessional Jews in 1938, and what is known about emigration flows, gives substance to our estimate of around 217,500. That would mean that 30.6 percent of the Jewish population, under Nuremberg laws definition, reported assets over RM 5,000.²⁶ While not strictly comparable, it may be recalled that 27.4 percent of taxpayers among confessional Jews made

21 Nara, RG 200, Duker and Dwork Gift Collection (OSS Research and Analysis Branch – Jewish Desk), box 12, file 112, The Jews of Austria.

22 Österreichisches Statistisches Landesamt, *Statistische Nachrichten*, 1938, p 154 – 155.

23 The gross total is net of business liabilities as respondents were allowed to report business assets on a net basis.

24 AdR 05 Finanzen, Vermögensverkehrsstelle, Vermögensanmeldungen.

25 These can be found, at least in part, in the archives of the relevant States.
26 Based on the 66,605 file numbers issued; 22.0 percent based on the 47,768 declarations reported on, and apparently classified for active use, by the VVST.

AUSTRIA: Table 1**Wealth and Structure of Wealth by Age Group 1938 Census
Adjusted for Comparability with Sample Data**

(In number, RM and percent)

A. In thousands of RM

Age Group	Numbers	Adjusted Totals					plus =		Unadjusted Totals		
		Real Estate and Land (1)	Business Capital (2)	Tangible Valuables (3)	Financial Assets (4) (1+2+3+4)	Total Gross Assets (5)	Liabilities (6)	Net Assets (7) (5+6)	Pensions and Salaries (8)	Net Assets (9) (7+8)	Gross Assets
Under 10	65	1,222	218	21	1,832	3,393	341	3,052	220	3,272	3,613
10 – 19	651	6,922	1,069	210	14,026	22,227	2,391	19,836	2,421	22,257	24,648
20 – 39	2,580	17,265	4,929	1,458	15,336	38,988	7,739	31,249	34,634	65,883	73,622
30 – 39	7,492	54,477	33,013	6,730	58,816	153,035	27,936	125,099	129,700	254,799	282,735
40 – 49	11,105	112,860	78,471	18,165	121,463	325,959	52,244	263,715	173,813	437,528	499,772
50 – 59	11,568	167,351	107,649	16,318	186,880	478,198	82,772	395,426	164,272	559,197	642,469
60 – 69	9,581	135,796	68,536	12,706	155,414	372,452	52,363	320,089	135,396	455,485	507,848
70 – 79	4,984	55,138	25,497	5,194	79,757	165,586	15,348	150,238		191,344	206,652
Over 80	642	9,704	1,947	988	37,060	49,699	2,123	47,576	4,027	51,603	53,726
Total	47,768	560,835	321,329	56,790	670,583	1,609,537	253,257	1,356,286	685,548	2,041,828	2,295,085

B. In percent of Net Assets

Age Group	Real Estate and Land	Business Capital	Tangible Valuables	Financial Assets	Total Gross Assets	Liabilities	Net Assets
Under 10	43.3	7.2	0.7	60.0	111.2	11.2	100.0
10 – 19	34.9	5.4	1.0	70.7	112.0	12.0	100.0
20 – 29	55.3	15.8	4.6	49.1	124.8	24.8	100.0
30 – 39	43.5	25.4	5.4	47.0	122.3	22.3	100.0
40 – 49	42.8	29.8	5.0	46.1	123.6	23.6	100.0
50 – 59	42.3	27.2	4.1	47.3	120.9	20.9	100.0
60 – 69	42.4	21.4	4.0	48.6	115.4	16.4	100.0
70 – 79	36.7	17.0	3.4	53.1	110.2	10.2	100.0
Over 80	20.4	4.1	2.1	77.9	104.5	4.5	100.0
Total average	41.4	23.7	4.2	49.4	118.7	18.7	100.0

contributions to the Jewish Community in 1935.²⁷ These relative shares are remarkably close especially as the majority of Kultusgemeinde contributors can be taken to represent family units, while in the 1938 Census there often were separate declarations for husbands and wives, and sometimes for children as well.²⁸

For purposes of this project, two samples were drawn from the declarations in the Austrian State Archives. These yielded a better understanding of the analytical tables presented by the VVST, allowed a view of the asset structure to be formed in greater detail and gave some indication of the size and location of assets held outside the country. They also gave an – at first unintended – insight into the personal history of the respondents generally and of the process of expropriation specifically. For the first sample (Sample I), 4 of the total stock of 183 boxes containing declarations on private property (2.2 percent) were drawn at random in order to provide a sense of the wealth distribution and the frequency of holdings of financial assets. The second sample, (Sample II), of 18 boxes (9.8 percent), included declarations of those reporting security holdings only as these were deemed most likely to have had the wherewithal as well as the know-how required for putting some of their wealth abroad.

It was Sample I that provided the clue as to why the VVST reports focussed on only 47,768 declarations. First, the reporting instructions required respondents to capitalise salaries, pensions and annuities and report the capital sum as wealth. The capitalisation calculations were to be made on the basis of a prescribed actuarial scale. For example, an employee or annuitant born in 1912 and receiving RM 100 a month was required to report 16 times the annual sum, i.e. RM 19,200 as wealth for census purposes. Obviously, if there were no other assets, the Reich could squeeze very little from these respondents, especially since many listing salary-based wealth reported their forced loss of employment at the same time. Examination of the individual files shows, indeed, that the VVST dropped such declarations from action-oriented consideration.

Second, there were a number of cases reporting negative wealth as liabilities exceeded assets; and finally, there were files missing, which probably were removed because respondents had not actually been required to report or their assets had been confiscated before the reporting date. Sample I of four boxes should properly have included 1250 files; of these 223 (or 17.8 percent) were missing, 3 (or 0.2 percent) reported negative assets; and 112 (or 9.0 percent) had no assets other than capitalised income. This left 915 (or 73.2 percent) usable files. If this sample is representative of the total – and there is further evidence set out below that, indeed, it is – the 47,768 files included in the statistical base of the VVST should equal 73.2 percent of the total, which then would amount to 65,257 files, only 2 percent short of the 66,605 file numbers issued.

The dispossession process in Austria, including the activities of the VVST, is especially well-documented, in part

because the main players were intent that it should serve as a model for the Reich at large and thereby increase their influence in Berlin. They therefore argued, within weeks of the de facto Anschluss, that the foreign policy considerations that had dictated gradualism in the early years of the Reich had fallen away with decreased economic dependence on foreign trade and the return of the Reich to major power status.²⁹ In addition, it was considered imperative that the economic upswing consequent upon the rearmament process should not benefit Jewish-owned businesses. All this pointed to speedy and centralised action. The resulting benefits for the Austrian economy would also compensate for some of the adverse effects that followed from Austria joining Germany's autarkic circle.³⁰

The wish to keep control – not least in order to keep balance between the need to import capital from the Reich and the desire to ward off take-overs of desirable Jewish-owned businesses by Reich Germans – and to gain influence in Berlin led to extensive documentation of the path of dispossession. Thus, the VVST went public with a major exhibition on Jewish-owned wealth and the results of Aryanisation in mid-1939.³¹ An unpublished dissertation on the “de-Jewing” of the Austrian economy by Karl Schubert, almost certainly an employee of the VVST,³² and much of the official correspondence, (though for the most part only outgoing), demonstrating inter alia the push and pull between Berlin and the Ostmark, between government departments and between the Party and government officials, is preserved. All these sources agree in their preliminary estimate that Jewish-owned wealth in Austria would have amounted to at least RM 3-3.5 billion.³³

27 Or, with a 2.3 person family size, 63 percent of the confessional community.

28 This is clearly evident in the two samples of 915 and 1076 declarations respectively, drawn for the purposes of this project.

29 This assessment regarding the removal of the foreign opinion constraint proved correct: the Manchester Guardian of November 5, 1939 carried a full and correct report of the detail and the consequences of the accelerated dispossession process in the Reich. This was apparently considered sufficiently telling for a translation to be preserved in the files of the VVST (VVST Box 1378). It did not seem to produce a noticeable impact elsewhere.

30 AdR 04 Bürckel Arisierung VVST (fol.1-307), 2160/00 Bd.I, Note, without signature, setting out a swift Aryanisation plan, dated April 27, 1938, dictated April 24 (before Göring's order for the registration of Jewish-owned assets was promulgated), could be from Rafelsberger's hand.

31 *Die Entjudung der Wirtschaft in der Ostmark*, Ausstellung der Vermögensverkehrsstelle im Ministerium für Wirtschaft und Arbeit, Vienna, undated. The data and charts were drawn from Rafelsberger's February 1939 report, *op.cit.*

32 Karl Schubert, *Die Entjudung der Ostmärkischen Wirtschaft und die Bemessung des Kaufpreises im Entjudungsverfahren*, unpublished dissertation, Hochschule für Welthandel, Vienna, 1940. This dissertation served as a prime source for much of the history written on this subject. A Karl Schubert appears in the VVST's personnel correspondence at the time its functions were being dispersed.

33 It is not quite clear on what exchange rate between the schilling and the RM these estimates were based. This would depend in part on the date of estimation. For dates after the Anschluss the presumption must be that the newly decreed Sh 1.5 = RM 1 rate was used, which would tend to overestimate the wealth held by Austrian Jews as compared with that owned by their German counterparts.

AUSTRIA: Table 2
Average Wealth by Age Group
1938 Census Adjusted for Comparability with Sample I Data
(In RM)

Age Group	Real Estate and Land	Business Capital	Tangible Valuables	Financial Assets	Adjusted Totals			plus Pensions and Salaries	=	Unadjusted Totals	
					Total Gross Assets	Liabilities	Net Assets			Gross Assets	Net Assets
Under 10	18,800	3,354	323	2,818	52,200	5,246	46,953	3,383		77,444	55,585
10 – 19	10,633	1,642	323	21,545	34,143	3,673	30,470	3,719		37,862	34,189
20 – 39	6,692	1,910	565	5,944	15,112	3,020	12,112	13,424		28,536	25,536
30 – 39	7,271	4,406	898	7,851	20,426	3,709	16,698	17,312		37,738	34,009
40 – 49	10,163	7,066	1,636	10,937	29,352	4,705	23,747	15,652		45,004	39,399
50 – 59¹	14,467	9,306	1,411	16,155	41,338	7,155	34,183	14,201		55,538	48,383
60 – 69	14,173	7,153	1,326	16,221	38,874	5,465	33,409	14,132		53,006	47,540
70 – 79	11,063	5,116	1,042	16,003	33,224	3,079	30,144	8,240		41,463	38,384
Over 80	15,115	3,032	1,539	57,726	77,413	3,307	74,106	6,273		83,685	80,379
Total Census	11,741	6,727	1,189	14,038	33,695	5,302	28,393	14,352		48,046	42,745
Sample I	13,675	6,936	1,248	12,234	34,093	2,022	32,071				

1. Highlight includes median value.

As noted above, the VVST reported in February 1939 that the assets registered as being owned by Jews as of April 1938, according to the Berlin definition, came to a net total of RM 2 billion or RM 42,745 per respondent. For purposes of this study, which attempts to estimate the asset position of the Jewish population at a time when it still could exercise discretion over its uses, future income flows, (i.e. capitalised pensions, salaries, etc.) are excluded. Adjusting the VVST data to this definition yields a net wealth of RM 28,393 per respondent as compared with RM 32,071 for Sample I. (See Table 2). The main difference again is definitional as we eliminated from our sample all cases showing negative wealth. The resulting reduction in average liabilities (by a whopping RM 3,280 on average) accounts for the greater part of the differential. Consequently, estimates of gross assets, at averages of RM 33,695 and RM 34,093 for the VVST and the sample respectively, are remarkably close. The second main, but partly offsetting, difference concerns the holding of financial assets, where the VVST average of RM 14,038 exceeds the RM 12,234 yielded by our sample. This difference may arise from VVST lapses in the valuation of securities. For example, at times foreign currency values are not converted but simply transposed into RM, at times bond maturity values are recorded rather than market values, etc. It is interesting, however, that these errors appear to cumulate to a distinctly upward valuation bias – notable, perhaps, in con-

nection with the fact that the VVST calculations provided the basis for the Reichsfluchtsteuer assessment.³⁴

5. The Structure of Wealth

In view of these explanations, Sample I appears to mirror the full 1938 Census data remarkably well. Accordingly it, and the somewhat larger Sample II drawn in the same manner, can be used as a grossing up basis for the wealth and the wealth structure of the Jewish population. In the structure of reported Jewish-owned wealth in Sample I, real estate and land are the most important assets, representing 40 percent of the total. (See Table 3). Second in importance are financial assets, with 36 percent. For the census data this order is reversed with financial assets, at 42 percent, ranking first and fixed assets, at 35 percent, second. These are followed by business capital with 20 percent in both data sets. Not surprisingly, tangible valuables, which include precious stones, art works, etc., but exclude normal household items, come last at just under 4 percent. In this category undervaluation played a major role: for example, a number of declarations

³⁴ The objective of expropriating as large as possible a proportion of Jewish-owned assets under a mantle of legitimacy seems to have been the rationale for the inclusion of capitalised current income flows in total wealth. This allowed confiscation of a greater slice of reported wealth from those who had assets in excess of these capitalised values.

AUSTRIA: Table 3**Comparison of Wealth and Structure of Wealth
Adjusted Census and Sample I Data**

(RM and percent)

	Census	Sample I
Gross assets		
Average	33,695	34,093
	RM	
	Percent of average gross assets	
Structure		
Real estate and land	34.9	40.1
Business capital	19.9	20.3
Tangible valuables	3.4	3.7
Financial assets	41.8	35.9
Total average gross assets	100.0	100.0

included itemised lists of art works. Some of these were valued by the Dorotheum, which heavily under-priced important art – purportedly to avoid piquing the interest of Göring’s and Hitler’s scouts – but also priced pieces of “degenerate art,” such as Kokoschkas, at RM 25.

In Sample II, which focuses on those respondents who reported owning securities, the asset structure looks vastly different. Financial assets, at 53.8 percent, represent over half the wealth with securities accounting for almost two-fifths. (See Table 4). Within the securities portfolio, equities, at 5.4 percent of total assets are significantly more important than in Sample I, where they amount to less than 1 percent. Despite this higher share of equities, there appears to have been a marked portfolio preference in favour of fixed interest securities, especially when compared with the pattern found in France and the Netherlands. However, in part reflecting the narrowness of the local securities markets, foreign issues and foreign currency denominated securities were highly important: in Sample I they account for more than two-fifths (21 percent) of the securities portfolio and in Sample II for almost one half (48 percent). In both cases a significant part of financial assets was reported to be held abroad, France and Switzerland being favoured locations.³⁵ As could have been expected, the securities owning group reported significantly higher wealth positions than the average group: at RM 67,702 per respondent, they were twice as high.

For both samples the median value of reported wealth falls within the RM 20,000-50,000 bracket. However, it is difficult to conclude from these data what total family wealth may have been. Although the census was directed at heads of household, the sample data include cases of spouses filing separate declarations (79 such cases were identified yielding average family assets of RM 118,449). The likelihood that there were multiple declarations per family – and that some managed to fall below the reporting requirement as a consequence – is also supported by the high female participation rate in the census. This is not surprising considering both the prevalence of family-run businesses and the consequent high employment rate for Jewish women noted earlier, as well as the widespread tradition for Jewish women not to pool their property upon marriage. Thus, in Sample I, 45 percent (414) were women. Their average wealth level at RM 29,691, was almost 20 percent below that of the males (RM 37,731) and the structure differed significantly. (See Tables 5). Women’s assets were concentrated in real estate and land (50.3 percent) and they owned an associated higher share in claims (primarily mortgages). By contrast, they held only 30 percent of their wealth in financial assets, as compared with 40

³⁵ A search of all the files available (183 boxes) yielded some hundred-odd declarations reporting bank accounts held in Switzerland, sometimes including the account number. The details were made available to the Committee.

percent for males. Within that, liquid assets took about the same share, 12 and 13 percent respectively, but holdings of securities by women, at 9 percent, fell far short of the 20 percent held by males.

Sample II, confined to those holding securities, shows a similar division between males and females: 42 percent of the cases are female, and the average amount of wealth held by them, at RM 58,375, is about one quarter short of the male average of RM 76,224. However the wealth structure is quite different: for both males and females financial assets carry the heaviest weight, 52 and 58 percent respectively. Securities, at 45 percent, well above the 37 percent for males, constituted the single most important item in the female portfolio.

The 79 cases in which a spouse relationship could be

determined registered a notably higher average than that found for the sample as a whole. This probably reflects the lower earnings and wealth accumulation capacity of single females as indicated also in the occupational structure. Unfortunately, even where respondents filed under the same surname and at the same address, a spousal relationship cannot be assumed because of the prevalence of extended family households. Thus, it is not possible to draw clear conclusions about the number of multiple primary family declarations in the sample. The results imply that these may account for at least one-eighth of the declarations filed.

The 1938 Census as well as the sample data show the importance of the age distribution for both the size and the structure of reported wealth. It is well known that the Jewish population of Austria was an ageing one – partly because of

AUSTRIA: Table 4
Wealth and Structure of Wealth
based on Samples of Census Declarations
(RM and percent)

	All Declarations (Sample I)	Declarations Reporting Securities (Sample II)	Declarations not Reporting Securities
Gross assets		RM	
Average gross value	34,093	67,702	19,069
	Percent of average gross assets		
Structure			
Real estate and land	40.1	29.7	53.1
Business capital	20.3	12.9	26.1
Tangible valuables	3.7	3.6	4.0
Financial assets	35.9	53.8	16.8
of which:			
Claims	3.8	0.3	
Liquid assets	12.6	10.2	12.4
Securities	15.9	39.0	
of which: <i>Domestic</i>	12.5	20.1	
<i>Foreign</i>	3.4	18.9	
Insurance	3.6	4.3	
of which: <i>Domestic</i>	2.0	2.7	0.9
<i>Foreign</i>	1.6	1.6	3.5
Total average gross assets	100.0	100.0	100.0

Note: Column "All Declarations" and column "Declarations not reporting securities" refer to Sample I consisting of 915 declarations; column "Declarations reporting securities" refers to Sample II consisting of 1076 declarations.

natural demographic developments (loss of young males in World War I) and partly because of emigration, especially to Palestine, of young people. This is also reflected in the census data: the median age of respondents falls in the 50-59 age group. Excepting the under tens and the over eighties, which contain very few respondents, this group also held the highest average wealth, RM 41,338 in gross and RM 34,183 in net assets. (See Table 2). This spread is quite similar for the Sample I data, though the numbers are somewhat lower and it is the 70-79 age bracket that shows the highest average wealth. (See Table 6). The asset structure for the median group mirrors the overall average quite closely with a couple of percentage points over average for business capital offset by a lower relative importance of financial assets. This is not surprising since peak involvement in business investment can be expected for that age group. From age sixty liabilities diminish in importance and financial assets gain.

How then do these jigsaw pieces add to a coherent picture of Jewish-owned wealth in Austria at the eve of the Anschluss? We estimated that at that time there would have

been about 217,500 Jews – as defined by the Nazis – in Austria. With average family – though not household – size of 2.3, that means 94,565 family units. We also estimate that the 47,768 asset declarations filed with the VVST represented 41,797 family units (as one-eighth of the declarations involved sets of spouses filing separately). Adjusting the average net wealth derived from Sample I accordingly, we estimated average net assets as reported to the VVST to amount to RM 36,653 per family unit.

The 1938 Census declarations, with 41,797 family units filing, cover 44 percent of estimated total Jewish family units. However, we know that 63 percent of the Jewish population registered with the Kultusgemeinde had sufficient means to make tax contributions to the Jewish community. There is no reason to assume that non-confessional Jews, on average, had a lower income and wealth position than did members of the Kultusgemeinde. In fact, one could make an argument the other way as they would have eschewed access to Community assistance and would have had easier access to economic opportunities. The census results, although they record assets

	Sample I			Sample II		
	Male	Female Percent	Total	Male	Female Percent	Total
Real estate and land	33.5	50.3	40.1	27.0	33.3	29.7
Business capital	24.0	14.6	20.3	18.0	2.9	12.9
Tangible valuables	2.4	5.6	3.7	2.6	5.4	3.6
Financial assets	40.1	29.5	35.9	52.4	58.4	53.8
of which						
Claims	2.6	5.7	3.8	1.3	2.9	0.3
Liquid assets	12.9	12.3	12.6	10.6	8.9	10.2
Securities	20.3	9.2	15.9	34.6	45.4	39.0
of which:						
<i>domestic</i>	16.3	6.7	13.3	20.7	18.2	20.1
<i>foreign</i>	4.0	2.5	3.6	13.9	27.2	18.9
Insurance	4.4	2.3	3.6	5.9	1.2	4.3
of which:						
<i>domestic</i>	2.4	1.2	2.0	3.5	1.1	2.7
<i>foreign</i>	1.9	1.1	1.6	2.4	0.1	1.6
Gross assets	100.0	100.0	100.0	100.0	100.0	100.0
Less liabilities	5.3	6.9	5.9	n.a.	n.a.	n.a.
Equals net assets	94.7	73.1	94.1	n.a.	n.a.	n.a.
Avg gross asset (RM)	37,731	29,691	34,093	76,224	58,375	67,702
1. Securities owners						

AUSTRIA: Table 6**Average Wealth Sample I and Sample II¹ by Age Group**

(In RM)

Age Group	Sample I	Sample II
Under 20	27,497	46,398
20 – 29	30,855	42,110
30 – 39	16,246	51,380
40 – 49	27,142	68,184
50 – 59²	38,450	65,510
60 – 69	36,834	77,179
70 – 79	48,104	76,587
80 and over	20,263	26,180
Not specifying age	21,241	82,458
Total	34,093	67,702

1. Securities owners.

2. Highlight includes median value.

held by mixed marriage partners (Versippte) separately, do not provide guidance in this respect. They do show a lower average asset position for this category than for the Jewish group. However, the mixed marriage group includes a much higher percentage of housewives – 26 vs. 15 percent – than the Jewish group, indicating a greater likelihood of more numerous multiple spouse filings. And we saw earlier that women filing on their own behalf reported lower average assets holdings than males.

So we can assume that economic conditions did not differ greatly between confessional and non-confessional Jews, at least not in a downward direction with respect to the latter. If that is so, then one can also assume that at least 63 percent of the total would have had sufficient means to accumulate some wealth. Application of this ratio to the 217,500 Jews who fell under Nazi threat in 1938 yields 59,576 family units that could be considered to have had means. The remainder would be deemed to have had incomes that just about covered their needs or to have been wholly or in part dependent upon social assistance, all with little ability for wealth accumulation. Their savings would largely have been in the form of pension and insurance policies. Indeed, Sample I shows that the income base of 11 percent of the sample population consisted solely of salaries, pensions or annuities.

The adjusted 1938 Census data³⁶ record a total gross wealth position of RM 1.6 billion for the Austrian Jewish population in April 1938.³⁷ According to Sample I, there would have been 41,797 family units holding on average RM 38,532 each. Extending this to 59,576 family units yields

RM 2.3 billion. A first approximation of the full wealth position would thus fall within this range, probably quite a bit above the lower bound, but perhaps somewhat below the upper one.

A number of factors add to the base levels. First, on the eve of the Anschluss there most certainly would have been more families with a significant amount of wealth than responded to the census. Whereas compliance appeared exceptionally high, there would have been a certain degree of evasion as well. In addition, although Austrian Jews residing abroad were also liable to respond, and a number, especially those with remaining relatives in Austria, did, a goodly number surely did not. And the numbers outside were large. We know, for example, that when France, the Low Countries and most of Eastern Europe came under Hitler's sway, at least some 15,000 of those who had managed to escape across the borders fell once again into Nazi hands and perished in the camps. Therefore, even if the assumption that 63 percent of the Jewish population would have conformed to the average holdings recorded for Sample I were to be on the high side, it is likely that non-compliers would have had higher than average wealth levels. Thus, any over-estimation of family units with average wealth would have been balanced by a likely higher than reported actual average. Nevertheless, we scaled

³⁶ After deduction of capitalised income flows.

³⁷ The use of gross rather than net wealth was considered more appropriate as the goal is to identify the amount of moveable wealth; this would include liquidity mobilised by borrowing against assets, including claims.

back the share of wealth-holding families to 55 percent, which still yields a base estimate of Jewish-owned wealth of RM 2.0 billion.

A second, obvious, point is that there would have been under-reporting of assets, by undervaluation and by concealment. The documentation shows that the looting departments were exercised about both. Schubert cites 103 instances of house searches over the five-day period between June 29 and July 3, 1938. These police sweeps, motivated by suspicion that assets were being concealed for eventual transfer abroad, yielded RM 600,000 in gold, precious stones and silver.³⁸ Rafelsberger's correspondence includes numerous complaints about stripping of assets of businesses slated for Aryanisation. These most often concern suspected draining of liquid assets and spurious increases in liabilities. Moreover, the correspondence found in the census files is rife with instances of denunciations that brought concealment of assets within Austria and abroad to light. This, together with the well-known Austrian penchant for tax evasion, makes the assumption that there was significant underreporting and non-reporting of assets more than plausible.

Although there is no firm basis on which an estimate of such evasion can be made, it would not be unreasonable to assume that it would have been at least as high as in the "tax correct" Netherlands, though possibly somewhat lower than in France, the two countries for which we have tax evasion estimates. Thus, evasion could have amounted to between 20 and 65 percent of reported wealth. A 30-40 percent range for evasion in Austria, especially as it would have been most prevalent among those in the higher wealth brackets, therefore, would seem reasonably conservative. And this would still leave aside the rampant undervaluation of reported tangible valuables, such as art, antiques, and stamp and book collections as well as of business assets, especially those that purportedly fell below the RM 5,000 cut-in point. **Consideration of these factors would raise the base estimate of total pre-Anschluss wealth for those among the Jewish population who had more than a minimal savings capacity to at least RM 2.9-3.3 billion.**

This range of total wealth appears to be in line with the impressions that can be gleaned from the income and wealth tax data. As noted above, this evidence is far from robust, but it at least points in the same direction. The last available detailed pre-Anschluss data, published in 1938, relate to 1935/36.³⁹ For earners whose taxes were not withheld at source (e.g. self-employed) – the group that would have contained the majority of Jewish taxpayers – median taxable incomes fall within the Sh 2,700-3,000 bracket, with the average amounting to Sh 4,307. As can be expected, average taxable incomes for Vienna, where 92 percent of the Jewish population lived, are somewhat higher than in the country at large, though not sufficiently so that the median for incomes not liable to withholding breaks into a higher bracket. However, the income distribution appears to be more skewed toward the higher brackets with the average amounting to

Sh 5,341. As 1935 posted the depression low for income tax revenue with revenues recovering subsequently (plus 10 percent in 1936), average nominal taxable incomes in 1938 would have been higher as well.

The lion's share of the revenue increase would have come from additions to the tax rolls, so that average taxable income would have risen less than revenues. Still, it can be taken that they would have risen by at least 5 percent over the three years, to between Sh 4,522 and Sh 5,508, respectively, with the median pushing at Sh 3,000. We found in the Netherlands that for those with above-minimal savings, the average income/wealth relationship may have amounted to 1/17 to 1/18; and in Hungary this ratio was 1/12. Using the lower end of the range, i.e. a 1/12 to 1/13 ratio, for Austria yields average wealth levels of Sh 36,000-39,000 for those earning median incomes and between Sh 66,253-Sh 71,773 for those at average income levels.⁴⁰ This range is compatible with the averages found in Sample I and Sample II.

Finally, the wealth tax data provide an additional, albeit yet more general, clue to the plausibility of the above wealth estimates. As noted earlier, wealth tax liability cut in at Sh 36,000 (RM 24,000)⁴¹ with taxable wealth confined to income-producing assets. While in 1935 there were only 67,246 wealth taxpayers, 4 percent of all income taxpayers, the choice of the cut-in level indicates that asset holdings of that size were not considered extraordinarily high. Indeed, average taxable wealth in 1935 was RM 66,820 for the country as a whole and RM 93,706 for Vienna. The RM 34,093 and RM 67,702 average wealth per respondent for Sample I and Sample II respectively, would seem well within the range of plausibility remembering that, while the samples encompass virtually all assets (the wealth tax covering only income-producing assets), they cut in at lower levels of wealth and cover a greater part of the population.

6. Capital Flight and Destination

The picture of total wealth that emerged from the data reported to the 1938 Census, and the structure of that wealth, confirm both that a considerable number of Austrian Jewish households held a significant amount of assets and that, habitually, there was savings in foreign-currency denominated assets. (See Table 5). Equally important for our purposes is the evidence that the holdings of assets abroad was not unusual and that there were strong cultural and economic ties to financial centres outside Austria especially, though not exclusively, within the European continent. Thus, Sample II, which is confined to cases reporting securities holdings, shows a 20.5 percent share of gross assets in foreign-currency denominated securities and insurance. Comparable data for

38 Schubert, *op. cit.*, p.16.

39 Österreichisches Statistisches Landesamt, *Statistische Nachrichten*, Vienna, 1938, p.14 and p.154 ff.

40 Based on the weighted average of Vienna and the rest of the country of Sh 5,521.

41 At the post-Anschluss exchange rate for purposes of comparability.

liquid asset and precious metal holdings are not available but, given the known propensity for savings in such assets, they would have been relatively sizeable. This data set, estimated to be typical for 22.4 percent of the 1938 Census population, however accounts for about 45 percent of gross assets (excluding salaries, pensions, etc.) as the reported wealth of holders of securities amounted to almost twice the average.

Based on Sample II, identifiable reported foreign-currency assets held by the 1938 Census population would have amounted to RM 148.5 million. A goodly portion was being held abroad. As noted above, 138 cases (1.3 percent of the estimated number of securities holders) reported Swiss bank accounts with total deposits of RM 7.5 million, or 5 percent of total reported foreign-currency portfolios. These reported assets obviously constitute only a fraction of the total held outside Austria, given that in most cases the rationale for putting funds abroad was safety, which meant anonymity. It would, therefore, not be unreasonable to assume that the larger part of unreported assets would have been in foreign currencies. It is this share of the portfolio that is indicative of likely holdings abroad.

To obtain the RM values of how much wealth owned by Austrian Jews may have escaped abroad, it would seem inappropriate to use either the pre-Anschluss exchange rate or the Nazi-ordained rate. The schilling probably was somewhat undervalued against the RM, given that the tight exchange restrictions had overvalued the RM generally, but probably not by the full 30 percent decreed by Berlin. There are few estimates of what might have been an appropriate translation rate of income flows at the time and virtually nothing about the rate at which wealth might be related. Most estimates in this area, therefore, draw on the monumental work of Colin Clark.⁴² Clark provided the basis for making international and intertemporal comparisons of real national income. For this purpose he calculated a “standard known as the ‘International Unit’ (written I.U.), which measured the quantity of goods exchangeable in the United States for one dollar over the average of the decade 1925-1934.”⁴³

The relationship between the Austrian and the German I.U. for 1937 (no 1938 figure is given for Austria) was 2.01, only 7.5 percent below the market rate in that year. By contrast, Angus Maddison’s data on labour productivity show a ratio of 1.44 between Germany and Austria in 1938. Randall Hinshaw, calculating purchasing power parity indexes on the basis of Clark’s data, arrives at a 1.47 ratio.⁴⁴ Amalgamating these three findings yields a purchasing power parity adjusted exchange rate of RM 1 = Sh 1.74, 15 percent below the post-Anschluss ordained value of the schilling. It is, however, only necessary to adjust the schilling component of the wealth estimates derived above, as the VVST translated the foreign currency component into RM via the prevailing foreign currency/RM rate. Thus, the foreign-currency denominated component of reported wealth remained unaffected by the revaluation of the schilling vis-à-vis the RM.

Adjustment of the wealth estimates on this basis would

reduce the range to RM 2.5 - 2.9 billion, while the foreign-currency denominated share of net wealth would rise to 21.3 percent. We assume that at least that part of the portfolios, an amount equivalent to about RM 550 million, was available for transfer or already lodged abroad.

B. THE NETHERLANDS

1. Background

The tragedy of Dutch Jewry was that, although trading with the rest of the world was a way of life, they believed themselves singularly insulated from what was happening a scant 100 miles east across the border. Thus they reacted certainly with fear, but also with remarkable complacency, to the German invasion. It, therefore, was quite typical that on invasion day the father of a well-known Jewish historian would counter the question “What are you going to do now?”, put by a non-Jewish friend, with “We, we are doing nothing. Why should we?”⁴⁵ Not surprisingly then, the majority was totally unprepared when, with the occupation, there also came the whole panoply of anti-Jewish laws. While some, as noted below, had been sufficiently uneasy to make provision for transferring some of their assets to safety abroad, at least from the time of the Austrian Anschluss, few if any thought it might be necessary to think about their personal safety. The view “it will not be so bad” was all but pervasive.

It, together with the fact that the Dutch were a rule-abiding people, allowed the Nazis to catch a vast majority of both Dutch Jewry and its possessions in their net.

To the misfortune of the Dutch, and the Jews in particular, the Nazi administration in Holland was civilian rather than military as in most other occupied areas. As such, it proved much more intrusionary and more single-mindedly bent upon implementing Berlin’s directives. Accordingly, it moved very quickly toward its dual goal of exclusion of Jews from the economy and expropriation of their wealth. The experience gained in Germany from 1933, and subsequently in Austria, allowed a very efficient spoliation machine to be set up in the shortest time, especially as those in charge, Reichskommissar Dr. Arthur Seyss-Inquart and his General Kommissar for Finance and the Economy, Dr. Hans Fischböck, had been instrumental in the “de-Jewing” of the Austrian economy. This could be the more ruthless as the Nazis’ decision to move to the “final solution”, taken at the Wannsee Conference in January 1942, came less than two years after the invasion. A further element was the desperate need of the German authorities for foreign exchange to support the war effort and the

42 Colin Clark, *The Conditions of Economic Progress*, MacMillan & Co, Ltd., London, 1957 (Third Edition), p.88-200.

43 Clark, *op.cit.*, p.18.

44 R. Hinshaw, “World Income, 1929-1937”, Board of Governors of the Federal Reserve System document, dated June 1945, U.S. National Archives, RG 82, Box 87.

45 J. Presser, *Ondergang: De Vervolging en Verdelging van het Nederlandse Jodendom, 1940-45*, Martinus Nijhoff ‘s Gravenhage, 1965, vol.1, p.10.

competitive fervour this generated among the various Nazi administrative units charged with bringing these resources in from the occupied territories.

As a consequence, the machinery for the dispossession of Dutch Jewry was virtually fully in place by the end of 1941. Almost all Jewish businesses and enterprises were Aryanised or liquidated between March 12, 1941 and February 1943⁴⁶ and from August 8, 1941 all financial transactions were centralised in a specially organised branch of a German-designated bank, Lippman, Rosenthal & Co. (LIRO). The measures included, in the first instance, forced deposits of all financial assets and, later, of all tangible valuables, including jewellery and artwork as well. At first, the fiction was maintained that the LIRO accounts were normal individual accounts, with depositors retaining legal ownership, albeit with restricted access. But soon the apparent need to cloak reality faded away and accounts were merged and assets sold progressively with the proceeds sent to Berlin to feed the war effort.

The post-war restitution process provides a reasonably clear sense of the size and structure of the assets looted, including those delivered to LIRO. The Dutch Government currently is engaged in making this picture as complete as possible. Five separate Commissions, dealing with different aspects of looting, have been mandated to uncover what yet can be found and to determine the dimensions of what, in fact, no longer can be known.⁴⁷ While the Commissions have not finished their work as yet, preliminary reports indicate that their results are not likely to alter our base data materially.

Obviously, the data derived from the records of the looting institutions, in particular LIRO, can only provide corroborative evidence as there was substantial evasion and an associated flow of assets into hiding at home and abroad. The Germans managed to put their hands on a fraction of such “black” assets through finder-fee squads organised by the Devisenschutz Kommando, but they obtained perhaps more important amounts through voluntary payments of foreign currency, gold and diamonds against official promises of deferral of deportation.⁴⁸ Among the assets transferred to LIRO and received as of February 7, 1942 were bank deposits amounting to over fl 25 million, insurance policies with a redemption value of fl 25 million, fl 38 million in receivables and, according to LIRO management, securities valued in May 1944 at fl 300 million. The latter estimate is certainly too low, given the stock of securities still found at LIRO after the war and the erratic valuation and accounting practices of LIRO management (not unassociated with looting for their own account).

All in all, the value of looted financial assets together with the proceeds of forcibly sold businesses and real property was estimated within the first decade and a half after the war at around fl 700 million, with about half consisting of securities.⁴⁹ As in other countries, businesses were Aryanised or liquidated at proceeds well below their real values. Taking this into account and adding the value of jewellery, artwork

and other tangibles delivered to, and in part sold by, various looting institutions brings the total to an estimated range of fl 1-1.2 billion. Assessment of the soundness of this estimate, obviously, needs to await the outcome of the ongoing vetting process.

2. The Jewish Population

In August 1941, official statistics put the Jewish population in the Netherlands at 160,882 of which 138,630 were Dutch and 22,252 were foreigners, predominantly Germans. The large influx of refugees from the East, together with the Nazi-imposed broad definition of who was a Jew, had boosted the share of the Jewish population from 1.5 percent in the 1938/39 Census to 1.8 percent in August 1941. Over four-fifths of the Jewish population was concentrated in Amsterdam, The Hague and Rotterdam. More than half, 53.6 percent (86,291), lived in Amsterdam alone. Of these, 79,497 were “full” Jews, according to the Nuremberg laws, out of a national total of 140,001, boosting Amsterdam’s share to 56.8 percent.⁵⁰

The Jewish population in the Netherlands was an ageing one. Figures for Amsterdam show that though the median age, which fell within the 30-39 age group for both males and females, was somewhat below that in Central Europe, the share of those under 20 had been on a steeply declining trend since the turn of the century. Whereas in 1899 the under 20 constituted 44 percent of the Jewish population, they accounted for 30 percent by 1930 and only 23.5 percent in 1940/41. (See Table 1). This means that, whereas there were 1.9 young persons per two adults in 1899, there were only 0.6 in 1940/41. Thus the perception of a large family size among Amsterdam’s Jews appears to be a myth, at least on average.

3. Occupational Structure

Forty-five percent of the Jewish population in Amsterdam registered as having a profession.⁵¹ In this there was virtually no difference between the Jewish and the overall population of the city. (See Table 2). But the occupational structure showed significant differences. The Jewish population registered a strong concentration in commerce, the clothing and

46 Some 9,000 small and 2,000 larger enterprises, the forced sale of which clearly at distress prices, realised only fl 68 million (excl. buildings). L. de Jong, *Het Koninkrijk van Nederland in de Tweede Wereldoorlog*, VII, vol.1, p. 419.

47 The Commissions, named after their Chairmen, deal with the following subjects: van Kemenade: international co-ordination, including official gold; Scholten: banks, insurance, other financial assets and intellectual property rights; Kordes: tangible valuables and Aryanised and liquidated business assets; Ekkart: art. The fifth Commission deals with the losses incurred by detainees in Japanese camps in Indonesia.

48 The “Sperr Stempel”.

49 L. de Jong, *op.cit.*

50 Data from the Rijksinspectie van de Bevolkingsregister; the Nuremberg laws defined those with more than two Jewish grandparents as “full” Jews.

51 This does not necessarily mean that they worked in that profession: some were unemployed and others performed work outside their stated profession.

NETHERLANDS: Table 1**Amsterdam Jewish Population by Age and Gender¹**

(In percent)

Age Group	Male	1940/41 Female	Total	1930 Total	1899 Total
0 – 9	10.2	8.9	9.5	14	22
10 – 19	14.0	12.7	13.3	16	22
20 – 29 ²	15.5	15.0	15.3	16	18
30 – 39³	16.2	15.8	16.0	15.5	13
40 – 49	15.9	15.3	15.6	14.5	9
50 – 59	13.6	14.4	14.0	12	7
60 – 69	9.5	11.0	10.3	8	5
70 and over	5.1	6.9	6.0	4	4
Total	100.0	100.0	100.0	100.0	100.0

Source: NIOD 181 G, Joodsche Raad, Statistical data on the Jews in Amsterdam, mimeo.

1. Includes in 1940/41 10,516 foreign Jews and 68,894 Dutch Jews; for 1930 and 1899 confessional Jews only, for 1940/41 “full” Jews, as defined by Nuremberg laws. There is a discrepancy of 87 between these figures and those of the Rijksinspectie cited earlier.

2. Highlight includes median value 1899.

3. Highlight includes median values 1940/41 and 1930.

NETHERLANDS: Table 2**Amsterdam Occupational Spread**

(In percent)

	Jews 1940/41	Total Amsterdam 1930
Number declaring profession	45.3	45.0
Industry	38.1	38.9
of which:		
<i>Clothing</i>	20.0	7.8
<i>Diamonds</i>	5.8	2.0
<i>Food</i>	4.1	6.0
<i>Metal, shipbuilding</i>	1.8	4.2
Other	61.9	61.1
of which:		
<i>Commerce</i>	32.4	20.9
<i>Banking and insurance</i>	0.6	4.6
<i>Other free professions</i>	18.1	8.3
<i>Transport</i>	4.3	14.4

Source: NIOD 181 G, Joodsche Raad, Statistical data on the Jews in Amsterdam, mimeo.

diamond industries and in the professions but well-below average participation in the agricultural, transport and the financial sectors. While this occupational pattern overall was quite typical for the Jewish populations in other countries as well, Dutch Jews were distinguished in their low participation rate in the financial sector. Nevertheless, a number of important banks in Amsterdam were Jewish-owned.

4. Income and Wealth Position

Pre-war data on income and wealth in the Netherlands are deemed to be reasonably reliable. Tax compliance was considered relatively high before the war: for the period 1920-35 tax evasion was estimated at 10-20 percent, with the lower part of the range thought to be more typical for the years after 1927.

A major recent source, Wilterdink, estimated private wealth of the population at large at fl 17.6 billion⁵² (US\$9.4 billion) in 1939, with wealth above the tax threshold (fl 16,000 or US\$8,529) amounting to fl 12.4 billion. Per capita wealth in the tax year 1939/40 was fl 47,529, but the income distribution was very skewed with 71 percent of private wealth in the hands of 5 percent of the population.⁵³ How did the Jews fit into this pattern?

Although the occupational structure and the geographic concentration of the Jewish population differed significantly from that of the population at large, the income distribution was similarly skewed. This, in part, reflects the relatively large size of the Dutch Jewish proletariat and, especially, the high level of unemployment in the diamond industry, which had remained depressed through most of the 1930s. However, there also was a sizeable middle class, sufficiently affluent to outstrip the national average. The most extensive source on the income of the Jewish population at that time is a study produced by the Jewish Council (Joodsche Raad) in 1941 at the behest of the German occupiers. It was to ascertain the effect on the Dutch economy of concentrating the entire Jewish population of the Netherlands in a ghetto in Amsterdam. Copies of the resulting Ghetto Report 1941, together with handwritten underlying calculations, are preserved in the archives of the Nederlands Instituut voor Oorlogsdocumentatie (NIOD).⁵⁴

The authors gathered astonishingly detailed data on many aspects of the economic life of the Jewish population, including where they lived, what rent was paid or imputed, who owned the retail outlets in the affected areas and, for us of most interest, what income they had. The income estimates were based on detailed tax data, partly from Jewish Community tax rolls,⁵⁵ partly pulled from official tax records, partly estimated by local experts. On the basis of this analysis, the authors concluded that the Dutch Jewish population had a total income of fl 131.2 million in 1938/39.⁵⁶ Of this, 60 percent, or fl 79.1 million, originated in Amsterdam, several percentage points above its population share, despite the large concentration of poverty in the city. In the Provinces, they

found for the ten cities for which a detailed analysis was made, that in virtually every case the Jewish population had substantially greater purchasing power at its command than did its neighbours.

Average taxable income of Dutch Jews, thus, exceeded that of the population at large and the share of Jews in taxable income, at 3.2 per cent, was significantly above their 1.5 per cent population share. However, as shown below, once account is taken of the heavy urbanisation of the Jewish population, this difference narrows materially. Consequently, overall regional tax data, especially for the urban population at large, can provide a reasonable base against which to test the income and wealth estimates for the Jewish population.

Our wealth estimates draw importantly on the Ghetto Report 1941, in particular for determination of the number of family units that could be thought to have sufficient wealth to have put some assets abroad. The detailed income tax data for the Jewish population in 1938/39 contained in the report show that there were some 36,900 income tax payers among Dutch Jewry. (See Table 3). For our estimates, we posited that those with incomes below a certain minimum would not have had the capacity to accumulate significant amounts of savings. **However, this does not mean that low income levels necessarily indicate low wealth levels as well. For instance, those living off their capital probably would have had relatively low incomes, but at the same time relatively high capital wealth. The elimination of all lower income cases thus imparts a downward bias to our estimate of the number of family units with a significant amount of wealth.**

We considered this acceptable in the absence of a sound basis for correction and the concern to put forward a prudent result.

Accordingly, we excluded entirely those with annual taxable incomes of less than fl 1,000 as well as 30 percent of those in the fl 1,000 – fl 2,000 bracket. Elimination of the latter increases average incomes in that bracket from fl 1,400 to approximately fl 1,500 p.a, a level below which we assumed there would have been only limited capacity to accumulate, or maintain, significant amounts of wealth. In addition, the top brackets – some 20-odd cases – were dropped so as not to distort the averages unduly. This left about 22,000

52 Nico Wilterdink, *Vermogens Verhoudingen in Nederland*, de Arbeiderspers, Amsterdam, 1984. His study focuses on the **change in income and wealth distribution** over time rather than on the methodology and estimates of **levels of income and wealth**.

53 Centraal Bureau voor de Statistiek, *Statistiek der Inkomens en Vermogens in Nederland 1939/40*, 's Gravenhage, 1941 (CBS).

54 Nederlands Instituut voor Oorlogsdocumentatie, (formerly Rijksinstituut voor Oorlogsdocumentatie) 181 G., J. Brandon and A. Veffler, "Onderzoek naar de Gevolgen van Ghettovorming in Amsterdam" (Ghetto Rapport, 1941) and typescript and drafts of same, authored by Jacques AA, titled "sub-Rapport Aa voor Rapport Prof. Cohen".

55 In the Netherlands, as in Germany, communities of recognised religions shared in the government's tax revenue on the basis of income-based taxes paid by their members.

56 The study included "full" Jews only.

NETHERLANDS: Table 3**Total Taxable Income of the Dutch Jewish Population
1938/39**

Line	Income bracket fl '000s	Average income fl	Number tax payers	Total taxable income fl million
1	under 1	850	7,252	6.2
2	1 – 2	1,400	10,353	14.5
3	2 – 3	2,400	3,674	8.8
4	3 – 4	3,400	1,543	5.3
5	4 – 5	4,400	585	2.6
6	5 – 10	7,000	1,444	10.1
7	10 – 20	14,000	524	7.3
8	20 – 30	24,000	127	3.0
9	30 – 40	34,000	55	1.9
10	40 – 50	44,000	23	1.0
11	50 – 60	54,000	11	0.6
12	60 – 70	64,000	12	0.8
13	70 – 80	74,000	8	0.6
14	80 – 90	84,000	6	0.5
15	90 – 100	94,000	3	0.3
16	100 – 110	105,000	3	0.3
17	110 – 120	115,000	2	0.2
18	120 – 130	125,000	2	0.3
19	130 – 140	135,000	1	0.1
20	140 – 150	145,000	3	0.4
21	190 – 200	195,000	2	0.4
22	250 – 260	255,000	1	0.3
23	400 – 410	405,000	1	0.4
24	Total for 5/6 of confessional Dutch Jewry		25,635	65.9
25	Line 24 grossed up to 6/6		30,762	79.1
26	Add non-confessional Jews: 20%		36,914	94.9
27	Deduct 100% of bracket line 1 and 30% of bracket line 2, adjusted for line 25 – 26 changes		21,999	79.7
28	Deduct 100% of bracket line 14 – 23 Adjusted for line 25 – 26 changes equals	Total	21,969	75.1
29	Average income Jewish taxpayers adjusted (line 28)		fl 3,418	
30	Average income all taxpayers		fl 2,144	
31	Average income all Jewish taxpayers		fl 2,570	
32	Total taxable income		fl 2,933.8 million	
33	Ratio average adjusted income Jews/all taxpayers, line 29/30		1.59	
34	Ratio average income Jewish tax payers/all taxpayers, line 31/30		1.20	
35	Share Jewish taxable income in total taxable income, line 26/32		3.2%	
36	Share of taxpayers among total population		15.5%	
37	Share of taxpayers among Jewish population		25.6%	
38	Ratio Jewish vs total participation rate, line 37/36		1.7	

Source: tax data Brandon and Veffler, [op.cit.](#)

income tax paying units with an average taxable income of just under fl 3,500 (one and three-fifths times the national average of fl 2,144).

To put this in context, assuming that each tax unit represented 2.3 persons, 22,000 tax payers and their families constituted 36 percent of the Dutch Jewish population. This would be in line with guesses made by one of Amsterdam's solicitors, most knowledgeable about Jewish affairs, who posited that about two-thirds of the Jewish population were at the lower end of the affluency scale.^{57 58}

The estimate of over 20,000 family units with a significant amount of accumulated wealth is corroborated by the number of current accounts with more than trivial transaction balances held at LIRO. There were reportedly over 42,000 accounts, of which 22,000 had balances of over fl 100, and some 12,000 in excess of fl 1,000. Transaction balances of this size, particularly if seen in the context of both the undoubted efforts to minimise cash balances in Nazi-supervised accounts and the average annual income of wage earners of fl 1,491 in 1938, indicate sizeable financial leeway.

The estimates of the average amount of assets held by each family unit were derived in the first instance from a sample of almost 3,000 estate tax records spanning the period 1938-1948. Access to the data and the actual culling of the records were made possible by the Minister of Finance, the Honourable Gerrit Zalm. He not only approved access, but also most generously provided financing and staff support for the pulling of the data. The Netherlands Bank provided support for the data manipulation. The results afford most valuable insights into the level of wealth, its structure and, perhaps most relevant to the Committee's concerns, some clues about where it was physically held.

The sample covers returns for tax residents of Amsterdam, Rotterdam and Groningen. Amsterdam and Rotterdam were urban centers with large Jewish population, though the degree of poverty among Amsterdam's Jews was unique for that city. Groningen was chosen as representative of a more provincial environment. Only estates valued at fl 10,000 or more were included on the grounds that estates below that value, as with the income tax brackets noted above, would not have sufficed to provide much leeway for transfers of assets abroad. So the lower limit was drawn well below that at which wealth tax cut in (fl 16,000). A test sample, drawn from all estates, showed that limiting our sample to estates above fl 10,000 implied the elimination of 54 percent of all estates. The remaining 46 percent share for those with significant estates is well above the 36 percent share derived from the income tax distribution data.

Conversely, the top-end of the sample range was eliminated as it was thought that the super-wealthy, if they were not able to buy their way to survival – indeed the assumption that they could proved false only too frequently – at least might not have wound up heirless, i.e. with no one knowing the whereabouts of their assets. Given the skewness of the Dutch wealth distribution, it also made sense purely for

statistical analytical reasons. Thus, the sample distribution as a whole fell within two standard deviations.

Efforts were made to ensure that, as much as possible, estates were valued at their pre-war levels. For example, foreign exchange values were converted at pre-war exchange rates, i.e. yielding a lower guilder value for \$, £ and SF denominated portfolios than would have obtained at post-war exchange rates.

The average value of the gross assets for the estates in the sample (adjusted for outliers), amounted to fl 76,709 and fl 70,466 after deduction of liabilities.⁵⁹ The results were tested against wealth and estate data for the population at large for the years 1938/39 and 1939/40, as published by the Centraal Bureau voor de Statistiek (CBS).

While one cannot establish a tight link between taxable income, taxable wealth and actual wealth, it is nevertheless possible to draw some inferences. The CBS data⁶⁰ show that taxable wealth ranged from 24 times taxable income at the lower income limit to 13 times at the higher end. Specifically, in 1938/39 those liable for both municipal and wealth tax, but not income tax, had average incomes and average taxable wealth of fl 916 and fl 22,000, respectively.⁶¹ For those paying all three taxes, (i.e. income, wealth and municipal tax), average taxable incomes were fl 5,684 and average taxable wealth fl 72,000. Interpolation yields a ratio of around 17-18 for taxable wealth to income at the fl 3,500 taxable income level. On that basis, the 22,000 Jewish taxpayers with an average income of fl 3,500, would have had an associated average wealth of fl 60,000-63,000 (17-18 times fl 3,500). If the sum of tax exclusions, tax avoidance and tax evasion is put at a conservative 20 percent (tax evasion alone was estimated at 10-20 percent for the time),⁶² average wealth can be calculated at fl 75,000 – 78,500 per taxable unit.

In 1938/39 only 184,000 of the 1.4 million Dutch taxpayers were liable for wealth tax which, as noted above, cut in at fl 16,000. The average wealth of those falling within the taxable range was fl 67,948. We found earlier that both tax incidence and average taxable income were significantly higher for the Jewish population than for the nation at large. If we apply the ratios for taxable income of Jews to the national average, 1.2 for all Jewish taxpayers and 1.6 for those

57 In a letter dated February 24, 1954 and prepared at the request of the Dutch Commission on Restitution, Mr. Spier, the senior partner of what could be considered the firm of solicitors serving the Jewish community at the time, put the share of what he calls paupers and workers at 50 percent, of the lower middle class at 17 percent, of the upper middle class at 23 percent and of the wealthy at 10 percent.

58 Wage earners in 1938/39 had an average gross income of just under fl 1,500, so that some of them could have exceeded our lower limit of fl 1,500 taxable income.

59 The averages for the raw sample were fl 106,236 and fl 87,528 for gross and net assets, respectively.

60 CBS, *Statistiek der Rijksfinancien 1940*, 's Gravenhage, 1942.

61 The relatively low income level associated with fl 22,000 wealth would be compatible with the assumption that this category included a high proportion of people living on unearned income.

62 Wilterdink as well as the Ghetto 1941 Report posited the lower end of the range for their considerations.

with taxable incomes above fl 1,500, then the average wealth of Jews liable for wealth tax in 1938/39 would range between fl 81,538 and fl 108,762. The lower end of this range is, in fact, below the weighted average of fl 89,000 the CBS reported for the nine urban centres in which more than 90 percent of the Jewish population lived.⁶³

Applying an average wealth estimate of fl 75,000 to the group of 22,000 tax payers yields a total of fl 1.65 billion for the wealth of the Jewish population resident in the Netherlands in 1938/39 (note that this ignores any wealth accumulated by those with incomes below approx. fl 1,500 and over fl 80,000). This includes those of the 22,500 foreign Jews in the Netherlands (of which 6,000 were known to be destitute) who appeared on the income tax rolls in 1938/39. This would largely exclude the more recent waves of refugees, a number of whom, however, would have brought some of their assets. **If those not included in our estimates held around fl 100 million, that would bring total wealth of the Jewish population in the Netherlands on the eve of the war to fl 1.75 billion plus.**

How plausible is the number of 22,000 family units considered to fall within the category of those with significant wealth accumulation? This number could be questioned on the basis of the fact that in 1938/39 there were only 183,400 taxpayers liable for wealth tax in the Netherlands. How then could Jewish taxpayers account for 12 percent of all wealth taxpayers when their population share was only 1.5 percent? (See Table 4).

First, as noted above and as can be seen from Table 4, income tax incidence among the Jewish population was significantly higher than among the population at large, 26 percent versus 16 percent. And the share of taxable income generated by the Jewish population, at 3.2 percent, was twice their population share. Thus, there also would have been significantly higher participation in the wealth tax, even if it did

not reach 12 percent.

Second and more important, it would be **erroneous to assume that wealth reported for tax purposes equals actual wealth.** It is well-known that wealth taxes in general are notoriously difficult to enforce – one reason why fiscal experts dislike them and why many tax authorities employing wealth taxes confine themselves to taxing real estate holdings. In the Netherlands non-compliance was further encouraged by relatively lax enforcement efforts and non-punitive penalty rates.⁶⁴ This, in turn, increased the incentive for underreporting of financial capital in the face of significantly higher tax rates on unearned vs. earned income and the fact that all wealth taxpayers automatically came under the scrutiny of the estate tax authorities. In addition to outright tax evasion, there also was considerable scope for tax avoidance, e.g. through shifting of wealth to non-taxable categories, to spouses and to children. Indeed, the estate tax sample showed the prevalence of marriages not pooling property. In these cases spouses would have filed separate returns. (This tendency also emerged from the Austrian data). While the motivation for separate asset holdings was not necessarily based on tax-technical reasons, the effect obviously was the same. Wilterdink thus quite correctly draws attention to the fact that taxable wealth cannot be equated with actual wealth: “The numbers from the wealth statistics need to be viewed as less than minimum estimates of the actual private wealth”.⁶⁵

There are two obvious reasons why the gap between actual and tax-reported wealth would be even larger among the Jewish community than in the population as a whole. First, opportunities for tax evasion and avoidance abounded

63 The reason for adopting a lower fl 81,500 figure largely reflects the greater concentration and pauperisation of the Jewish population in Amsterdam.

64 Nico Wilterdink, *op.cit.*

65 Wilterdink, *op.cit.*

NETHERLANDS: Table 4

Average Taxable Income: Jewish Population vs. National Average 1938 – 39

Average taxable income	Jewish population	fl 2,570
	Total population	fl 2,144
Share of tax payers among	Jewish population	25.6%
	Total population	15.5%
Share of Jews in	Population	1.5%
	Taxable income	3.2%

Source: Table 3

particularly for those whose wealth originated in self-employment and non-incorporated business activities. And these were the areas in which economic activity of much of the active Jewish population was concentrated.

It is variously estimated that wage earners and those living at the edge of subsistence (which included a large number of self-employed) constituted about 50 percent of the active Jewish population. Of the remainder only a small percentage was salaried, while the bulk was self-employed. Second, the asset structure of the population outside the large cities was more heavily weighted towards real estate than that of the city dwellers.⁶⁶ This, as noted above, limited the scope for tax evasion for the former as compared with the latter.

Thus, the occupational structure and predominant urbanisation of the Dutch Jewish population largely explain apparent deviations from the national average, both in terms of the level of average wealth and the number of income taxpayers holding such wealth with or without necessarily participating in the wealth tax.

Wilterdink's dictum that wealth tax data can provide only a "less than a minimum" indication of actual wealth is corroborated by the national estate tax data. These tend to show both much higher participation rates and greater numbers of estates of some size than would be implied by the wealth tax evidence. For example, in 1937 the national average for estates of fl 10,000 and over was fl 63,000, with these estates constituting 45 percent of the total number probated or 9 percent of all deceased.^{67 68} The average value of estates falling under the tax jurisdiction of the nine cities in which the Jewish population was concentrated came to fl 86,000.

The national estate tax data thus appear to be well in line with the results derived from our estate tax sample. Once account is taken of the differences in asset accumulation and structure between cities and rural areas, the sample data show that neither the wealth of the Jewish population nor its structure fell significantly outside the relevant national averages, in fact they appear remarkably similar.

5. Pre-war Wealth in the Context of Looted Assets

The estimates of the value of assets looted by the Nazis for most categories are drawn from the immediate post-war literature and the restitution documentation.⁶⁹ These, in turn, are based in the main on the valuations found in the documents of the looting institutions. It is clear that the latter tend to underestimate the actual values of the looted assets, partly through undervaluation and partly because reasonably large amounts disappeared into the pockets of the looters themselves.⁷⁰ This is particularly so for securities, household goods, art, precious metals and stones, and business enterprises. For example, of the 22,500 enterprises registered as Jewish-owned, or largely under Jewish control, 13,000 were liquidated for a paltry fl 6.5 million. Obviously, the Treuhänder and Verwalter stripped an untold amount of assets, paying themselves

handsome salaries in the process and completed liquidation only after cannibalisation had taken its course. In addition, progressive exclusion from economic activity resulted in progressive reduction of enterprise values. Thus market values by 1943, at which time the Nazis had gained virtually complete control of all visible wealth owned by Jews, were a fraction of their pre-war value when the enterprises were income-producing properties, even if in some cases not flourishing ones. **Recent efforts to reassess the value of the assets looted support a provisional total of between fl 1 – fl 1.2 billion.**

The data on the restitution process can help fill some of the gaps. For example, in the negotiations with the German authorities, efforts were made to put market values on some of the claims, e.g. diamonds. But there remain large question marks. First, for purposes of the restitution documentation, in cases of the physical return of assets valuation was not of material interest. Thus, no efforts were made to put an actual value on the portion of securities and real property that was physically handed back to the original owners or their heirs. Nor was an estimate made of the value of voluntary restitution that took place outside official channels. Lastly, the Jewish Community fell heir to the assets of those families that had been totally wiped out. But the success of the discovery process in these cases surely would have fallen short of that where there were survivors. **All in all, while perhaps much will have to remain unknown, there can be little doubt that even a best effort can surface only de minimis hard numbers for the total amount lost to or looted by the Nazi entourage.**

Finally, not 100 percent of what was owned by the Jewish population at the eve of the war was looted. Some proportion was held abroad – we estimate this in section 7 at around fl 350 million – some was hidden, some remained in the hands of those not deported and some was consumed. In fact, if the value of assets that were looted or disappeared can be put at fl 1.2 billion, our estimate of fl 1.65 billion for the wealth of the Jewish population settled in the Netherlands may be low. It implies that the looting machine captured almost three-quarters of all the Jewish population owned and, if about 20 percent escaped abroad, 94 percent of all on Dutch soil. It would seem that the residual fl 100 million – 6 percent of estimated total wealth – would be the minimum amount of what could be reckoned as having remained within the Netherlands at the disposal of their Jewish owners. This is especially so if the general need to consume capital during wartime, and particularly that of the Jewish population, which had progressively lost its ability to generate income, is taken into

66 This can also be seen from the estate tax sample: in the asset structure for Groningen real estate has a significantly greater weight than in those for Amsterdam and Rotterdam.

67 CBS, *op.cit.*

68 Estate tax cut in at fl 100 worth of net assets.

69 Presser, de Jong, *op.cit.*

70 Evaluation of these elements is part of the work of the Dutch Commissions.

account. Thus, **the summing of all these elements further supports the estimate of a base level of wealth in the hands of the Jewish population in 1938/39 of around fl 1.65 billion (fl 1.75 billion including recent immigrants).**

6. The Structure of Wealth

Movable assets, especially securities, have played an important role in the portfolio preferences of Dutch savers throughout this century. The share of fixed assets fluctuated around a steady 30 percent of total assets throughout the first half of this century. The lion's share of the remainder was invested in securities, with the Dutch saver exhibiting a distinct preference for "active" investment rather than "passive" participation through investment in bank and savings deposits. While attitudes became somewhat more cautious during the malaise of the 1930s, the resumption of economic growth in the mid-'Thirties partially reversed that caution.⁷¹

These asset preferences also are reflected in the investment behaviour of the Jewish population as can be seen from the sample results. On average, financial assets accounted for over one-half of the total wealth and real property for just under one quarter. (See Table 5). The structure of financial assets, as expected, was weighted heavily toward securities, which account for 59 percent of the total. Of these, shares took the greater part at 31 percent, with bond holdings following closely at 28 percent. Bank deposits, domestic and

foreign, came in a poor third at 8 percent, followed by insurance policies at 5 percent. The large "unallocated" category of 24 percent consists of assets in LIRO accounts, which were still in the process of restitution.

An important aspect for our purposes is the high proportion of foreign-currency denominated assets in the portfolios. They constitute an estimated share of 20 percent and 40 percent of gross assets and financial assets, respectively. While a number of worthless securities were present, their volume was quite small. The preponderance of assets was in high quality US\$ denominated paper, followed by Sterling and French franc securities. Interestingly, foreign bank deposits marginally outpaced domestic ones. But this probably reflects the incentive to minimise domestically held liquid assets for that part of the period when assets had to be transferred to LIRO.

This distribution of assets becomes yet more pronounced when we drop out estates that do not include foreign shares. For this data set the relative importance of foreign shares more than triples to 18 percent of gross assets. Similarly, the importance of foreign-currency denominated bank deposits rises materially (to over 19 per cent of gross assets) for that part of the sample that included such holdings in its portfolio.

Not surprisingly, foreign-currency denominated bank deposits were overwhelmingly in US dollars, Sterling and Swiss francs. A significant proportion was held abroad, as

⁷¹ Wilterdink, *op.cit.*

NETHERLANDS: Table 5
Structure of Total Gross Assets
(In percent)

	Percent
Total gross assets	100.0
Real estate and land	24.1
Tangible assets	5.6
Business capital	2.0
Claims	17.4
Financial assets	50.9
of which:	
Cash	1.7
Total securities	30.0
of which:	
<i>domestic bonds</i>	<i>12.0</i>
<i>foreign bonds</i>	<i>2.4</i>
<i>domestic shares</i>	<i>9.9</i>
<i>foreign shares</i>	<i>5.7</i>
Domestic insurance	2.5
Foreign insurance	0.2
Domestic bank deposits	2.0
Foreign bank deposits	2.3
Unallocated domestic	4.0
Unallocated foreign	8.2

were bonds and shares, albeit to a lesser extent. When deposit locations were reported, they were mainly in New York or London. According to oral evidence, Swiss-held assets were not likely to have been reported to the tax collector.

To sum up, from the income tax data discussed above, we know that in 1938/39 there were approximately 22,000 Jewish taxpayers with taxable incomes between fl 1,500 and fl 80,000 per year – an income range that could well have accumulated wealth of over fl 10,000 per taxpayer, the threshold for estates included in our sample.

7. Capital Flight and Destination

There thus could reasonably have been some 22,000 family units who had the wherewithal to put funds abroad. Using the fl 75,000 per unit average cited above as consistent with the sample as well as the tax data, **the total wealth of this group can be calculated at fl 1.65 billion.**

The asset structure of the sample, i.e. the high share of financial assets, and especially of foreign currency-denominated ones, indicates that a large portion of Jewish wealth was highly movable. And Dutch Jews of means also had the connections to move them.⁷² In addition, the non-tax-reported portion of wealth would predominantly have been in highly liquid assets as well. Thus, the share of foreign currency assets can be estimated at 21 percent. **Taking this as indicative, some 21 percent, or fl 350 million, could be reckoned to have been available for transfer or already lodged abroad.** Of course, for the refugee part of the population this calculation may be way too low since many saw the Netherlands as only a way station where they got trapped. They could have been presumed to have sent as much of their assets ahead as they possibly could. **Of the 140,001 Jews counted by the 1941 Census, about 110,000 were deported. Of these only 5,200 survived.**⁷³

C. GERMANY

1. Background

While for many Jews in occupied Europe the belief “it cannot” or “it will not happen here” delayed the flight into safety of both themselves and their belongings, German Jewry had a long period of warning. From 1934 on, the intention of the Nazis to eliminate the Jews, first from economic and social life and then from Germany itself, became increasingly clear. While between 1934 and early-1938, the “de-Jewing” of Germany was a gradual process, by the end of that period its cumulative effect had eaten deeply into the socio-economic fabric of German Jewry.

Progressively restrictive legislation, including exclusion from professions and management and Aryanisation of businesses under duress, aimed to confine economic activity of Jews to within the Jewish community. Although by 1938 this had brought a considerable part of the Jewish population to

the edge of indigence, and there had been a steady flow of emigration, it had not yet led to a large scale exodus. This was explained in part by the catch-22 aspect of the emigration process as most countries would accept emigrés only if they brought a sufficiency of assets, while Nazi-Germany wanted its Jews to depart, but not their belongings. These difficulties were further exacerbated by the age structure of the German Jewish population which, together with cultural and socio-economic barriers, militated against the ability to build a new existence in a foreign country.

With the Anschluss of Austria and the growing budgetary burden of the preparations for war, the period of gradual economic deprivation came to an end. From early 1938, the expropriation of Jewish assets and the physical exclusion of Jewry from the expanded (Greater) Germany was implemented on the basis of a comprehensive plan. Neither the how nor the precise when of this decision, nor the complete details can yet be fully documented as the files of the leadership of the Four-Year Plan and those of the relevant department in the Economics Ministry remain missing. But the build-up to the policy of comprehensive sequestration of assets, which is documented in its final form in the discussions Göring held in the aftermath of the Kristallnacht, and from there to the “final solution”, decided upon at the Wannsee Conference in January 1942, is clear.

On December 15, 1937, Posse, Secretary of State in the Economics Ministry, declared in further support of an earlier decision that cut Jewish importers’ access to supply, that “Jewish enterprises in trade and industry continue to participate at a level still not in accordance with the basic tenet of elimination of Jewish influence on the economy...”⁷⁴ This was followed on January 4, 1938 by Göring issuing an official, final definition of a “Jewish enterprise” and at end-February, 1938 by the ultimate exclusion of Jewish firms from public purchasing orders.

The first step toward full expropriation came in April 1938 with a census of Jewish-owned assets in which all Jews who owned more than RM 5,000 worth of assets were ordered to participate. The accompanying directive to the managers of the Four-Year Plan “to take measures to ensure that the registered assets be used in accordance with the

72 Two Jewish members of the financial investment community at the time recollect the following: their bank, Bank Mendes Gans, already in 1937 advised its clients to open accounts in the United States and they were not the only ones. While funds also went to the United Kingdom and Switzerland, there were doubts about their ultimate safety there. Many clients avoided the US freeze of enemy-country assets by channelling their funds via Curaçao. Clients had executed powers of attorney to come in force “in case of war”.

73 The Dutch documentation generally speaks of 154,000 Jews in the Netherlands in 1940; of these 14,000 were mixed marriages, who were generally exempted from deportation. Thus, the number for the base population most often quoted is 140,000. The number deported includes those deported from Belgium and France.

74 Willi A. Boelcke, *Die Deutsche Wirtschaft 1930-1945*, Droste Verlag, Düsseldorf, 1983, p.210.

interest of the German economy⁷⁵ makes the intent of what was to follow abundantly evident. Thus, the subsequent blocking of financial assets held by Jews was a logical sequence. When the assassination of vom Rath in November 1938 provided the pretext for the Kristallnacht pogroms, all was set for the full-scale expropriation that followed.

The scope for legal transfers of assets abroad, associated with the then prevailing policy to eliminate the Jewish population through forced emigration, had become negligible. Genschel reckons that in 1938/39 an emigrant owning assets worth 100 would have had to leave about 97 or 98 behind.⁷⁶ He would pay 20 – as, indeed, did every Jew – in ‘Atonement’ tax, 25 in flight tax (a tax that applied to non-Jews as well), 5 into a fund to support emigration of indigent Jews, and 2-5 in other taxes. The remaining 45-50 could be transferred at an exchange rate of 6 percent, later 4 percent, of the official rate, so that he was left with about 3 or 2 out of 100 worth of assets. Thus, 1938/39 proved to be the watershed for anybody seeking safety abroad. And, indeed, there was a wave of emigration of persons as well as assets in that period. A significant number, however, wound up in other continental European countries, where they and/or their assets later were caught by the German occupation.

Already well before 1938 there was, at least in hindsight, a considerable incentive to transfer assets abroad, either accompanied or unaccompanied. And the means were at hand. The large relative share of the middle class in the German Jewish population and the associated occupational structure made it likely that many had good banking connections. Furthermore, the share of movable assets in total wealth surely had been rising since 1934 as real estate and business investment increasingly came under threat of forced sale. All this provided strong incentives both for voluntary liquidation of fixed assets and for sending assets to safety, even though this entailed a double loss: distress prices for the sale of fixed assets and large discounts on transfers. Still, the mounting level of emigration – by 1941 almost one-half of the Jewish population had left, though not all to safe destinations – would have put some limit to the number of holdings abroad that in the end would be heirless.

2. The Jewish Population

In mid-1933, there were almost 500,000 confessional Jews in Germany, 0.8 per cent of the total population.⁷⁷ Of these fully one-third lived in Berlin and more than two-thirds (71 percent) lived in large urban centres. Just under 20 percent were immigrants, with over 11 percent holding Polish citizenship and 4 percent being stateless. In the five years that followed Hitler’s assumption of power, the Jewish population shrank by more than a quarter: by 1938 only around 365,000 were left. About 130,000 had emigrated and the vital statistics recorded a large net loss of approximately 30,000, partly because of the ageing of the population, but partly because of the high suicide rate. (See Table 1).

The trend of Jewish population changes necessarily rests on estimates as neither the German authorities nor the Jewish organisations kept systematic emigration records. Furthermore, whereas official data after 1934 use the Nuremberg definition,⁷⁸ those pre-dating the Nazi regime, but still including the June 1933 Census, count confessional Jews only. Accordingly, emigration estimates range fairly widely, though there is a much narrower consensus. Rosenstock estimates that between 250,000 – 300,000 Jews left Germany during the Nazi regime. He believes that the number of 300,000 emigrants through October 31, 1940 cited in the Wannsee Protokoll of January 20, 1942, (which established the “final solution”), is far too high.⁷⁹

The May 1939 Census, which counted 239,412 Jews in Old Germany, also distinguished between Jews according to the Nuremberg laws and confessional Jews and thus provides some basis for comparison with the 1933 population data. It recorded a decline of 53.5 percent in the number of confessional Jews over the period. Assuming that the number of non-confessional Jews declined similarly, there would have been 50,000 in 1933, for a total Jewish population of about 550,000 in that year. This may be somewhat low, but the number of 200,000 non-confessional Jews for Germany and Austria combined mentioned by the Reichsbank seems very high.⁸⁰

The 1933 census showed that 39.6 percent of the Jewish population was aged 45 and over, with 10.9 percent over 65. This compared with 27.7 and 7.0 percent, respectively, for the population at large. Emigration, which in the five years following Hitler’s assumption of power was heavily weighted toward younger, able-bodied persons, further accelerated the greying of this already ageing Jewish population. As a result, the share of those aged 65 and over doubled to 20 percent between 1933 and 1936 according to various estimates.

3. Occupational Structure

Before Hitler, the majority of Jews was self-employed either in commercial businesses or the professions. The 1933 census listed 110,000 Jewish proprietors and leaseholders, most

75 A. van der Leeuw: “Der Griff des Reiches nach dem Judenvermögen”, Rechtsprechung zum Wiedergutmachungsgesetz (RzW), 1970, p. 383 ff.

76 Adapted from H. Genschel, *Die Verdrängung der Juden aus der Wirtschaft im Dritten Reich*, Göttingen, 1966.

77 Results of the 1933 Census, as reported in *Wirtschaft und Statistik*, No. 14 (1934), p. 657ff and No. 15 (1935), p. 147ff and p. 822ff put this number at 499,682 in 1933; including the Saarland, the total was 503,000. Documents of the Statistisches Reichsamt report a number of 420,000 on September 1, 1935.

78 Unless the term “confessional Jews” is used, the word “Jew” refers to the Nuremberg definition in what follows.

79 Rosenstock, *op.cit.* He also considers Arthur Ruppin’s estimate in *Jewish Fate and Future* of 140,000 – 200,000 between 1933 and 1938 and of 60,000 in the first eight months of 1939 as too low. Kurt Grossman in the *Wiener Library Bulletin*, No.1/2, 1952 gives an estimate of 285,000, relatively close to the 270,000 shown in Table 1.

80 B. Arch. R25.01/6641, document prepared by the Economics Department of the Reichsbank for use at the Evian Conference.

GERMANY: Table 1**Change in Jewish Population 1933 - 1945**

(In thousands)

Year	Population	Emigration	Natural decline ¹
6-16-1933	503 ² 550 ³	38	5.5
1934		22	5.5
1935		21	5.5
1936		24.5	6
1937		23.5	6
Large scale expropriation begins			
1938		40	8
5-17-1939	214 ² 234	78	10
War begins			
1940		15	8
5-1-1941	169	8	4
Beginning of "final solution"			
1942	139		7.5
1943	51	0.5	5
1944 ⁴	14.5		1
1945 ⁵	20 – 25		
Total		About 270	72

Source: Genschel, *op.cit.* p.291, including footnotes 4 and 5; official censuses and own estimates

Note: Specific dates refer to official censuses and accord with the official numbers given in *Wirtschaft und Statistik*, no.14 (1934) p.657 ff, no.15 (1935), p.147 ff and p.822 ff and no.20 (1940) p.84 ff. These data largely are in concordance with other sources, specifically Werner Rosenstock, "Exodus 1933 – 39. A Survey of Jewish Emigration from Germany" in *Leo Baeck Yearbook 1956*, Leo Baeck Institute, London, pp 373 – 390, and Wolfgang Benz et. al. *Die Dimension des Völkermords*, Deutscher Taschenbuch Verlag, Munich, May 1996.

1. Includes suicides.
2. Confessional Jews, other data refer to "Race Jews"; includes Saarland.
3. Estimated by author on basis of decline in confessional Jewish population between the two census dates in the 1930s.
4. For 9-1-44 (just before the start of mass deportations) Blau estimates the Jewish population at 14,574, of which 9,389 lived in "privileged" and 3,089 in other mixed marriages; 1,780 were "Geltungsjuden", i.e. self-declared Jews or persons married to Jews, 89 foreigners and only 227 "normal" Jews (of which 195 in Berlin), largely employed by Jewish organisations or the Gestapo.
5. According to Blau about 14,000 Jews survived legally, about 5,000 illegally; the remainder were returning survivors from Theresienstadt.

of whom were in the retail trades. More generally, almost one-half of the Jewish population, 48 percent or 240,487, was gainfully employed. Another 12 percent lived off income without listing an occupation. This compares with 53 percent and 9 percent respectively for the population as a whole. The self-employed together with salaried employees and officials in leading positions constituted the largest single group among the Jewish gainfully employed: 46 percent as compared with

only 16 percent for the population at large. Thus, Jews accounted for just over 2 percent of this category, almost three times their share of less than $\frac{3}{4}$ of one percent of all gainfully employed. Conversely, only 9 percent were labourers as against 46 percent for the total labour force. In some part, this spread can be explained by the heavy urbanisation of the Jewish population, which itself stemmed from socio-economic factors that, as we have seen, also ruled elsewhere. But it more

importantly reflects the very solidly middle-class nature of the Jewish population that was characteristic for Germany.

The occupational structure, however, was in line with that of Jewry elsewhere: three-fifths of the gainfully employed were concentrated in commerce and transport, just under one-quarter in industry and crafts, one-eighth in the professions and public service and less than two percent each in agriculture and domestic service. (See Table 2). Jewish participation was especially high, if not dominant, in the textile, metal and banking sectors. Among professions Jews were, relative to their overall participation in the labour force, very prominent among lawyers, doctors, agents and the arts. Within the Jewish

labour force, 23 percent were immigrants, who held an over-proportional share of Jewish employment in the crafts.

In comparing the occupational structure of Germany Jewry with that elsewhere, it must be remembered that the 1933 census already reflects effects of anti-Jewish boycotts, especially the beginning of the elimination of Jews from the public service and the free professions. Of course, by the time the 1939 census was taken, the elimination of Jewry from the economy was nearing completion. The ruthlessness of the implementation of the policy of comprehensive expropriation, which emerged in 1938, is starkly illustrated in the comparative data for Berlin and Vienna. (See Table 3). The results

GERMANY: Table 2
Occupational Structure
Jews and Total Population 1933

A. Jews

Economic Branch	Persons gainfully employed	Percent of total	Including dependents	Percent of gainfully employed
Agriculture	4,167	1.7	5,124	1.7
Industry and crafts	55,655	23.1	95,472	1.7
Commerce and transport	147,314	61.3	262,223	1.8
Public service and professions	29,974	12.5	53,443	1.8
Domestic service	3,377	1.4	3,494	1.0
Total	240,487	100.0	419,756	1.7
of which:				
<i>family members</i>	23,200	9.6		
Independents without listed occupation	60,941		79,962	1.3
Total	301,428		499,682	1.7

B. Jews in Comparison with Total Population

Economic Branch	Percent Total Population	of which	Jews
Agriculture	24.5	0.04	1.4
Industry and crafts	34.2	0.43	18.5
Commerce and transport	15.6	2.48	48.9
Public service and professions	7.1	1.11	9.9
Domestic service	3.3	0.27	1.1
Total	84.7		79.8
of which:			
<i>working family members</i>	16.4	0.4	7.7
Independents without listed occupation	15.3	1.05	20.2
Total	100.0	0.79	100.0

Source: Nara, Duker/Dwork Papers, R82, box 6, folder 117, "The Jews of Germany", p.18; *Wirtschaft und Statistik*, No.14 (1934) and No.15 (1935).

of the exclusionary policy run about parallel in both cities even though in Vienna a concerted policy of overt exclusion started only with the Anschluss.

In 1933 registered unemployment among Jews, at 14 percent, lagged the 18 percent for the labour force at large. But this trend reversed rapidly when the boycotts drove many out of employment or severely cut into earnings. By 1939 about two-thirds of the active Jewish population was unemployed.

By 1935, 20-25 percent of an estimated total of 102,000 Jewish-owned businesses already had either been liquidated or transferred to Aryan hands; by early-1938 that number had risen to 60 percent. On the eve of Kristallnacht fewer than 4,000 retail outlets were left out of 85,000 in 1932.⁸¹

Jewish banks, an important segment of the banking sector and a significant portion of private banking, shared the same fate. The rural banks were the first to go. In these cases, the trend toward consolidation of the banking sector, especially after the 1932 crisis, may have played a role, but by 1935 many of the big names also had been transferred to Aryan owners. The largest, MM Warburg in Hamburg, through which much of the blocked accounts, Aryanisation and emigration transactions ran, was allowed to survive until 1938, in part surely because of its role in the financing of Jewish emigration.

4. Income and Wealth Position

As noted above, Germany's Jews, unlike their Polish neighbours, largely belonged to the middle class and their income distribution was much more even. Hilberg put the wealth of the Jewish population in 1933 at between RM 10-12 billion,⁸² an estimate referred to widely by other researchers. It is identical to the estimate published in the *Volkswirt* No.18 of January, 1936, but it is not clear whether this provides corroborative evidence or actually is one of Hilberg's sources. In the same article the *Volkswirt* cites a number of estimates, some of which were politically motivated, that cluster around RM 20 billion. Documenting its own indicative estimates, the Statistisches Reichsamt in March 1936 dismisses the RM 10-12 billion number as too high and talks about numbers around RM 7 billion.⁸³ While, in the light of the subsequent results of the 1938 Census, this number certainly is too low, it is interesting that the documentation notes:

81 Barkai, *op.cit.*, p.132. Barkai notes that other sources believe this figure to be too low.

82 R. Hilberg, *The Destruction of the European Jews*, Holmes & Meier, New York, N.Y., 1985.

83 B. Arch., R31.02/906. In this document the author also works with an average of RM 54,460 taxable wealth per self-employed person.

GERMANY: Table 3

Change in Occupational Structure 1933/34 – 1939 Berlin and Vienna

(Confessional Jews, Numbers Employed and Percent Change)

Economic Branch	Berlin			Vienna		
	1933	1939	Percent Change	1933	1939	Percent Change
Agriculture	254	327	+29	100	131	+30
Industry & craft	23,729	5,739	-76	12,000	803	-93
Commerce, transport	41,330	3,531	-92	36,000	468	-99
Public Service	14,160	-	-100	1,150	-	-100
Professions		4,306	-62	4,550	1,224	-73
Domestic service	979	1,866	+90	-	428	-
Other	-	-	-	6,300	-	-
Total gainfully employed	80,452	15,726	-80	60,000	3,054	-95
Total Independent without occupation	21,452	36,075	+68	-	49,665	-
Total	101,904	51,844	-49	-	52,719	-

Source: Genschel, *op.cit.*, p.290.

- that by the time of writing – early 1936 – Jewish-owned wealth had likely shrunk by one-quarter from its 1933 level as a consequence of the process of economic isolation; and
- that by 1936, 20-25 per cent of the Jewish population depended on welfare.

The latter number is supported by Lestchinsky, who, writing in the same year, cites a similar figure of 20-22 per cent for the indigence rate and adds that about 20-25 percent were living off remaining savings as people had been forced to leave their professions and liquidate or transfer their businesses.⁸⁴ He estimated that only 10-15 percent of the Jewish population could make a living in Germany at the time. Moreover, the income they earned could not have been much above subsistence level.

Still, not all the 350,000-365,000 Jews who remained in Germany in 1937 were penniless. Income tax data for 1937 show that, although the amount of income tax paid by Jews had declined by as much as 20-40 percent in some cities, they

still paid nearly RM 80 million in taxes (however, this included the tax levied on revenue from liquidations).

A more direct insight is provided by the results of the 1938 Census. These results point to a pre-Hitler level of wealth of German Jewry that likely exceeded the RM 12 billion posited in the literature. The reported totals, RM 8,531 and RM 7,123 million respectively for gross and net assets, cover Germany and Austria together. (See Table 4). For Germany alone, 90,251 respondents reported RM 6,236 and RM 5,081 million respectively for gross and net assets. This comes to RM 69,096 and RM 56,299 respectively per respondent.

If one takes into account the erosion of wealth of the five preceding years and the enormous incentive for hiding assets – at home or abroad – over the period, these are very large numbers indeed. This is so, although they were inflated by the inclusion of grossed up pensions, salaries and insurance.

84 Jacob Lestchinsky, *Der Wirtschaftliche Zusammenbruch der Juden in Deutschland und Polen*, Paris and Geneva, 1936.

GERMANY: Table 4
Size and Structure of 1938 Census of Jewish Assets

	RM Million			Percent of	
	Reich ¹	less Austria is	Old Germany	Net Assets	Gross Assets
	RM Million			Percent	
Agricultural land	112	40	72	1.4	1.2
Real estate	2,343	521	1,822	35.8	29.2
Business capital	1,195	321	874	17.2	14.0
Tangible assets	400	57	343	6.8	5.5
Financial assets ²	4,481	1,356	3,125	61.5	50.1
Total gross assets	8,531	2,295	6,236	122.7	100.0
Less liabilities	1,408	253	1,155	22.7	18.5
Equals total net assets	7,123	2,042	5,081	100.0	81.5
	Number				
Number of respondents	138,019	47,768	90,251		
	RM				
Average net assets	51,609	42,748	56,299		
Average net assets excluding pensions and salaries	n.a.	28,393	42,224e		
Source: B.Arch. R7/4740, B1.38. and Austria, Table 1. e - estimated.					
1. Excluding foreigners.					
2. Includes grossed-up pensions and salaries equaling over half (50.6 percent) of this category in Austria.					

For Austria, where the underlying documentation still exists, we found that about one third of reported net wealth consisted of such assets. For Germany, this would certainly be a lesser proportion given that by 1938 the bulk of the Jewish population no longer drew salaries or was entitled to pensions. While this was partly true for Austria as well, the fact that the Census came within weeks of the German entry into Austria obviously limited the extent of the loss of jobs and pensions relative to Germany. If one assumed, nevertheless, that in Germany the share of the pension/salary component came to 25 percent, average net assets per respondent in Germany would be reduced to RM 42,224. **Adjusting for the erosion of wealth between 1933 and 1938⁸⁵ and assuming a very conservative 30 percent evasion factor brings the 1933 equivalent of the reported average net wealth per respondent to RM 78,416.**

The Austrian 1938 Census data showed a certain number of multiple declarations per family, reflecting those cases where family members filed separate tax returns. To avoid double counting in deriving the size of the family unit represented by each respondent in the Census, we used the average number of dependents per gainfully employed person (0.7 as shown in Table 2). **On this basis, the number of respondents plus dependents equals 153,427 or 48 percent of the estimated 320,000 Jews remaining in Germany at the time of the Census; under the then prevailing dire conditions a very high percentage indeed.**

It is possible to test the plausibility of the average wealth numbers derived from the Census data by taking the flow of two wealth-based taxes imposed by the Nazis as a point of departure. First, the "Atonement" tax of November 1938 (ostensibly to "atone" for the murder of vom Rath), which was set at 20 percent of assets and was expected to generate RM 1 billion. It was later increased to 25 percent and between 1938 and 1940/41 yielded RM 1.127 billion. (See Table 5).

While the emphasis was on achieving the total of RM 1 billion rather than on a calculation of the tax base, it still implied that the Nazis believed the value of the assets Jews owned at the time to be in the neighbourhood of about RM 5 billion. It may be accidental that this figure is more or less in line with the rather off-hand estimates made earlier by the Statistisches Reichsamt cited above (around RM 7 billion in 1933, adjusted for 25 percent wealth erosion). It is more likely that the results of the 1938 Census provided the base. A number of documents, including a calculation by the Reichsbank,⁸⁶ figure that the costs and losses associated with the liquidation of assets in the nine months between the date of the Census and Kristallnacht ran to RM 2 billion, reducing the initial RM 7.1 billion reported for Germany and Austria combined to RM 5 billion. Abstracting from the RM 5 billion wealth base, it is interesting to note that the RM 1 billion levy appears to be largely in line with our estimate of the amount of liquid assets reported in the Census. This does make sense in as much as there is documentary evidence of the authorities' concern that raising the requisite amount through the sale of

GERMANY: Table 5

Atonement Tax Payments 1938 – 1941

	RM
1938/39	498,514,808.27
1939/40	533,126,504.06
1940/41	94,971,184.15
Total	1,126,612,495.48

Source: Stefan Mehl, Das Reichsfinanzministerium und die Verfolgung der Deutschen Juden, Berliner Arbeitshefte und Berichte zur Sozialwissenschaftlichen Forschung, Nr. 38, Berlin, July 1990.

GERMANY: Table 6

Flight Tax Revenues 1932/33 - 44/45 (Thousands of RM)

Year	RM	Year	RM
1932/33	1,000	1939/40	216,189
1933/34	17,602	1940/41	47,787
1934/35	38,120	1941/42	36,503
1935/36	45,337	1942/43	31,460
1936/37	69,911	1943/44	8,802
1937/38	81,354	1944/45	6,000
1938/39	342,621		
		Total	942,686

Source: Mehl, op.cit.

government securities might increase the already severe debt management difficulties. Thus a major reason for levying the fine – to alleviate the budget problem – would be undercut if the requisite funds could not be mobilised without wholesale liquidation of government paper. More obviously,

85 The weighted average of the 25 percent erosion between 1933 and 1936 as estimated by the Statistisches Reichsamt plus a minimal 10 percent for the subsequent period to April 1938 for a total of 30 percent.

86 B.Arch. R25.001/6641. This calculation sought to establish the financial implications of Schacht's large scale emigration plan. It estimated that after the payment of the Atonement tax and after taking account of an estimated RM 2 billion in losses and costs that accompanied the liquidation of assets, RM 4 billion would be left of the original total of RM 7.1 billion reported in the 1938 Census.

the authorities also were reluctant to accept real estate as this could lead to management problems and would not help ease the immediate liquidity needs.

A second tax-based avenue for approaching the size of Jewish-owned wealth is provided by the revenues generated by the flight-tax. This tax, instituted in 1931, was levied at 25 percent of assets and yielded RM 942.7 million between 1932/33 and 1944/45. As the share paid by non-Jewish emigrants was almost negligible, the revenue data can be taken to be indicative of the wealth ascribed to Jews.

This means that the lion's share of the RM 3.8 billion worth of assets underlying the flight tax revenue related to the wealth of Jewish emigrants. As noted above, there are no consistent data on Jewish emigration from Germany. Nor are there records of the number of emigrants subject to flight tax. Thus, any estimates of Jewish-owned wealth based on flight tax revenues will necessarily be tentative. Nevertheless, they can help corroborate conclusions drawn from other data.

For the period 1933-1937, Rosenstock⁸⁷ provides estimates of the number of emigrants as well as of those who relied on financial assistance to be able to depart. For the year 1937 fairly complete data exist for both categories. On that basis one can conclude that between mid-1934 and 1937 one-third to almost two-fifths (33-37 percent) of all Jewish emigrants received financial assistance from Jewish organisations. These proportions are corroborated by an analysis of the size and financial implications of Jewish emigration between 1935 and early 1937 prepared by the Statistisches Reichsamts.⁸⁸ Mid-1934 was chosen as the beginning date because before that date the flight tax, designed to deter high wealth individuals from leaving the country, applied only to a quite narrow slice of emigrants. Thus, it was initially levied on persons who on January 1, 1931 had taxable wealth of over RM 200,000 or an income of over RM 20,000 on January 1, 1928, with implementation focussed on the wealth rather than the income component.

On May 18, 1934, the flight tax provisions were tightened not so much to increase the breadth of the deterrent as to enhance control and revenue capacity. The wealth level at which the tax cut in was reduced to RM 50,000 and, while the income level was maintained at RM 20,000, the base dates were changed for both income and wealth to January 31, 1931 or anytime thereafter. Deduction of the estimated number of financially assisted emigrants from the 159,000 Jews who emigrated between mid-1934 and mid-1939, leaves between 99,170 and 106,530 potential flight tax payers. (See Table 7). Again, it can be taken as a given that flight tax-paying emigrants would have sent a certain part of their wealth ahead and/or hidden some within Germany for the use of family members left behind. At a conservative 30 percent for evasion, the average wealth of a flight tax paying emigrant's family in 1933 would have come to RM 86,000 - 93,000. Accordingly, the average wealth in 1933, derived from the 1938 Census data, at RM 78,416 per family unit, seems quite plausible.⁸⁹

Finally, general tax data for 1935 tend to support these numbers. Wealth tax data show that median wealth for those subject to this tax fell within the RM 100,000 – 250,000 bracket. Although only a small percentage of the population was subject to wealth tax, this is an important indication. As elsewhere, the wealth tax was considered to be exceedingly hard to collect, especially in those cases where wealth was not tangible or visible. Perhaps more important, in 1928 the median for taxable income of the self-employed fell within and toward the top of the RM 3,000 – 5,000 bracket. (1928 was the initial benchmark year for the RM 20,000 income level at which flight tax cut in). If we use the 12-13 multiplier for the income/taxable wealth relation found elsewhere, taxable wealth at the upper range of the bracket would have come to RM 60,000 – 65,000. Adjustment for 25 percent tax evasion, five percentage points below the 30 percent evasion factor applied to the 1938 Census data, yields average wealth for this bracket of RM 80,000 – 87,000. The lower evasion factor is warranted as it is plausible to assume that, despite the higher risks attached to the hiding of assets in Hitler Germany, the creeping expropriation during the period to early 1938 would have heightened the incentive for evasion at that time as compared with 1928.

The occupational structure, the relatively – for the time – moderate level of unemployment in 1933, the concentration of those dependent upon community assistance within the group of immigrants from Eastern Europe, and the generally broad spread of a middle class existence, all indicate a relatively high proportion of families with significant savings capacity among German Jews. In fact, the proportion of those with and without means found in the flight tax data would appear to apply more broadly. Applying the 63 percent proportion to the 1933 Jewish population of 550,000 – or 324,000 family units – yields 204,000 families of means. **On this basis, total wealth, at a family average of RM 78,416, comes to RM 16 billion, above the Hilberg range, but well below the high end of the, sometimes politically motivated, estimates of the time.**

5. The Structure of Wealth

Through much of the post-emancipation period, Jews in Germany continued to be constrained in their choices of property investment and profession by local restrictions. The equal rights precept was incorporated in the Constitution on December 21, 1848, but its full adoption and implementation in the various States had to await the formation of the new Reich in 1871. From then on Jews could own the whole gamut of

⁸⁷ Rosenstock, *op.cit.*

⁸⁸ B. Arch. R31/2944, "Zahlen zur jüdischen Auswanderung aus Deutschland. 1.1.35 – 31.3.37".

⁸⁹ Although the wealth criterion of the flight tax was RM 50,001 and over, while the reporting requirement for the Census started at RM 5,000, elimination of respondents reporting only salary and pension-based wealth would have narrowed the gap between the populations of the two data sets.

GERMANY: Table 7**Estimated Spread of Wealth based on Flight Tax and Emigration Data****A. Estimated share of flight taxpayers****Estimated emigration 1933 – 1937: 129,000**

	Number	Percent of total
Estimated financially-assisted emigration		
To known destinations	41,179	32
East-European Jews, including internal migration	(44,311)	(34)
1/3 for emigration	14,756	11
Total assisted emigration	55,935	43
Estimated number of flight taxpayers	73,065	57
Estimated share of flight taxpayers mid-1934 – 1937¹		
Estimated emigration:	100,000	
To known destinations	26,438	26
East-European Jews, including internal migration	(19,999)	(20)
If 1/3 for emigration	6,666	7
Estimated number of flight taxpayers	66,896	67
Total assisted emigration	33,104	33

B. Average wealth of flight taxpayers

Yield of flight tax mid-1934 – mid-1939	RM 577,343	
Estimated number of emigrants	159,000	159,000
Less: estimated number assisted - at 37%	59,830	at 33% 52,470
Equals: potential number flight taxpayers	99,170	106,530
Average family size: 2.1 ²		
Yields: number of families	47,224	50,729
average flight tax	RM 12,226	RM 11,381
Wealth erosion between 1933 and 1939	35 percent	
Weighted average for period:	32.5 percent	

Average reported wealth of flight taxpayers per family unit in 1933: RM 60,319 – 64,796**Adjusted for 30 percent tax evasion: RM 86,170 – 92,566**

Based on: Germany Table 1; Rosenstock, op.cit., also cites detailed statistics for 1937, which yield a 37 percent share for assisted emigration.

1. Until May 18, 1934 the flight tax applied to persons who had assets of RM 200,000 on Jan 1, 1931 or an income of over RM 20,000 on Jan 1, 1928, after that date it applied to persons with assets of over RM 50,000 or an income of RM 20,000, on Jan 1, 1931 or at any time thereafter. Thus, it became of real interest starting fiscal 1934/35.

2. Whereas for tax purposes family size, based on the employment statistics, was estimated at 1.7, for the emigration flow this is likely to be higher as it could be taken that young, single emigrants would have shown a higher incidence of assistance.

assets, including land, without legal restriction. However, the occupational and social structure would have favoured ownership of financial and business assets, while the inflation experience of the 1920s argued for investment in tangible (real estate, precious stones, etc.) and foreign-currency denominated assets.

The structure of Jewish-owned wealth, as documented by the 1938 Census, obviously was strongly affected by the hollowing out of assets of the preceding five years. Thus, the preponderance of financial assets in the wealth structure of 1938 probably overstates their relative importance in normal times, particularly as real property and business investments were first to be affected by the exclusionary laws. Conversely, while it was possible, albeit increasingly difficult, to spirit moveable assets to safety, ownership of tangibles, especially real estate and land, could not be hidden. These offsetting factors lead to the conclusion that the 1938 asset structure offers at least a guide to the pre-Hitler situation. A comparison with the structure of assets held by Austrian Jews in 1938 provides further insights. (See Table 8). As the Census caught Austrian Jewry at a relatively early stage in the adjustment to the increasingly hostile environment, it reveals a clearer picture of asset preferences than does its German counterpart. It confirms the preponderance of financial assets in the portfolios. The most striking difference, however, is the high level of liabilities in the German structure. This tends to confirm the proposition that rising economic pressure and the efforts to salvage some assets brought about a search for

liquidity, including increases in borrowing against assets and in payment delays.⁹⁰ The structure of the “Atonement” tax payments provides some further supporting evidence of the relative importance of securities in the portfolios of the Jewish population: by end-August 1939, a total of RM 510,575,606 had been paid in, of which RM 293,624,416 (or 57.5 percent) was in securities and RM 143,081 (or less than 0.1 percent) in real estate.⁹¹

6. Capital Flight and Destinations

We do know, as noted above, that there was a drive toward higher liquidity in the Hitler period. That many Jews finally took heed of the warning signs to try to bring some of their assets, if in the end not themselves, to safety is also evident. Tight exchange controls, including the flight tax, had already been adopted under the Brüning government in 1931. But they became increasingly tighter with Schacht in 1937 finally adding the death penalty to his preventive arsenal. Still, people found many ways to evade the barriers – sufficiently so that the Nazi authorities repeatedly expressed concern about the volume of Jewish-owned wealth that was escaping. The German archives contain numerous references in correspondence among the involved government departments to the frequency

⁹⁰ It should be noted though that liabilities reported in the Census refer only to non-business assets, mainly mortgages, as business capital was reported on a net basis.

⁹¹ Mehl, *op.cit.*

GERMANY: Table 8

1938 Census – Structure of Assets Germany and Austria Compared (In percent)

	Percent of Net Assets		Percent of Net Assets excl. Pensions and Salaries ¹	
	Germany	Austria	Germany	Austria
Land	1.4	2.0	1.7	3.0
Real Estate	35.8	25.5	42.4	38.4
Business Capital	17.2	15.7	20.3	23.7
Tangible Assets	6.8	2.8	8.0	4.2
Financial Assets	61.5	66.4	54.5	49.4
Total Gross Assets	122.7	112.4	126.9	118.7
Less liabilities	22.7	12.4	26.9	18.7
Total Net Assets	100.0	100.0	100.0	100.0

Source: Germany Table 3 and Austria Table 1.

1. For Germany estimated at 25 percent of financial assets, equal to one-half the share in Austria.

with which assets escaped illegally, and the ways and by-ways utilised. However, the documentation shows that attempts to estimate the size of flight capital and to bring it into relation with amounts legally transferred and wealth still left remained partial.

For example, the Statistisches Reichsamt tried in 1937 to pull together data on Jewish emigration and the associated flow of assets abroad.⁹² They estimated that from 1933 through the first quarter of 1937 some 80,000 – 100,000 Jews emigrated. Of these close to one-half to one-third (36,000) were considered to have been without significant means. The assets of those nominally subject to flight tax (i.e. with wealth of over RM 50,000) were estimated at RM 728 million.⁹³ Those with lesser wealth, as recorded by the foreign exchange control agencies (FEC), were judged to have owned RM 140 million and others RM 60 million (the bulk of these were illegal emigrants with RM 40 million) for a total of RM 928 million. The authorities figured that RM 400 million of this was transferred abroad. This amount of transfers is quite a bit higher than the RM 320 million of legal transfers associated with the emigration of 170,000 Jews cited at a November 22, 1938 meeting of heads of the FEC.⁹⁴ On basis of the Reichsamt figures, the 44,000 – 74,000 emigrants with means would have been able to transfer legally between RM 6,250 – RM 9,000, while the lower estimate (figuring a similar indigence rate) comes to a transfer of about RM 2,900 per head.

Though no consolidated estimates exist of how much may have escaped, individual units of the FEC and Customs report some of the ways in which assets were transferred illegally. In addition to the wide practice of over- and under-invoicing of foreign trade transactions and the presentation of phantom invoices, the main avenues seem to have been the mails and organised courier services.⁹⁵ In particular, large amounts of RM notes were said to have left the country in these ways. Customs, in 1938, detail a purportedly typical case of an organised currency collection and transfer group based in Antwerp. Collection by one agent in his first month of operation reportedly ran to RM 1 million. The smuggled bank notes, once outside Germany, were offered to foreign central banks, particularly the Banque de France, which used them, in the normal course of business, in the clearing process with Germany.

The FEC note the trade in black RM currency in Shanghai, which with its large refugee population had become a major destination for smuggled funds. In addition to currency, stamps – in and on letters – were a much used large volume vehicle as were mailings of pre-paid mail envelopes, though these could hardly have run to significant amounts; the Customs also regularly intercepted mailings of precious stones and securities. A lesser known vehicle was the illegal registration of patents and copy-rights abroad. This practice became so frequent that the FEC set up a special group to deal with it. All in all, it could be argued that by 1939, and certainly by 1940, virtually all that could leave would have left.

How much went out is obviously not traceable. But one could make some rough guesses as follows:

Wealth in 1933	RM 16.0 billion
Erosion of wealth 30%	4.8 billion
1938 Census ⁹⁶	3.8 billion
Legal transfers	0.5 billion
Leaves	6.9 billion

If the full share of the estimated evasion attributed to financial assets (RM 2.9 billion) found its way abroad, it together with the RM 0.5 billion in legal transfers, would yield a total of RM 3.4 billion lodged abroad. This equals 21 percent of the estimated wealth in 1933, in line with the share of movable funds found for the other countries (except Poland). One could argue, however, that with the long lead times and the still-difficult, but somewhat easier transfer possibilities of the period up to 1936, Germany should show a higher than average share of wealth that could have gone abroad. A 25 percent share would put the amount of flight capital at RM 4.0 billion, leaving by the above reckoning RM 2.9 billion (RM 6.9 minus RM 4 billion). This would seem to be a minimum amount as it represents both the value of assets expropriated and looted up to April, 1938, the time of the 1938 Census and the share of evasion funds that remained in the country. **Accordingly, one would conclude that RM 4.0 billion could reasonably have escaped. Of the 550,000 Jews living in Germany in 1933, 165,000 perished.**

D. HUNGARY

1. Background

As in Austria, the end of World War I constituted a watershed for the relatively benign environment in which the Jewish population in Hungary lived and worked. Up to that time Jews enjoyed equal rights in political and economic life, even including land ownership. The multinational character of the Magyar empire had fostered a willingness to absorb non-Magyars as long as they, in turn, proved their willingness to become Magyarised. Thus, Hungarian Jewry, to the extent it became acculturated, was not viewed as a separate ethnic entity – as it was in surrounding countries – but rather as separate only in its religious identity. Indeed, the Jewish presence in Hungary predates even the reign of St. Stephen (995-1030), as around the year 970 Khazar soldiers, who had adopted Judaism as their state religion some 200 years earlier, came with the Magyars to Hungary and subsequently settled there.⁹⁷

⁹² B. Arch. R31/2944, *op.cit.*

⁹³ This consists of RM 558 million owned by flight taxpayers, RM 74 million by foreigners and RM 96 million by illegal emigrants.

⁹⁴ B. Arch. R7/3153.

⁹⁵ B.Arch. R21.01/B6070, dated 1 Nov, 1940 and R21.01/B6075, dated 24 Aug, 1938.

⁹⁶ Adjusted to exclude grossed up pensions and salaries.

⁹⁷ Arthur Koestler, *The Thirteenth Tribe*, Random House Inc., New York, 1976, pp.103-105; *Congres Juif Mondial*, *op.cit.*, p.119.

Jews had basically been enfranchised from St. Stephen's reign onward and this enfranchisement had not been challenged throughout the Habsburg period, not even by the largely Vienna-based anti-Semitic faction. Despite this long-standing freedom, de facto anti-Semitism and its associated discrimination resulted, as elsewhere, in concentration of Jewish economic activity and ownership in a limited number of occupations and economic sectors. And this concentration was further fostered by, or even found its primary origin in, Hungary's bi-polar gentry/peasant social structure. The Jews provided the commercial and professional links between these two groups, but never became part of either. Thus, the Magyarisation of a large part of the Jewish population still left it outside the socio-economic structure, making the Jews the same "gap fillers" they had been forced to become in the less tolerant climate of surrounding countries.⁹⁸ This resulted in the Jewish population becoming a dominant element in the developing bourgeoisie, most especially in the urban centres.

In the vastly changed circumstances of post-World War I Hungary, anti-Semitic sentiment gained in force and became increasingly overt. Analysts attributed this change mainly to the political and geographical break-up of the Habsburg era, the supposed role Jews played in the rise of the Soviet Republic and the participation of members of the Jewish intelligentsia in the short-lived Bolshevik regime of Bela Kun in 1919. Furthermore, the economic hardships that dominated the inter-war period – inflation and depression – created greater economic and social dislocation in Hungary, as they did in Austria, because the post-war dismemberment had shrunk its economic base and resilience. Not surprisingly, economic envy and the high visibility of the Jewish population in increasingly important sectors played a major role in the emergence of active anti-Semitism. Indeed, the hitherto latent anti-Semitism broke to the surface with extraordinary virulence, though it remained largely verbal until the 1930s. Save for the promulgation in 1920 of a numerus clausus law limiting university attendance of various "races and nationalities" (read "Jews") to their population share, no official action was taken until the so-called First Jewish Law was enacted in May 1938.

In fact, the virtually full concentration of a large part of commerce, particularly retailing, banking and a number of industrial branches like textiles, in the hands of the Jews proved a powerful delaying factor in the adoption of the panoply of German-style exclusionary laws. The dominance of Jews in these sectors – a consequence of the fact that the gentry and the peasantry shunned the professions and commercial activity – was thoroughly fused in the Hungarian mind. Even when attempts to penetrate these sectors, partly through boycotts of Jewish establishments, proved successful, the population continued to think of these activities as "Jewish", vide the story of the peasant woman who, when sending her son on an errand, told him "Pista, go to the Jew, not to the Jewish Jew, but to the new shop".⁹⁹

Awareness that their exclusion from economic activity could lead to potential financial chaos for Hungary lulled the Jews into complacency. A complacency that survived even as their belief in being recognised as Hungarians first began to erode together with their conviction that, as long as Admiral Miklos Horthy remained head of State, they in turn would remain basically safe. The appointment in 1932 of Gyula Gömbös, a notorious anti-Semite and Hitler supporter, to head a new Government should have sounded alarm bells. But his tenure served to confirm the view that "the soup is never eaten as hot as it is cooked" as he came to see greater advantage in obtaining financial support from the Neolog (non-orthodox) leaders of the Budapest Jewish community than in pursuing Nazi-type anti-Jewish policies. Thus, even as Hungary politically drew ever closer to Nazi Germany, the bell did not toll clearly for Hungarian Jewry until, under pressure from the growing importance of the Arrow Cross Party from within and from Nazi Germany from outside Hungary, the Government under Daranyi enacted the first Nazi-type anti-Jewish law in East Central Europe.

The passage of the 1938 law, which foresaw a gradual scaling back of Jewish economic influence, appeared to bring home the perception of real danger. It triggered the first united protest from the Jewish community as well as the start of a flood of conversions, despite the fact that post-1919 conversions were not recognised by the exclusionary laws.¹⁰⁰ Up to this point there had been little evidence of evasatory action. The push to emigration had been minimal, though there were efforts to move savings to safety with reports of incidents of assets being smuggled abroad starting in the mid-1930s and accelerating as the decade drew to a close.

The 1938 law as such was portrayed, both to domestic opponents and the outside world, as the lesser of possible evils, intended to ward off the growing pressures from the extreme right and from Hitler Germany for full adoption of Nuremberg type laws. Indeed, despite goading from Berlin, Horthy continued to argue that a complete "de-Jewing" of the economy would have devastating effects. Nevertheless, a series of progressively stricter laws was implemented from May 1938 onward, though not enforced with the same zeal as the Nuremberg laws on which they were based. Accordingly, despite progressive exclusion from economic life, Hungarian Jews, until the occupation of Hungary by Germany in March 1944, remained somewhat better off than those in other Nazi-dominated countries. Until the occupation, the 825,000 Jews living in Hungary (including those in the annexed territories), though increasingly deprived of their earning ability, remained largely in control of their possessions, including property and bank balances. Still, by 1940 as many as 225,000 Jewish heads of family and family members had lost their livelihoods and

98 Ezra Mendelsohn, *The Jews of East Central Europe between the World Wars*, Indiana University Press, Bloomington, 1983, p.91 ff.

99 *Congres Juif Mondial*, *op.cit.*, p. 121.

100 *Idem*.

some, outside the larger urban centres, saw their real property confiscated as well.¹⁰¹ But the restrictions appeared to affect mainly the middle and lower-middle class, leaving the financial and industrial elite largely untouched.¹⁰² Though increasingly impoverished, Hungarian Jewry was spared ghettoisation until the occupation. Nevertheless, some 60,000 perished in forced labour battalions at the Russian front and in Yugoslavia before March 1944. But it was left to the Germans to implement the “final solution.”

On March 18, 1944, the very day Germany invaded Hungary, Horthy was in Berlin to assure Hitler, as part of his efforts to keep Hungary from direct German rule, that he would deport a further 100,000 Jews. The next day Adolf Eichmann arrived in Budapest to plan the total destruction of Hungary’s Jews. When his arrival triggered a run on the banks, with 207 million pengő withdrawn in a matter of hours, Eichmann moved quickly to persuade Jewish leaders that Hungarian Jewry would be secure. Two days later withdrawals had dropped to 19 million pengő.¹⁰³ But respite proved only as short as it took to organise mass deportations. In the month between May 5 and June 7, 1944, 300,000 Hungarian Jews from outside Budapest (including the annexed territories) were sent to the death camps. By July, the total had risen to more than 500,000. For a short while, the Jewish population of Budapest was spared, but with Horthy’s fall in October 1944 this respite also came to an end. Of the 231,000 left in Budapest a further 103,000 were deported, killed or died under the Nazi occupation and the regime of the Hungarian fascist Arrow Cross Party that had come to power in its wake.¹⁰⁴ Thus only about 120,000 survived in the city.

2. The Jewish Population

Hungarian Jewry, in part reflecting the relatively longish period of equal rights, was rather less concentrated in a few large cities than in neighbouring countries to the west. While Budapest, both because of the prominence of Jews in its economic and cultural life and because of its influence in the region, might have been thought of as a second Vienna in Jewish life, the fact is that in 1937 less than half the Jewish population, 45 percent, lived there. Indeed, only just over one half (53 percent) lived in Hungary’s six biggest cities, including Budapest. The remainder of the Jewish population, of a more orthodox and traditionally Eastern European make-up, lived in smaller towns and the countryside, mainly in the north-eastern part of Trianon Hungary. However, the wealth of the Jewish population appeared much more concentrated, as ownership of real assets did not necessarily coincide with place of residence.

The Jewish population of Hungary had been on a declining trend, absolutely and proportionately, since the end of World War I. According to the 1920 census, there then were 473,355 confessional Jews in Trianon Hungary, constituting 5.9 percent of the population. By 1930, the number had shrunk

to 444,567, or 5.1 percent of the total, this trend continuing through the 1930s. The main reasons for the diminution were a negative natural growth rate (due to a low birth rate) and a rising trend of conversions and mixed marriages. In Budapest, the 1930 census counted 204,371 confessional Jews, 20.3 percent of its population; by 1935, there were only 201,069 or 19 percent of the total. The total of 231,000 Jews reported in Budapest in 1944 is not comparable as it includes all those who were considered Jewish under the Nuremberg definition. Braham puts the number of non-confessional Jews in 1941 at almost 90,000, 70 percent of whom lived in Budapest. The 1941 census recorded 246,803 Jews in Budapest and 490,621 in Trianon Hungary. Addition of the annexed territories brought the total Jewish population in 1941 to just over 825,000, or 4.3 percent of the population. By the time the Soviets entered Budapest, about half the Jewish population of the city had survived. Most of those in the countryside had perished. (See Table 1).

3. Occupational Structure

According to the 1930 census, a full 40 percent of the active Jewish population was involved in credit and commerce. Most of the remainder worked in the professions (8.9 percent); industry (8.3 percent); transportation (3.7 percent); domestic help (1.0 percent), and only a few in agriculture (0.3 percent) and mining (0.8 percent). Almost one-tenth (9.1 percent) were retired or lived off their capital.

The census classified 644,296 people, or 7.4 percent, of the Hungarian population, as belonging to the middle-class. Of these 22.7 percent (146,642) were Jews. That is, fully one-third of Hungarian Jewry was counted as middle-class. Sixteen percent of the Hungarian population belonged to the employed proletariat, slightly over one-half in the agricultural sector. By contrast only 8 percent of the Jewish population were part of the employed proletariat, 99 percent of whom worked in the industrial sector. One of the anti-Semitic writers, whose statistical work appears to be respected, though his conclusions are suspect, using the census data as a base, also breaks out the important petit bourgeoisie.¹⁰⁵ Although his breakdowns do not quite accord with the above numbers, they do throw further light on how Hungarian Jewry fit into the overall population. (See Table 2).

Bosnyak cites the fact that illiteracy among Jews

101 Nehemia Robinson, *Spoilation and Remedial Action. The Material Damage suffered by the Jews under Persecution. Reparations, Restitution and Compensation*, Institute of Jewish Affairs, World Jewish Congress, 1962.

102 Ezra Mendelsohn, *op.cit.*

103 Randolph Braham, *The Politics of Genocide: The Holocaust in Hungary*, Columbia University Press, New York, 1981.

104 Randolph Braham, *op.cit.*, volume 2, p. 1144.

105 Bosnyak Zoltan, *Magyarország elzsidósodása (The Judaisation of Hungary)* and Dezső Zentay, *Beszelo Szamok (Illustrative Numbers)*, vol. 4 and 6.

HUNGARY: Table 1					
Jewish Population					
	Trianon Hungary			Annexed Territories	Hungary
	Budapest	Provinces	Total		
Confessional Jews					
1930 Census	204,371	240,196	444,567	-	-
Percent of total pop.	20.3	3.1	5.1		
1935/37 estimate	200,000	232,000	432,000	-	-
Percent of total pop.	18.9	2.9	4.8		
Non-confessional Jews	62,350	27,290	89,640	-	-
1935/37 total Jews	262,350	259,290	521,640	-	-
Percent of total pop.	24.7	3.3	5.8		
1941 total Jews	246,803	243,818	490,621	334,386	825,007
Losses prior to German occupation, 3-19-44					
Labour battalions	12,350	12,500	24,850	17,150	42,000
Deportation and Bácska massacres 1941/42	3,000	2,000	5,000	16,000	21,000
Occupation impact					
Deported, killed or died	105,453	222,318	326,771	290,236	618,007
Liberated and/or returned	144,000	46,000	190,000	65,500	255,500
Escaped abroad	2,000	1,000	3,000	2,000	5,000
Total Perished	100,803	196,818	297,621	266,886	564,507
Source: <u>Hungary Year Book</u> ; Randolph Braham, <u>The Politics of Genocide: The Holocaust in Hungary</u> , Columbia University Press, New York, 1981, p.1144.					

amounted to only 4.4 percent, while it was 23.6 percent for Gentiles, as one of the explanations why almost three-fifths of Hungarian Jewry fell into the petite bourgeoisie and the comfortable middle class as compared with only a little over two-fifths for Gentiles.

Not surprising then that, despite their small numbers, Jews dominated some sectors and some professions. They made up 55.1 per cent of the country's lawyers, 40.2 per cent of the physicians and 36.1 per cent of the journalists.¹⁰⁶ In 1937, more than two-thirds of the board members of Hungary's 20 largest industrial enterprises were Jews and they represented a majority on the boards of non-government related financial institutions. For Budapest this dominance was even greater. While only a few hundred people were actually involved, it gave Budapest Jewry such a high profile that in some circles

¹⁰⁶ Magyar Statisztikai Közlemények 96, the 1930 Census; Hungarian Jewish Lexicon, Budapest, 1929.

HUNGARY: Table 2
Population by Socio-Economic Class
1930
(Percent)

	Non-Jews	Jews
Middle class	6.5	28.3
Petite bourgeoisie	38.5	38.4
Proletariat	46.0	24.2
Other (probably unemployed)	9.0	9.1
Total	100.0	100.0

Source: Zentay D., Beszelo szamok VI, Budapest.

the city was given the moniker “Judapest”. This encouraged the anti-Semitic sentiment on which the extreme right thrived, and helped lead to the adoption of the 1920 *numerus clausus* law and to prepare the ground for the exclusionary legislation of 1938.

4. Income and Wealth Position

Hungary, with its 8.7 million population, was known as the country of 3 million beggars, the number thought to be living at the edge of subsistence. Subsistence level income is hard to estimate as much of poverty was concentrated in the countryside, where some payment in kind was usual. Seasonal agricultural workers thus earned only 30 pengö per month. Perhaps more illuminating is that the lowest blue collar wage was 55 pengö per month for men and 35 pengö for women, an annual income of 660 and 420 pengö, respectively.¹⁰⁷ (The lowest income tax bracket started at 1,000 pengö). But, as noted above, Hungary also had a sizeable, relatively well-off petite bourgeoisie and middle class which, in many cases, earned well above subsistence level. As in Holland, Jews accounted for a far greater number of these groups than their share of the population would suppose. The main sources on Jewish involvement in the economy date from the Thirties and, as such, seek to prove its importance. The prime Jewish source, the *Hungarian Jewish Lexicon*, written by Neolog Jews, sought to document the important contribution Jews made to the economy; the Fascist writers sought to prove Jewish dominance and to lay the groundwork for future dispossession. Some among the latter estimate that in the Thirties the accumulated wealth held by Jews amounted to about one-half of total wealth. This estimate surely is high. Other Hungarian sources, basing themselves on income flows, estimate the Jewish share at 24 percent of national income or 0.75-1.1 billion pengö. By contrast, these as well as Robinson’s estimate, of 1.7 billion pengö,¹⁰⁸ based on his per capita wealth share approach, seem much too low.

It was a common adage that a family of four in Hungary could do reasonably well on 2,000 pengö per year. In 1937, there were 23,000 Jews in Budapest (11 per cent of the Jewish population of the city) with taxable incomes above 2,000 pengö compared with 29,000 non-Jews (3 per cent of the non-Jewish population). And 44 percent of all income taxpayers in Budapest were Jewish, although Jews constituted only 19 percent of the city’s population. (See Table 3). This large difference in affluence, however, disappears when Jewish and non-Jewish taxpayers are compared – that is, tax incidence among Jews was much higher, but the income structure of the taxpaying population in both groups was relatively similar. Thus, the median income of both Jewish and non-Jewish taxpayers fell within the same (4,001-5,000 pengö) bracket. The averages, at 7,280 and 7,123 pengö for Jews and non-Jews respectively, were only 2 percent apart and, at about 60 percent above the median, attest to the similarity in skewness of the income distribution for both population groups.

Similarly, wealth tax, which cut in at 4,800 pengö, in 1937 was paid by 7.8 percent of the Jewish population in Budapest, but by only 2.4 percent of all non-Jews. Consequently, Jews made up 43 percent of Budapest’s wealth taxpayers. So, one out of every 13 Jews paid wealth tax as against one out of every 41 non-Jews. As in the case of income tax, there was considerable homogeneity within the wealth tax-paying group: median wealth fell within the same 20-50,000 pengö bracket for both Jews and non-Jews and average taxable wealth was only 1 percent apart – at 77,912 pengö for Jews and 78,641 pengö for non-Jews. (See Table 4). However, the distribution of taxpayers by occupation differed, as might have been expected. The relative importance of Jews was highest in the trade and credit sector, outweighing all other categories by far. (See Table 5). And that was also where the larger share of their taxable wealth resided.

Gross taxable wealth of Budapest’s Jewish population in 1937 amounted to 1.214 billion pengö,¹⁰⁹ equalling 43 percent of total taxable wealth of Budapest’s residents. Taking into account the considerable number of non-confessional Jews, who would fall under the Jewish laws of 1938/39 but were not counted as Jews in earlier tax returns, more than half of the taxable wealth of Budapest’s population was in the hands of Jews as defined under the Nazi regime.

As noted above, Braham puts the number of non-confessional Jews in 1941 at almost 90,000, with 70 percent living in Budapest. (See Table 1). If we assume that their income and wealth structure paralleled that of the registered Jewish population – probably a conservative assumption – gross taxable wealth of confessional and non-confessional Jews together amounted to 1.596 billion pengö in 1937, 58 percent of the taxable wealth of all Budapest’s residents. Similarly, taxable income of the Jewish population rises to 292.8 million pengö, also a share of 58 percent in the city total. The number of Jewish wealth and income taxpayers would have risen to 20,485 and 40,214 respectively.

A combination of the wealth and income tax data leads to the conclusion that Budapest would have had at a minimum 20,500 and more likely 27,200 Jewish family units of appreciable wealth. The low end of this range consists of the number of Jewish (confessional and non-confessional) wealth taxpayers; the higher end is the estimated number of Jewish taxpayers with taxable incomes between 2,500 and 100,000 pengö (67.6 percent). Remembering that an annual income of 2,000 pengö would allow a middle-class standard of living for the average size family, a taxable income somewhat above that should allow wealth accumulation. Exclusion of the wealth brackets above 900,000 pengö yields an average taxable wealth level of 68,457 pengö for Jewish taxpayers in Budapest in 1937. Applying this average to the 27,200 family units, yields an initial wealth estimate of 1.9 billion pengö.

¹⁰⁷ *Lexicon Revai 1909-1935*, Hungarian Academy, Budapest.

¹⁰⁸ Robinson, *op. cit.*

¹⁰⁹ Equivalent to \$232 million at the \$1=5.4 pengö rate that applied to non-commercial transactions and which included a 20 percent surcharge.

HUNGARY: Table 3
Budapest, Level and Distribution of Taxpayers' Incomes,
Jews and Non-Jews, 1937

Income Brackets	Number of Taxpayers			Total Incomes '000 pengö			Average Income		
	Jews	Non-Jews	Total	Jews	Non-Jews	Total	Jews	Non-Jews	Total
– 1,000	108	389	497	90	321	411	836	824	827
1,001 – 1,500	4,412	6,132	10,544	5,603	7,720	13,323	1,270	1,259	1,264
1,501 – 2,000	3,441	3,762	7,203	6,225	6,725	12,950	1,809	1,788	1,798
2,001 – 3,000	3,766	4,031	7,797	9,669	10,207	19,876	2,567	2,532	2,549
3,001 – 4,000	3,337	4,522	7,589	12,137	16,353	28,490	3,637	3,616	3,625
4,001 – 5,000¹	3,249	4,509	7,768	14,797	20,270	35,067	4,540	4,495	4,514
5,001 – 6,000	2,294	3,376	5,670	12,692	18,557	31,249	5,533	5,497	5,511
6,001 – 7,000	1,717	2,262	3,979	11,137	14,662	25,799	6,486	6,482	6,484
7,001 – 8,000	1,266	1,714	2,980	9,516	12,832	22,348	7,517	7,486	7,499
8,001 – 9,000	922	1,402	2,324	7,842	11,914	19,756	8,505	8,498	8,501
9,001 – 10,000	842	1,086	1,928	8,029	10,314	18,342	9,535	9,497	9,514
10,001 – 15,000	2,157	2,727	4,884	26,273	33,097	54,370	12,180	12,137	12,156
15,001 – 20,000	1,034	1,272	2,306	17,884	21,966	39,850	17,295	17,269	17,281
20,001 – 30,000	957	1,155	2,112	23,347	27,804	51,151	24,396	24,073	24,219
30,001 – 40,000	462	443	905	15,947	15,228	31,175	34,517	34,374	34,447
40,001 – 50,000	255	242	497	11,320	10,836	22,156	44,392	44,777	44,580
50,001 – 60,000	114	142	256	6,244	7,745	13,989	54,769	54,545	54,645
60,001 – 100,000	165	208	373	12,355	15,639	27,994	74,878	75,186	75,050
100,001 – 200,000	61	84	145	8,027	11,388	19,415	131,594	135,570	133,897
over 200,000	12	23	35	35,089	7,639	11,148	292,410	332,410	318,523
Total	30,581	39,481	70,062	222,642	281,217	503,859	7,280	7,123	7,192

Source: Kommunal-statistisches Amt, Budapest, *Statistisches Jahrbuch der Haupt- und Residenzstadt Budapest, 1939* p. 217.

1. Highlight includes median value toward lower end.

In the Provinces, Jews, as defined by the 1938/39 laws, numbered 259,290 or 3.3 percent of the population. Of these, 40,110 lived in the five most important urban agglomerations outside Budapest. It would be reasonable to assume that for these urban taxpayers the pattern of wealth and income between Jews and non-Jews would have been similar to that for Budapest, though taxable wealth as such would have been lower. In the countryside, where much of Jewish subsistence level activity was concentrated, there also was a concentration of poverty for non-Jews. But there also existed a significant amount of wealth in the hands of the non-Jewish landed gentry. There is no reason to suppose that the overall income and wealth structure for the Jewish population in the countryside would have differed much from that of their neighbours, though it would have been less skewed,

producing a somewhat higher incidence. If that is so, we estimate taxable wealth of Hungarian Jewry outside Budapest to have amounted to 440 million pengö.

This estimate is also in line with the numbers that emerge from the rough income/wealth ratios that can be drawn from the data. For Budapest's Jews, average taxable wealth is 11 times average taxable income. While this straight comparison is not very illuminating as it relates to different sets of taxpayers, a sample of some hundred-odd cases for which there is a record of both taxable wealth and taxable income shows a ratio of 12/1. Applying this ratio to the estimated taxable income numbers for the Jewish population outside Budapest yields average wealth levels within 2 percent of our estimate.

As in other countries, there is an anecdotal record of

HUNGARY: Table 4
Budapest, Level and Distribution of Gross Taxable Wealth,
Jews and Non-Jews, 1937

Wealth brackets	Taxpayers			Total gross taxable wealth			Average gross taxable wealth			Ratio avg gross taxable wealth Jews/non-Jews
	Number			'000 pengő						
	Jews	Non-Jews	Total	Jews	Non-Jews	Total	Jews	Non-Jews	Total	
– 5,000	10	12	22	50	60	110	5,000	5,000	5,000	1.00
5,001 – 10,000	4,074	3,775	7,849	30,036	27,459	57,495	7,373	7,274	7,325	1.01
10,001 – 20,000	2,769	4,079	6,848	42,004	61,157	103,161	15,169	14,993	15,064	1.01
20,001 – 50,000¹	3,365	6,042	9,407	112,007	196,475	308,482	33,286	32,518	32,793	1.02
50,001 – 100,000	2,162	3,218	5,380	153,458	228,299	381,757	70,980	70,944	70,956	1.00
100,001 – 150,000	1,136	1,484	2,620	138,769	179,875	318,644	122,156	121,210	121,620	1.01
150,001 – 300,000	1,277	1,370	2,647	26,340	294,524	560,864	208,567	214,981	211,887	.97
300,001 – 500,000	509	505	1,014	193,503	193,713	387,216	380,163	383,590	381,870	.99
500,001 – 700,000	122	155	277	69,726	91,548	161,274	571,525	590,632	582,217	.97
700,001 – 900,000	69	83	152	54,710	64,401	119,111	792,899	775,916	783,625	1.02
900,001 – 2 million	63	114	177	76,682	138,197	214,879	1,217,175	1,212,254	1,214,006	1.00
over 2 million	22	34	56	76,434	165,607	242,041	3,474,273	5,342,161	4,566,811	.65
Total	15,578	20,871	36,449	1,213,718	1,641,316	2,855,034	77,912	78,641	78,330	.99

Source: Kommunal-statistisches Amt, Budapest, *Statistisches Jahrbuch der Haupt- und Residenzstadt Budapest, 1939*, p.217.

1. Highlight includes median value.

significant tax evasion and under-reporting. In Hungary, this was noted as habitual, making it considerably more widespread than in some West European countries. Tax evasion would have been stimulated further by the experience of the 1920s, which heightened a perceived need to accumulate assets that could protect against inflation and currency fluctuations. For Jews, an added consideration was the upsurge of overt anti-Semitism that caused them to put savings increasingly into movable assets and, especially after 1932, to hold assets abroad. We found that tax evasion and tax fraud in France accounted for an underestimation of actual wealth by more than 60 percent. The assumption that this certainly would have been no less in Hungary would be conservative, especially as applied to the Jewish population. **On this basis we estimate the wealth in the hands of Jews of some affluence in Trianon Hungary in 1937 at 3.7 billion pengő, of which 2.3 billion pengő would have shown in the tax records.**¹¹⁰

The record of looting also puts the wealth estimate of 3.7 billion pengő in 1937 into a conservative light. The Allies intercepted part of the Nazi loot that had been held at the National Bank of Hungary. This alone was reckoned to be at least equivalent to one-thirteenth of our total estimated wealth. As stated by Nahum Goldman in a letter to US Secretary of State, James F Byrnes: “In April 1944, the Hungarian

Government decreed the confiscation of all valuables in the possession of Jews. These valuables were delivered to the Hungarian National Bank and stored until the approach of the Russian army at end-1944. At that time they were loaded onto a freight train of 24 wagons to be sent to Germany. The train was intercepted in Austria by the US forces, who seized 16 wagons, the remainder being seized by the French. The train load reportedly contained, in addition to furs, cameras, stamp collections, etc., ritual objects from nearly all the synagogues in Hungary plus approximately: 50 crates of gold bullion, 50 crates of gold coin, 30 crates of jewellery, 1560 boxes of silverware, 100 valuable paintings and 5,000 valuable carpets. All this was valued at no less than US\$ 50 million, or over ¼ billion pengő (1937 exchange value).”¹¹¹

5. The Structure of Wealth

“Keep your wealth in real estate, gold and foreign currency”, was the slogan of the Hungarian Jewish middle class – and

¹¹⁰ This figure is derived by applying the tax evasion factor to the known taxable wealth estimate of 2 billion pengő (1.6 billion for Budapest and 0.4 billion pengő for the countryside), and adding the 0.3 billion pengő estimated for wealth accumulators in Budapest, who were income but not wealth tax payers, without further adjustment.

¹¹¹ Paraphrase of letter dated July 12, 1946, Central Zionist Archives, file 26/79.

HUNGARY: Table 5**Budapest, Share of Jewish Taxpayers in Total Gross Taxable Wealth
by Occupation, 1937**

(In percent and ratio)

Occupation	Number of taxpayers	Gross taxable wealth	Average gross taxable wealth Jews/Non-Jews
	Percent		Ratio
Agriculture	18.2	19.4	1.08
Mining	36.5	60.6	2.68
Industry	39.1	41.4	1.10
Trade and credit	64.8	65.1	1.01
Transportation	24.1	23.2	.95
Sub-total	49.4	46.0	.87
Public sector and free professions	29.8	33.2	1.17
Domestic service	9.1	11.6	1.31
Pensioners	18.5	22.0	1.33
Other	36.9	45.4	1.42
of which:			
<i>Real estate owners</i>	35.9	44.8	1.45
<i>Investors</i>	46.0	49.3	1.14
<i>Other</i>	32.2	50.0	2.11
Grand Total	42.7	42.5	.99

Source: Kommunal-statistisches Amt, Budapest, *Statistisches Jahrbuch der Haupt-und Residenzstadt Budapest, 1939*, p. 213 – 215.

with the devastating hyper-inflation and currency turmoil of the 1920s still fresh in memory – probably also of most Hungarians with a modicum of wealth. This advice was apparently heeded by the Jews of Budapest to an extent that can be seen even in the official statistics. Although data on the structure of wealth make no distinction by religion, either for Hungary or for Budapest, it is possible to extract some evidence of the portfolio preference of the Jewish population from the Budapest statistics. On that basis, though the oft-recited importance of Jewish ownership of Budapest in real estate is evident, the most striking point is the emergence of a clear above-average tendency among Jews to invest in financial assets.

The estimated asset structure of wealth held by Budapest's Jewry is based on a breakdown of asset ownership by residential district in Budapest. (See Table 6). It was known that

Jews accounted for close to half the population in Districts V-VII. Comparison of the structure of assets held by tax residents in these districts with that of Budapest's tax population as a whole, allows inferences to be drawn about the portfolio preference of Jewish asset holders. First, the differences in portfolio preference between inhabitants of these districts and their neighbours are striking. In the Jewish section of town, for example, financial assets accounted for 17.2 percent of the total compared with 3.2 percent for Budapest as a whole. While real estate, indeed, outpaced other asset classes by far – it accounted for more than half (54 percent) of the taxable wealth held by residents of Districts V-VII – it was below the Budapest average of 60 percent.

The asset distribution of taxable wealth, as shown in Table 6, however, is only indicative of the actual structure. Given the penchant for tax evasion, the figures for real estate and

HUNGARY: Table 6**Budapest, Taxpayers' Wealth and Income by Asset Structure 1938****Taxable Wealth and Income**

	District V – VII		Budapest
Number of taxpayers, total	32,731	43% of	75,979
Taxable wealth ('000p.)	1,117,331	42% of	2,775,656
Taxable income ('000p.)	208,624	42% of	496,603

Wealth Structure by Asset Class

	Budapest		Hungary
	District V – VII	Total Percent	
Agriculture			
Land and real estate	9.2	11.0	33.3
Business capital	1.1	1.2	4.0
Other business capital			
Mining	0.1	0.1	0.2
Industry	6.1	5.7	4.9
Trade	11.1	7.8	6.1
Real estate	54.5	60.3	40.6
Financial assets	17.2	13.2	10.2
Other	0.7	0.7	0.7
Total	100.0	100.0	100.0

Income Structure by Source

	District V – VII	All Budapest
	Percent	
Land	2.6	3.6
Real estate	25.2	26.2
Self-employment	35.0	30.2
Employment	31.8	35.6
Financial assets	3.0	2.4
Other	2.4	2.0
Total	100.0	100.0

Source: Kommunal-statistisches Amt, Budapest, *Statistisches Jahrbuch der Haupt- und Residenzstadt*, 1939.

land ownership are probably the firmest as this is the most readily verifiable asset category. The data on business capital, especially where they apply to small, unincorporated business and those on financial assets, would be particularly soft.

6. Capital Flight and Destinations

References to Hungarian Jews moving assets out of the country even before 1932 are numerous. After 1932, with the

imposition of exchange controls and the government take over by rightists, the Fascist press complained continually about the nation being robbed by Jews moving capital abroad.

There were many quasi-legal ways of moving money out of Hungary, especially through business transactions. Jews dominated Hungary's foreign trade, one major reason why exclusionary policies were considered to be counterproductive. Up to 1939, at least 78 percent of the middle-sized and large private trading companies were in Jewish hands and Jews

dominated private banking and credit. For example, the ten largest banks in Budapest were owned or controlled by Jews. Thus, there was ample opportunity to move funds despite the restrictions.

Furthermore, the Hungarian exchange control system seems to have been quite ineffectual. The biographies of some of the wealthiest families in Hungary provide examples. Bianco reports that Samuel Reichmann began serious transfers of capital out of Hungary and Austria into Switzerland as early as 1936, at the time of the German occupation of the Rheinland, completing the process by the time of the Austrian Anschluss.¹¹² But not only the “Upper Ten” had the ability and the wherewithal to move funds – many others found ways and means. For example, research for the Bianco book uncovered the last Jewish survivor of Beled (a village in westernmost Hungary), who was able to illuminate the fact that the record of Fascist looting in 1944 seemed to indicate a poverty-stricken community. He commented that, on the contrary, the community had been one of the most affluent in Transdanubia. But most members had been able to send their assets abroad or to hide them. In the end, to the looters there appeared to have been only one rich Jew, the owner of a brick factory valued at more than 150,000 pengő, which was duly confiscated.

According to Howard S. Ellis, Hungarian exchange control “has been subject to illegal and legal evasions ... outright smuggling, circumvention by various technicalities, juggling of blocked pengő accounts to apply funds to prohibited uses, and false bills of exchange”.¹¹³ With the enactment of the Jewish laws beginning in 1938, restrictions applying to Jews became tighter, but this only increased the incentive to bring assets into safety. And for Hungarian Jews, a “safe account” had always been synonymous with a Zürich account. They, in contrast with Jews elsewhere, had time on their side – at least for a while – as, to all intents and purposes, they continued to have access to, and control over, their assets until the German invasion in March 1944. Thus, court records show that of the 187 hard currency offences prosecuted in 1937, 112 were committed by Jews.¹¹⁴ And, in November 1938, two Jewish traders were sentenced to prison for smuggling foreign currency worth several hundred thousand pengő out of Hungary. In February 1939 a court reported that one Jeno Schwartz and 10 accomplices had smuggled 300 kilograms of gold, Swiss francs, English pounds, US dollars and Swedish crowns worth 10 million pengő out of Hungary. Schwartz had travelled abroad 188 times between 1934 and 1938 and had personally brought out 2 million pengő from Hungary.

It would, therefore, be reasonable to assume that a large part of the estimated wealth not reported to fiscal authorities, which could logically be assumed to have been held in financial and movable assets, eventually found its way across the border. We have estimated this at about 0.8 billion pengő (US\$153 million). Of the 522,000 Jews in Trianon Hungary in 1935/37, 298,000 perished.

E. FRANCE

1. Background

Until the Maginot Line collapsed in March 1940, the Jews of Europe saw France as a safe haven from Nazi oppression and virulent anti-Semitism at home. Since the French revolution Jews had enjoyed the citizenship rights of all French, though, as was patently clear during the Dreyfus Affair and during the economic downturn in the 1930s, anti-Semitism was rife among French society. It was an anti-Semitism that was fuelled continuously by the never-ending tide of refugees crossing the borders into France. On the eve of World War I, 20,000 Eastern European Jews lived in Paris, constituting two-fifths of the Jewish population in the city.¹¹⁵ Between 1914 and 1933 more than 160,000 Jewish refugees came to France from Poland, Greece, Turkey and the Soviet Union, swelling the Jewish population to 245,000.¹¹⁶ The influx from Germany started after 1933 and, from 1938, was joined by a flood from Austria and Hungary. This brought the total Jewish population in France to over 300,000, with 55,000 arriving in the decade before the war.¹¹⁷

For France, the estimates of the Jewish population are rather more precarious than in a number of other countries as the official censuses did not distinguish between religions, and the Jewish community itself was not sufficiently unified to provide a sound basis for such estimates. Thus, Jewish population data from various sources often conflict and must be taken as approximate. With the introduction of the Nuremberg laws, the German occupiers as well as the Vichy regime attempted to establish more accurately the whereabouts of both the Jews and their assets. While these data in general corroborated the central estimate of about 300,000 - 320,000 Jews residing in France on the eve of the war, they themselves are fraught with inconsistencies because of the ebb and flow of people between the Occupied Zone and Vichy.

The French Jews and the more recent arrivals, like their neighbours in the Low Countries, did not believe the Nazi reach would extend into France. The large outflows of money that characterised the 1930s were more related to economic and exchange rate turbulence and to internal political crises than to considerations of Nazi dominance. This is also evident from the massive reflow of capital into France after the exchange rate adjustments of November 1938 and February

112 A. Bianco, *The Reichmanns*, Random House, New York, 1997, p.47-52.

113 Howard S. Ellis *Exchange control in Central Europe*, Harvard University Press, 1941.

114 Bosnyak Zoltan, *Magyarország elzsidósodása* (The Judaisation of Hungary) Budapest, 1938; *A zsidókérdés* (The Jewish Question) Budapest, 1940.

115 David Weinberg, *A Community on Trial*, University of Chicago Press, Chicago, 1977, citing Michel Roblin, *Les Juifs de Paris*, Paris, Editions A et E Picard, 1953.

116 *Encyclopedia Judaica*, 1971.

117 Figure cited, but qualified by Michael R. Marrus and Robert O. Paxton in *Vichy France and the Jews*, Basic Books Inc., New York, 1981.

1940, not long before the German invasion.¹¹⁸ Given the swell of capital flows, it would be impossible to distinguish the flight of Jewish-owned capital from the rest. As elsewhere, while assets may have moved, there was little thought among Jews of mass-emigration from France. For a number of refugees, especially among the late arrivals, France was never more than a way-station to an overseas destination, mainly the United States and Palestine, and they did not have the choice of a more permanent stay in France. But among those who could stay, the majority saw no reason to leave. This applied not only to Jews of French origin, but also to those who had arrived before 1933, as well as to a substantial portion of those who came shortly thereafter and had become well-rooted in a middle and lower-middle class life in France. This is not to ignore the deprivation suffered by those who either eked out a bare existence or who depended entirely upon community charity. While their numbers were large in absolute terms, most estimates would put them at less than half, perhaps 35 - 40 percent, of the refugee influx.

Following the armistice in June 1940, the Germans moved swiftly to impose strict anti-Jewish measures. In France, unlike in Holland or Poland but as in Belgium, the German administration in the Occupied Zone fell to the military, who entrusted a large part of day-to-day operations to the French authorities. Although in theory the script for swift Aryanisation was well rehearsed, in practice the French, whether for ideological or simply managerial reasons, were significantly less systematic than the Germans. This resulted in constant re-primations from the German authorities about the lack of speed and efficiency of the operation. Nevertheless, from mid-1940 onward, the Jews in both the Occupied and Unoccupied Zones were subjected to a barrage of legislation that forced them out of their professions, robbed them of their possessions, displaced them and, in some cases, took their citizenship away. Thus as many as 7,000 Jews (possibly up to 8,000) who immigrated into France after World War I were denaturalised in July 1940.¹¹⁹

The ambiguous role of the Vichy regime in the treatment of Jews has been the subject of many studies that, especially in recent times, have shown how the leadership more than willingly embraced anti-Semitism.¹²⁰ Vichy and Paris conducted censuses and round-ups and introduced identity cards that marked Jews. Vichy's anti-Jewish legislation, e.g. the basic Statute of October 3, 1940 and the law of June 2, 1941, also extended to North Africa's 332,000 Jews.¹²¹ In addition, several special laws were proclaimed to apply to Algeria and the protectorates and to the many foreign Jews who had sought safe haven there after the invasion of France. Indeed, Vichy imposed stricter legislation, before the Germans thought to do so, in an effort to persuade the Germans to let Vichy manage "La Question Juive" in both Zones (which came to nought). At issue was, in part, who would gain control over the Aryanised assets. The French were keen to ensure that these remained in French hands. Though to some extent they were successful, a significant portion of the proceeds of the

Aryanisation of Jewish businesses and property went into special accounts at the Caisse des Dépôts et des Consignations (CDC), which could be controlled by the Nazis.

By April 1944 more than 42,200 Jewish enterprises and properties had been taken over: 23 percent were sold to Aryans and a further 17 percent liquidated. The rest was under provisional administration, usually by the French. The French National Archives contain 62,460 separate dossiers on the Aryanisation of Jewish assets.¹²² It is not clear, however, what share of the total number of Jewish-owned businesses these represent, though the Germans and their French collaborators appeared confident their trawl was comprehensive.

With Aryanisation moving too slowly and too much of the proceeds remaining within France to suit the Germans, the Nazis introduced other ways to speed the capture of Jewish assets on behalf of Berlin. On December 14, 1941 the Germans imposed a fine on the Jews in France, as they had done in 1938 in Germany and Austria, as a means to ensure that Jewish wealth moved swiftly and directly into the Reich's coffers. The ostensible reason for the fine, set at FF 1 billion, was a bomb attack on a German military installation. It was paid in four installments over a period of just four months (to April 1942) by skimming cash from blocked Jewish accounts, forcing banks to provide a loan backed by blocked Jewish assets and, once that avenue had been exhausted, by having the CDC sell off part of the blocked assets – securities with a provisionally estimated worth of FF 800 million.¹²³

By one estimate, the CDC at one time held more than FF 2 billion in blocked financial assets and revenues from Aryanisations.¹²⁴ This may be a partial estimate only as others put the total of more than 20,000 individual Jewish accounts at FF 3 billion.¹²⁵ This figure represents only a portion of the total of Jewish assets looted in France, which has been put at FF 8 billion. A number that may well be revised, or put on a firmer basis, through the current work of the Matteoli Commission. The wealth of French Jewry at the eve of the war, therefore, must have been some multiple of FF 8 billion given that the expropriation process in France, while far-reaching, was somewhat less efficient and all-encompassing than in a number of other countries. **Our estimate, detailed below, shows that if the FF 8 billion figure is correct, the looters were able to catch about one-quarter of an approximate total of FF 32.6 billion in Jewish-owned assets.**

118 Brendan Brown, *Flight of International Capital*, Routledge, 1988.

119 Serge Klarsfeld, *Le Calendrier de la Persecution des Juifs en France 1940-1944*, FFDJF, 1993.

120 Notably Marrus and Paxton, *op. cit.*

121 The 1936 Census counted 111,000 in Algeria, 161,000 in Morocco and 60,000 in Tunisia; they accounted for 1.3 percent, 2.5 percent and 2.2 percent of the respective populations. Algerian Jews, who were French, as Algeria was a part of France, lost their citizenship by Vichy decree.

122 The AJ 38 Series.

123 Mission d'étude sur la spoliation des Juifs de France (Matteoli Commission), *Rapport d'Étape*, December 1997, p. 69.

124 J. Billig, *Le Commissariat Général aux Questions Juives (1941-44)*, Centre de Documentation Juif Contemporaine CDJC 1955-1960.

125 CDJC, *Spoliations & Restitutions*, Premier Partie, p. 20.

2. The Jewish Population

The indigenous French Jews, descendants from those emancipated in 1789, and those who immigrated in three major waves, the first between 1905 and 1914, the second after World War I and the third following the rise of the Nazis in Germany, fell into three distinct communities. The old French Jewry, “la vieille souche”, was highly assimilated and solidly middle, often upper class. Many were from traditional banking families expelled from Alsace in the last century.

The first and second 20th century waves of Jewish immigrants, totalling some 160,000, came primarily from Russia, Poland, Greece and Turkey. They were poorer and more proletarian than the indigenous French Jews, though few came without some sort of workshop skill. Many would have had the time and the opportunity to establish themselves within the fabric of the French economy before the economic crisis of the early 1930s. In the decade that followed, however, many of the refugees who fled Germany and Austria, though more middle than working class, were forced to rely on aid. For example, one source estimated that of the 40,000 German refugees, 14,000 needed to rely on financial aid.¹²⁶ In contrast to the earlier immigration waves, the bulk (two-thirds by some estimates) were professionals or entrepreneurs.¹²⁷ But most, if they could work at all, were forced into menial labour by the harsh economic circumstances of the time, which obviously were exacerbated by the big labour inflow.

As in other countries in Europe, the Jews of France were predominantly urban with up to two-thirds, or an estimated 200,000, living in Paris in March 1940. They accounted for

7 percent of the Parisian population.¹²⁸ A census conducted in the Occupied Zone shortly after the occupation counted 149,734 Jews (of whom 85,664 were French and 64,070 foreign-born) in Paris, and an additional 20,000 or so outside, for a total of 160,000 in the entire Occupied Zone.¹²⁹ This implies that more than 40,000 must have fled in front of the Nazis.

According to an end-1941 census there were 140,000 Jews in the Unoccupied Zone, though the Commissioner of Jewish Affairs, Xavier Vallat, estimated that up to 10 percent failed to report.¹³⁰ The total for both parts of France, at approximately 320,000, accords roughly with the eve of war population estimates, but would seem to discount the large influx from the Low Countries at the time of invasion.¹³¹

Of the 330,000 Jews estimated to have been in France at end-1940, there remained between 180,000 to 200,000 Jews at the end of the war. As many as 76,000 had been killed, of which approximately 70,000 in death camps. Of the deportees, approximately 24,500 were reportedly French Jews, including up to 8,000 who had been naturalised. The remainder came from across Europe, including 26,000 from Poland and 7,000 from Germany.¹³² (See Table 1).

126 C. L. Lang, “Second Start in France”, *Dispersion and Resettlement*, Association of Jewish Refugees in Great Britain, London, 1955, p. 21-23.

127 Archives National, AJ 38 1142.

128 Philippe Bourdel, *Histoire des Juifs de France*, Albin Michel, 1974.

129 Klarsfeld, *op cit*, p. 38.

130 Klarsfeld, *op cit*, p. 163.

131 Klarsfeld, *op cit*, puts the number at 330,000.

132 Klarsfeld, *op cit*.

**FRANCE: Table 1
Jewish Population**

	French	Foreign	Total
End 1940	190 – 200,000	130 – 140,000	330,000
Deported	n.a.	n.a.	75,721
Died in French camps			3,000
Executed			1,000
Remaining in France			180 – 200,000
Deported or transferred through Drancy	24,500	55,000	79,600
among which:			
<i>Polish</i>		26,000	
<i>German</i>		7,000	
<i>Austrian</i>		3,000	
<i>Hungarian</i>		1,002	
<i>Dutch</i>		587	

Note: These numbers are indicative, there is a 50,000 discrepancy between the totals. However, it seemed preferable to draw on one source only. It is likely that the starting number is closer to 300,000 and/or the number remaining higher. The number of deportations seems the most robust.

Source: Klarsfeld, *op. cit.*

3. Occupational Structure

The 1940 census data for the Occupied Zone divided Jews into French and foreign heads of families by economic sector. This is the only census that shows an occupational break for French Jewry. The overall picture shows 45 percent of the Jewish population, both foreign and indigenous, in dependent employment (wage earners) with a further 18 percent and 19 percent respectively involved in commerce. But this obscures large differences in status and earning capacity within each sector. The foreign part of the Jewish population largely worked in ateliers or were independent small traders, e.g. peddlers, while the indigenous population was largely salaried and/or managerial. Interestingly, the census data show only 8 percent of French Jews in the professions and half that for the foreign segment. The absolute figure for the former, and therefore the differential, is much smaller than earlier estimates indicate. This points to a large number of “vieille souche” professionals having escaped the net, either by evading the census – often with the help of their non-Jewish connections – or by fleeing to the Unoccupied Zone. (See Table 2).

4. Income and Wealth Position

The dichotomy between native French and immigrant Jews is key to the assessment of their wealth position at the eve of the war. Most of the affluence was concentrated among the native French (the 90,000 or so “vieille souche”) augmented by a number from among the earlier waves of immigration who had become well-established. In addition, some among the most recent influx, mainly from Germany, Austria and Hungary, even if largely unable to exercise their professions because of lack of work permits or of opportunity in the already high unemployment environment of the time, still had managed to keep control of significant amounts of wealth in one form or another.

As noted above, economic data singling out the Jewish population did not exist before the German occupation. Although the Germans made efforts to compile a detailed economic census, this was fraught with inconsistencies. Furthermore, most of the information was destroyed at the end of the war. Our approach to establishing the wealth of the Jews in France, therefore, has been to use the demographic and socio-economic data available on the Jewish population and fit them into statistics measuring the wealth of the French population in general. Still, the German census of 1940 was of some help in obtaining a view of the relative economic position of French Jewry. It confirmed the relative concentration of native French Jewry in the higher echelons of commerce, finance and the liberal professions and that of the foreign Jews in commerce. However, it is not clear whether the share of those voluntarily out of work is equally similar.

We, thus, assume that French Jewry, which was largely concentrated in the Paris area, falls within the wealth pattern

FRANCE: Table 2

Department of Seine Jewry by Selected Sector of Profession

Sector	Number		In percent of total	
	French	Foreign	French	Foreign
Agriculture	7	7	*	*
Industry	1,161	1,031	3.8	3.0
Artisans	976	1,524	3.2	4.5
Commerce	5,570	6,555	18.0	19.2
Free professions	2,385	1,239	7.7	3.6
Salaried	13,790	15,212	44.7	44.6
Without profession	6,976	8,584	22.6	25.1
Total	30,865	34,152	100.0	100.0

* – less than 0.05

Source: Statistiques Générales relatives aux Juifs, from October 1940 Census, documents from Department of Demography, Jerusalem, French Collection FR0201.

of the Parisian agglomeration. Among the foreign Jews of the Paris area, we assume that non-working status overwhelmingly represented genuine unemployment and that, with a much shorter time to “grow” wealth than that of several generations of indigenous French, they would fall more into the pattern of the areas outside Paris, where wealth accumulation was lower.

Accordingly, our estimates of Jewish-held wealth for France are based, in the first instance, on national and regional estate tax data. This base of estimation, indeed, is preferred by French researchers. In fact, a whole literature has been built around this topic. One of the most extensive recent studies, by Paul Cornut, which aimed to estimate per capita wealth in France, served as the analytical underpinning for our own estimate.¹³³ We drew on the results of his detailed efforts to determine the effect of tax exclusions, undervaluation and fraud on wealth estimates based on estate tax data. Cornut concludes that estate tax returns underestimate actual wealth by 60 percent and that the amounts held in financial assets by 80 percent. He makes a series of further adjustments, the main one being for the obviously important difference between the age distribution of the population at large and that of the estate tax population. The sum of his adjustments, in the end, tends to allow the estate tax data to be applied straight to the population at large.

¹³³ Paul Cornut, *Contribution à la recherche de la répartition de la fortune privée en France et dans chaque département, au cours de la première moitié du XXe siècle*, Librairie Armand Colin, Paris, 1963.

The estate tax data for 1937 show that the average estate in France amounted to FF 41,245. This was far outstripped by the Paris area average of FF 129,960, though this average was distorted by a few very large estates. Still, Cornut also found a multiplier - of 2 - for the Paris region as compared with total France. For our purposes, we exclude – as in the other countries – the very top and the bottom ranges. Thus, we base our estimates on estates falling within the FF 10,001-1 million brackets. For these, the ratio of estate size in Paris to that in the rest of the country, while remaining large, is reduced to 1.4. For Paris, the average estate in the FF 10,001-1 million range amounts to FF 78,999 as compared with the national average of FF 56,775. The bracket containing the median values is FF 10,001-50,000 for Paris and FF 2,001-10,000 for the country at large. (See Table 3.)

The majority of the 90,000 “vieille souche” belonged to the Paris upper middle class. As such, the wealth of a considerable number definitely would have exceeded the FF 1 mil-

lion level. For the group as a whole it would have been above the median and likely also above the average of our relatively conservative range. We, therefore, weighted the average wealth level of the group more heavily toward the FF 50,000 plus bracket, yielding an average of FF94,181. We assumed that 75 percent of this part of the French Jewish population would have conformed to that average.

For the 160,000 immigrants of long standing, we believed that 55 percent would not have been able to do much more than eke out a precarious existence. The remaining 45 percent, however, would have fallen into our designated bracket of FF 10,001-1 million, tending to values around the Paris average; the average used for this group was FF 75,000.

Finally, it is known that of the 55,000 refugees fleeing the Nazis post-1933 and post-Anschluss, 35 percent arrived without means. If one-half of the remainder brought out just enough to subsist for a while, the other half could be figured to have had more substantial means. Thus, almost 18,000

FRANCE: Table 3			
Level, Distribution and Structure of Wealth based on Estate Tax Data 1937			
(French francs and percent)			
Level of Wealth			
Averages	Dept. Seine	All France	Excess Seine/France
	FF		Percent
Estates up to and incl. FF 1 million	52,753	29,973	+76
Estates from FF 2,001 – FF 1 million	57,526	36,225	+59
Estates from FF 10,001 – FF 1 million	78,999	56,775	+39
All estates	129, 960	41,245	+215
Distribution of Wealth			
Wealth Brackets	Dept. Seine	All France	
FF	Percent		
1 – 2,000	10.7	17.7	
2,001 – 10,000¹	25.4	32.9	
10,001 – 50,000¹	36.9	35.5	
50,001 – 100,000	10.0	7.4	
100,001 – 250,000	7.9	4.2	
250,001 – 500,000	3.7	1.3	
500,001 – 1 million	2.6	0.6	
1 million – 10 million	2.7	0.4	
10 million – 50 million	0.1	..	
All brackets	100.0	100.0	
Source: INSEE <i>Annuaire Statistique</i> , 1938, p.188 ff Section 4A Table 1.			
1. Highlight includes median value.			

could be reckoned to have brought out the equivalent of perhaps RM 10,000 a head for a total of FF 2 billion at the 1937 exchange rate.¹³⁴

Excluding the moneys that may have come with this post-1933 wave of refugees, the raw estate tax data yield a first approximation of F 11.4 billion of the wealth of Jews in France at the eve of the war. Including refugee funds, the total comes to FF 13.4 billion. As noted above, Cornut had estimated the evasion factor applicable to estate tax wealth at 60 percent and that for financial assets at 80 percent. Because our wealth estimate does not apply to the Jewish population as a whole, but in fact excludes 65 percent of the total, we feel justified in using the Cornut evasion results. This the more so as the population group on which our estimate is based would tend to include a smaller number of the very young than the Jewish population as a whole. Because of the heavier weight of financial assets in the total portfolios, we used an evasion factor of 65 percent. **This yields an estimate for the pre-war wealth of the Jews in France, excluding the more recent refugees, of FF 32.6 billion.**

Of course, during the period between the start of the war and the German occupation of France, many refugees managed to get out, some with their assets, while some may have had the bulk of their remaining assets abroad already, though others got caught. The numbers, both of people and of wealth, therefore, are rather more tentative than elsewhere. This could be improved materially with access to the data that the Matteoli Commission is in the process of sorting out. Currently aggregate data on the amounts looted, which helped corroborate the lower limit of wealth estimates for other countries, are not yet available – after more than 50 years. Partial estimates, based on the amounts sequestered in the CDC, proceeds of Aryanisations transmitted to Berlin, numbers (but not values) of business property liquidated or Aryanised, tend to support wealth levels of at least our estimate of FF 32.6 billion.

While our wealth estimate of FF 32.6 billion appears reasonable, in the overall French context, it appears somewhat low in comparison with other countries. **Inter-country comparisons are very difficult to make at any time. In depth study of relative purchasing power helps put relative income flows in perspective. But purchasing power parity calculations are of limited explanatory value when applied to wealth estimates at a time of high inflation and/or exchange rate volatility. This is so because portfolio holders would have positioned their assets exactly to guard against erosion of their value by such fluctuations. This is especially important for France in the years in question as the French franc lost more than 52.5 percent of its par value and 62 percent of its market value between the beginning of 1937 and 1940; and 54 and 65 percent respectively since 1935. This, by itself, would have motivated those with deployable assets to hold non-franc assets, including precious metals.**

The estimated per capita assets of FF 94,181 held by the

more affluent slice of the Jewish population translates to only US\$2,488 at the 1939 exchange rate of US\$1 = FF 37.85; it would have been US\$6,217 at the 1935 exchange rate. This would argue that those with wealth of some size, would have held much of it in non-franc denominated assets. **Consequently, our wealth estimate may be considered conservative. We believe, however, that our estimates regarding the part of the Jewish population in France that was able to accumulate wealth and the structure of their assets, after taking account of evasion, are plausible.**

5. Structure of Wealth

Estimates of the structure of the wealth of the French population also draw on estate tax data. These, for a number of pre-war years, the last of which was 1934, gave detailed breakdowns of the asset structure of estates. As previously noted, no such data exist for the Jewish population per se. For all of France, financial assets made up close to 40 percent of total assets and the portfolio structure testified to considerable diversification of investment strategies. This was yet more pronounced, as might be expected, for the Paris region separately. In Paris, there was even greater concentration on financial assets, which accounted for fully 55 percent of the total. In addition, holdings of equities and foreign securities, perhaps indicating a higher level of investment sophistication, were significantly greater, while savings deposits, government securities and life insurance were relatively less important. This may reflect, in part, the higher wealth levels reported for the Paris region and the fact that urban populations may hold a lesser share of their wealth in land and real estate than rural ones. This is borne out also by the data on the structure of wealth in the Netherlands and, thus, is particularly relevant given the urban nature of the Jewish population through most of Europe. (See Table 4).

There is nothing to suggest that the middle-class relatively assimilated Jews as well as a portion of the two waves of immigrants would not fit into this general profile. As noted earlier, little of the German economic census can be used to help complete a picture of the structure of the wealth of the Jews in France. The little that survives shows that the French authorities, though given detailed instructions by the Germans on how to proceed, produced reports that differed widely in detail from town to town and Department to Department. They were similar only in the prevalence of “do not know” entries in the relevant columns, in sharp contrast with the meticulous detail provided, for example, in Austria. Though the little that remains does not suffice to construct a statistically significant sample, the snapshot information confirms the tendency among Jews to hold a significant share of their savings in financial assets alongside real estate.¹³⁵ For example:

- in the Department of Loire-Inferieure, of the 103 Jews

¹³⁴ RM 1 = FF 11.39.

¹³⁵ Yivo MK 490.6, records of the Union General des Israelites de France, held at the archives of CDJ.

FRANCE: Table 4**Structure of Gross Assets based on Estate Tax Data of 1934**

(In percent)

Asset components	Dept. Seine	All France
Real estate	31.4	42.4
Tangible personal assets	8.3	13.2
Business capital	5.3	4.7
Financial assets	55.0	39.7
of which:		
<i>Shares</i>	<i>24.4</i>	<i>11.1</i>
<i>Bonds and Treasury bills</i>	<i>16.7</i>	<i>15.8</i>
<i>Foreign securities</i>	<i>6.3</i>	<i>3.2</i>
<i>Savings deposits</i>	<i>2.1</i>	<i>5.6</i>
<i>Bank deposits</i>	<i>4.3</i>	<i>2.4</i>
<i>Cash</i>	<i>0.8</i>	<i>1.0</i>
<i>Life insurance</i>	<i>0.4</i>	<i>0.6</i>
Total gross assets	100.0	100.0

Source: INSEE, *Annuaire Statistique*, 1938, p.188 ff, Section 4A, Table 1; Paul Cornut, *op. cit.*

who registered their assets, close to half registered shares along with real estate and business interests. This is of particular interest in view of the extent to which financial assets could be under-reported. Many of the instruments held were foreign-currency denominated.

- Of the 87 Jews who registered in the town of Belfort, 60 percent listed financial assets with values between a few hundred and 2 million francs, with many showing foreign currencies including sterling and Swiss francs.
- as late as March 15, 1943, the Prefecture of Marne et Loire reported asset holdings of 50 Jews. Of these 54 percent registered property, 58 percent tangible assets, 48 percent shares and 26 percent bank accounts. The total value of shares, reported by 24 people exceeded FF 6.5 million, with the average holding worth FF 271,000.

Perhaps more telling is the evidence found in the accounts at the CDC, in which sequestered financial assets and the proceeds of Aryanisations were held. These testify to the substantial levels of liquid funds and securities that had been held by an admittedly small part of the Jewish population. As noted earlier, these funds sufficed to cover the lion's share of the FF 1 billion fine.¹³⁶ The CDC, in effect, became the depository of much of the looted assets, including those finally taken from internees at the French concentration camps.¹³⁷ The analysis of the CDC's archives, which is in process as part of the Matteoli Commission's work, will go some way to help

establish the extent and value of Jewish portfolio ownership and bank deposits at the time.¹³⁸

The preponderance of financial assets in the portfolio structure, and the relative importance of foreign securities within those portfolios indicate the high degree of ease with which assets could have been moved, including across the border. The level of financial assets available for a potential move abroad is indicative also of amounts that may already have been lodged there. This is especially so in France. All estate tax based wealth studies for France make the point that among the major tax evasion vehicles cash, precious metals and foreign bank accounts figured most prominently, not necessarily in that order. The prevalence of financial assets in tax-declared wealth thus provides an important indication of the appreciable levels of non-declared wealth as well. Cornut built his estimate of actual wealth as compared with tax-declared wealth from estimates of the evasion factors for separate components. As noted above, for financial assets he arrives at an 80 percent omission/evasion factor.

¹³⁶ The Matteoli Commission reports that in this connection it is important to note that 10 percent of all spoliation proceeds went to the account of the Commissariat aux Questions Juives at the CDC. Thus, the FF 1 billion fine actually required an additional FF 0.1 billion.

¹³⁷ Including 7,000 dossiers totalling FF 12 million taken in cash and securities from internees at Drancy by end 1943.

¹³⁸ The CDC is about to issue its report.

Although our wealth estimates include an allowance for evasion/omission, any differential factors are not reflected in our adjusted asset structure, i.e. the greater prominence of financial assets, and especially foreign currency denominated assets consequent upon the higher evasion rate, has not been accounted for. In addition, the detail provided by the estate tax statistics allows only foreign securities to be distinguished. Foreign bank deposits, precious metals and foreign insurance policies cannot be separated out.

All in all, it would be reasonable, on the basis of Cornut's omission factors and the concentration of the Jewish population in the Paris area, to assume an overall 65 percent share of financial assets in Jewish-held portfolios. The share of foreign-currency denominated assets and gold would have been at least one-third. **This comes to a total of FF 7 billion, much of which would already have been held abroad. As these assets would have been immune to the FF devaluations, it is reasonable to convert their value at the pre-1937 exchange rate of US\$1 = FF 16.71, yielding an estimate of around US\$419 million. This should be considered a de minimis amount. It excludes, as in our estimates for other countries, the assuredly large holdings of the very rich, globally connected, active banking and industrial elites among the French Jewish population. In addition, the post-1938 events would have triggered an enlarged flow of assets into safekeeping – eased by the pre-existence of familiar channels.**

6. Capital Flight and Destination

The French, and among them the Jews, traditionally had strong, world-wide connections. For individual accounts Switzerland was a favoured location, often for tax evasion reasons.¹³⁹ It was said that since 1871, more than half of all foreign accounts in Switzerland belonged to French residents. Nervousness about the economic conditions in the 1930s and the long debates about whether or not exchange controls would be imposed prompted significant flows back and forth from France to the United States, depending on the political mood of the day. For example, between 1935 and 1936, a period of exchange turmoil, there was a net capital outflow from France to the United States of \$300 million (compared to \$83 million from Germany), divided equally between securities and cash, most of which returned after the devaluation.¹⁴⁰ In the event, exchange controls were not brought in until October 1939.

Once the Germans took control, in the spring of 1940, the same tight restrictions that ruled German exchange flows were instituted. At that time *The Economist* commented on the substantial financial holdings of private French citizens in London.¹⁴¹ The US Treasury reported at the same time a large increase in French assets in the United States. An early summary of data compiled for the Census of Foreign-Owned Assets in the United States showed a total of \$945 million (excluding \$559 million in bullion) under French ownership.

While no distinction is made between private individuals and corporations, the large number of accounts points to significant participation of the former.¹⁴²

The relatively large share of assets held abroad and the significant amounts in easily movable assets held outside official channels are attested to in the documentation on market participants views at the time. Some of these are lodged in the US National Archives. Thus, two French escapees described the ups and downs of the price of US currency in the French black market – US\$1 equaled FF 100 at the time of the armistice, FF 280 in the autumn of 1942, FF 148 in July 1943– as in part reflecting flows back and forth across the border.¹⁴³ They posited that the large hoard of US currency already in France before the war, was being fed from large amounts held in Switzerland as people, especially those on the run, needed funds. There had been similar developments involving gold. Funds brought out of France were mainly in the form of securities, with large amounts having gone to North Africa before November 1942 – Tangier and Morocco, but also Lisbon, being favoured selling points.¹⁴⁴

These observations are roughly substantiated in the record of the interrogation by US Treasury investigative staff of Kurt Eichel, a prisoner of war.¹⁴⁵ Eichel was the Nazis' financial agent in Paris charged with purchasing securities, gold and foreign currencies.¹⁴⁶ He purchased only assets that could easily be resold and utilised local currency. As he was able to offer “unblocked” cash, i.e. the seller would not need to deposit proceeds in blocked accounts, he found many prospects, “50 or 60 a day”. He made no purchases on the Bourse. Preferred securities were shares of European internationals and government bonds and bills. He avoided US shares, because they were in certificate form and not easily re-sellable. He later bought gold and foreign currency as well – mainly dollars, sterling, and Swiss francs. These purchases amounted to between FF 600-700 million. Black market prices were paid for “free” assets, 40 percent less for blocked ones.

The fact that people routinely made such deals with the devil himself gives some indication of the large size of the

139 In this connection, it should be remembered that the toughening of bank secrecy laws in Switzerland was less prompted by the desire to safeguard refugee assets – as popularly supposed – than triggered by the raid of French customs of a Paris branch of a Swiss bank on the trail of tax evasion money.

140 *The Economist*, 6 February and 17 April, 1937; *Flight of International Capital*, Brendan Brown, Routledge 1988.

141 *The Economist*, 22 June 1940.

142 Nara, RG56 Treasury Dept. Acc 67A 1804, Box 10 France. Memorandum dated August 27, 1940, states inter alia that a New York bank filed a return covering 1,140 accounts.

143 Nara, RG56 Treasury Dept. Acc 67A 1804, Box 10 France.

144 Nara, RG56 Treasury Dept. Acc 67A 1804, Memorandum dated July 27, 1943, Box 10 France.

145 Nara RG131, Acc 61A 109, Box 138 France.

146 Eichel was a director of Berliner Handelsgesellschaft before coming to Paris. He first was put in charge of Westminster Bank until July 1941. He started his purchase programme shortly after arrival in Paris in September 1940, first on behalf of authorised banks, later for the Four-Year Plan authorities.

pool of underground foreign currency assets and gold available for distress sale. How much more there could have been for safeguarding can hardly be guessed, but it must have been a very sizeable amount. Thus our estimate of between one-third and two-fifths of financial assets being lodged abroad or available for transfer is likely a conservative one.

There was a gap of more than one year from the imposition of general restrictions in 1940 until French Jewry could no longer access its financial assets. But signs were abundant on the way: the Vichy government, in its continuous efforts to maintain control of the expropriation process, ordered the blocking of Jewish bank accounts in early 1941, well before such measures took hold in the Occupied Zone. Indeed, the effective order to freeze accounts covering both Zones was issued only in October 1941. Though some banks jumped the gun as early as May 23, it was not until December 22, 1941 that they were ordered to provide a full accounting of Jewish-owned deposits and to deny Jews access to their safe deposit boxes. Thus there was a considerable interim period during which attempts to protect assets from the closing net could be undertaken. Although it is impossible to estimate how much money flowed from Occupied to Unoccupied France, correspondence between Vichy and Paris indicates customs officials apprehending both postal and human traffic trying to smuggle cash and securities across Zones.

As noted above, we estimated wealth held by the Jews of France before the war at FF 32.6 billion, with perhaps FF 7 billion or so already outside France or poised to move. After the war, there remained approximately 200,000 Jews in France, over 75,000 had perished. Of these, one quarter were “vieille souche” or indigenous population, most of whom would have had a considerable amount of assets abroad. Of the rest, a significant proportion was from among the longer-established immigrants, who would have been in a similar position, though their level of wealth might have averaged less.

F. POLAND

1. Background

Throughout Europe poverty has always provoked anti-Semitism. And Poland in the mid-1930s had one of the lowest standards of living and per capita income in Europe. Its backward agrarian economy suffered from low productivity and heavy overpopulation on the land; 8.8 million out of 20.9 million peasants were considered to be redundant. Thus Poland’s biggest export before World War I was its people, including substantial numbers of its more urbanised Jewish minority. Even so, among European countries, Poland continued to account for by far the largest number of Jews, absolutely and as a percentage of the local population. When economic hardship rose in the post-World War I period it inevitably led, as it had over the centuries, to increased anti-Semitism. Consequently, following the death of General

Pilsudski in May 1935 and the subsequent rise of the nationalists, the ground was well prepared for the anti-Jewish legislation and economic boycotts that followed.

The official policy was to promote Jewish emigration, but with more than 3 million Jews to displace, that was not a workable option. Even the level of emigration that did materialise proved “too expensive” in as much as emigrants took their assets with them. Poland cited the loss of external reserves as a pretext when it turned to the League of Nations in 1936 for financial support to rid itself of its excess population, by definition the Jews.

If the Jews could not be driven away, they could be persecuted at home. And, in 1935/36 it would not be the first time that economic problems, that finally led to the adoption of exchange controls, coincided with the implementation of anti-Jewish legislation. At first the Government’s approach was rather piecemeal. But by 1938, Poland’s policy towards its Jews all but mirrored that of its Nazi neighbours. Starting in May 1938 a series of measures was introduced to conform to the line that “Jews were a foreign element in the Polish body politic”. These included barring Jews from practising law and medicine and excluding Jews from public administration.

The warning signals were clear well before the Nazis overran the country. But poverty at home and a difficult economic environment abroad prevented the majority of Poland’s Jews from seeking safety elsewhere. Nevertheless, there was a significant slice among the 3 million that had the wherewithal and the connections to attempt to safeguard their assets by transferring them abroad. Waves of past emigration had established significant Polish Jewish communities primarily in France and the United States, but also in South America and Palestine.

When the Nazis invaded Poland they moved swiftly to isolate and dispossess the Jews. The machinery that had worked well in Austria, was easily transplanted to Poland and worked to yet more devastating effect. Ghettos were established within months; property was expropriated; the death camps were built. The documentation on the registration of Jewish assets does not appear to have survived; a fragmentary paper trail of part of the loot transferred to Berlin can still be found, but has not been fully reviewed by researchers or archivists. Access to what archival material still exists is difficult and in many instances not possible. We, accordingly, have relied largely on data relating to incomes and socio-economic indicators. These show that although predominantly poor, Polish Jews had managed to accumulate substantial wealth in absolute terms.

2. The Jewish Population

At the turn of the century, Jews constituted 10 percent of Poland’s population, a share that held good until 1938. They accounted for more than a quarter of the big city population and for up to two-fifths of the people living in smaller towns

and urban centres. According to the 1931 census, of the Polish population of 32 million, 3,136,000 (9.8 per cent) were Jewish, the second largest Jewish community in the world. Of these, 17.5 per cent lived in the cities of Lodz and Warsaw.

Of the 3.3 million Jews living in Poland at the outbreak of the World War II as many as 90 percent lived on or near the poverty line and more often than not relied on charity to survive. Nevertheless, there was a significant, if relatively small, number of middle and upper class Jews who were able to maintain a good living. In fact, in 1929 almost 9 percent of the active Jewish working population – 90,800 people – were sufficiently well-off to accumulate investable funds. Although the next decade proved harsh, for Jews in particular, there remained an important Jewish middle class at the time of the Nazi occupation. And because of their dominance in such industries as mining, manufacturing and textiles, it is clear that, though they were relatively few in number, they accounted for a much above average share of the wealth of Poland.

3. Occupational Structure

The majority of the active Jewish population was self-employed. Based on 1931 census data, two-fifths of the Jewish population was engaged in mining and industry, including handicrafts, with more than 50 percent self-employed; in the commerce, banking and insurance sectors, in which one-third earned their living, the self employment rate, at about 80 percent, was even higher and just under 5 percent were pensioners or lived off their capital.¹⁴⁷

Their role as small traders and shopkeepers gave Jews a high profile in the community. Each village and small town had its Jewish merchants who, though poor themselves, often appeared somewhat better off than their peasant customers. In certain sectors, such as textiles, however, Jews did more than scrape a living. The Lodz textile industry, for example, was almost exclusively Jewish-owned.¹⁴⁸ Similarly, there was a high concentration of Jews in the garment industry, which supported 15 percent of the Jewish population. In fact, it was by these skills that Polish emigrants established the clothing industry in the Netherlands and in New York, to name two. Although the Polish financial sector was predominantly state-owned, what private banking existed was, by some accounts, 80 percent controlled by Jews.

4. Income and Wealth Position

Urbanisation did not exempt Jews from poverty. Living at the edge of subsistence was a way of life for the majority of Poles, irrespective of their ethnic background or where they lived. Subsistence level per capita income was estimated at about Zl 600 p.a. in 1929 (or \$67.50 at the official 1929 exchange rate). With one income earner on the average supporting 2-3 people, an income of Zl 1,800- Zl 2,000 p.a. did not leave

much room for savings. Data on the income distribution of Polish Jews and non-Jews for 1929, derived by Joseph Marcus,¹⁴⁹ show that most Jews, and indeed most Poles, fell into this category. The numbers in the higher income levels were pitifully small in relation to the large size of the Jewish population in Poland.:

- of the 291,500 Jews in industry, 7,485 or 2.6 percent were in the higher brackets. Their annual income totalled Zl 142,375,000;
- of the 325,100 Jews in commerce, 19,530 or 6 percent were in the higher brackets, earning a total annual income of Zl 205,295,000;
- 4,000 Jewish entrepreneurs were in the top bracket, earning a total annual income of Zl 34,000,000;
- of the 29,000 Jewish doctors and lawyers, 4,800 or 17 percent were in the higher brackets earning a total annual income of Zl 37,200,000.

These partial data show that 35,815 Jewish professionals had a total earned annual income of Zl 418 million and an average income of Zl 11,671.

Based on the fuller data shown in Table 1, it appears that in 1929 there were approximately 90,800 Jews, or 8.9 percent of the active Jewish population, who earned enough to accumulate capital. Their income totalled Zl 950 million yielding an average of Zl 10,463. As noted above, in the decade that followed economic hardship became yet more widespread among the Jewish population. However, while small entrepreneurs were hard hit, it appears that the number of Jews in the higher income groups actually grew during the 1930s. Indeed, affluent Jews had money to spare: in 1936 one-third of the Zl 33 million collected for the Polish Winter Relief Action came from Jews, although they made up less than 10 percent of the population.¹⁵⁰

When it came to helping their own kind, Jews were even more generous. On average, Polish Jews spent Zl 60 million annually – equal to 11 percent of all deposits in private banks – on communal aid compared to the Zl 6 million the Joint Distribution Committee provided for relief in Poland. Other indications of a significant volume of wealth among the Polish Jewish community derive from the accounting of looted property by the German authorities and from ghetto reports. In his diaries Emanuel Ringelblum of Warsaw notes that the Judenrat reported issuing 28,403 receipts for furs worth between Zl 30 and 50 million (equivalent to the total of deposits in Jewish co-operative banks). In 1940, to make the Ghetto

147 Statystyka Polski, series C, nos. 94a-94d (Warsaw 1938-39); division by religion. These figures include unemployed. The number of people working in their profession or trade was much less. Only a third of all Jews were working.

148 Simon Segal, *The New Poland and The Jews*, J.J. Little & Ives Co., New York, 1938.

149 Joseph Marcus, *Social and Political History of the Jews in Poland 1991 – 1939*. Mouton, Berlin 1983.

150 CEKABE (Central Organisation of Societies for the Support of Non-Interest Credit and Promotion of Productive Work) publication for 1937, nos. 4-5 cited in Marcus.

POLAND: Table 1**Income Distribution in the Non-farm Sector 1929¹**

(Polish Zloties)

Income Groups	Number of Earners (000)		Average Annual Income per Earner	
	Jews	Non-Jews	Jews	Non-Jews
All income groups				
Wages/salaries	366.7	2,906.5	1,585	1,790
Self-employed	649.6	836.4	2,545	2,685
Total	1,016.3	3,742.9	2,200	1,990
Group I: (over Zl 20,000)				
Total (Self-employed)	0.9	1.1	148,400	186,000
Group II: (between Zl 3,000 - 20,000)				
Wages/salaries	55.0	492.0	5,465	4,385
Self-employed	34.9	46.1	14,800	15,800
Total	89.9	538.1	9,090	5,360
Group III (less than Zl 3,000)				
Wages/salaries	311.7	2,414.5	890	1,260
Self-employed	613.8	789.2	1,630	1,790
Total	925.5	3,203.7	1,385	1,360

Source: Data in Marcus, *op. cit.*

1. Excludes corporate profits, totalling 530 mn. zloties with 212 mn. going to Jews and 318 mn. to non-Jews.

walls yet more impenetrable, Jews in the Ghetto were allowed to hold only specially stamped bank notes. According to Ringelblum Zl 1 billion were exchanged for stamped notes.

How do these relatively sparse facts produce a picture of the wealth held by Polish Jewry? A first approach is to apply the wealth/income multipliers that were found elsewhere. For Poland, where appreciable wealth apparently was held by less than 10 percent of the Jewish population, the relationships that emerged for Hungary may be telling. Using a multiplier of 12 for the wealth to income ratio for the top slice of Jewish income earners, we derive an estimate of total wealth of Zl 11.4 billion in 1929.

This would put at zero whatever savings were held by the 90 percent of the Jewish population that earned a precarious living. This is undoubtedly wrong. If one-half of the remainder had a savings capacity of one-tenth of that of the

“Upper Ten”, the estimate of “visible” wealth, that is wealth that would be known to the fiscus, would be increased to Zl 11.9 billion. Adding the 60 percent evasion factor found for France, yields a total of Zl 19.2 billion in 1929.

This estimate is reasonably close to Marcus’ result of Zl 17.7 billion derived on the basis of national wealth relationships.¹⁵¹ Marcus estimates Polish national wealth in 1929 at Zl 85.9 billion. He found earlier that around two-fifths of the group defined as “entrepreneurs and capital owners” were Jewish; Jews controlled a similar proportion of manufacturing output; Jews owned 45 percent of large and medium-size commercial establishments and a larger share of the small ones. Other sources, of varying reliability, conclude that Jews

151 Marcus, *op. cit.* p.252 ff. Marcus draws on work done on public sector wealth by Adam Heydel et al. *Etatism in Poland*, Krakow 1932, p. 78.

owned two-fifths of corporate capital and a similar proportion of real estate in Warsaw. From this and other considerations, Marcus concludes that the Jews in Poland owned 20.9 percent of gross national assets and 22.4 percent of net national wealth (their share of net external liabilities being above average). Grossing this to 1938 values, he finds an increase of about 12 percent in real terms, but a fall in the nominal value owing to the 40 percent decline in non-farm prices over the period. As this price fall about equals the amount by which the zloty appreciated against the dollar between 1929 and 1938, he posits that using the post-US dollar devaluation-rate yields a proper base for nominal comparison purposes. Further adjustment may be needed, however, for purchasing power differentials that still remained after the dollar devaluation.

In view of the foregoing, we feel reasonably comfortable with our estimate of just under Zl 20 billion in 1929, equivalent to US\$ 2.2 billion at the then exchange rate of US\$ 1 = Zl 8.9. Applying Marcus' 12 percent real growth rate, yields US\$ 2.5 billion for Jewish-owned wealth in 1938. This converts to Zl 13.3 billion at the 1938 exchange rate of US\$1 = Zl 5.30 Other sources put a US\$ 1 billion value on the amount of Jewish property¹⁵² looted by the Nazis. However, no documentation is offered to support this figure and other sources, Robinson for one, believe this to be too low. A conclusion our estimate would support.

5. Structure of Wealth

Unlike for the other countries we examined, there are no data available for Poland that would allow determination of the structure of wealth either for the Jews of Poland or for the population at large. However, some indications, in particular as regards the liquidity and mobility of assets, are available.

Hoarding of currency was virtually a national trait in Poland. At the end of the 1930s only 15.8 percent of the population had a savings account in a bank and balances averaged just Zl 329. By comparison with western European countries, Poles had one of the lowest rates of institutional saving in Europe. For example, in 1937 for a total population of 29 million, Polish savings institutions held only Zl 1,517 million. By contrast, 9 million Dutch held over twice as much, more than the equivalent of Zl 3 billion.

Recurrent economic and political crises had conditioned Poles to prefer to rely on cash, gold, coins and foreign currency. And in each crisis these hoards were augmented. In 1933, Poles reportedly hoarded \$50 million worth of US banknotes and the dollar was used as a parallel currency. The economic historian, Z. Landau,¹⁵³ documents the increase in demand for foreign currency and gold during 1935-36 in the run up to the introduction of exchange controls. The well-to-do favoured gold coins in particular. In April 1936, the month exchange controls were finally introduced, "unprecedented hoarding of gold and money" led to a loss of Zl 57.2 million in gold and foreign currency in official reserves. Two years

later, the worsening political climate caused a run on the banks with Zl 1.2 billion, equal to more than three-quarters of all deposits in savings institution, being withdrawn causing a further tightening of currency restrictions. *The Economist*, which noted that Poles had hoarded an estimated Zl 450 million in bank notes from 1937 – 1939, accounting for half the increase in note circulation during that period, also suggested there were signs of foreign currency again being used for internal transactions.

With the tightening of the restrictive system in 1938, the Government ordered the reporting of holdings of foreign currency, foreign-currency denominated securities, gold and foreign-currency denominated debt. Of the Zl 91.5 million registered, 38.3 percent or Zl 35 million, were foreign securities and 24 percent foreign bank accounts. A further 8 percent was in foreign currency and gold. Given the nature of the funds it is clear, as Landau notes, that there was widespread underreporting.

There is nothing to suggest Polish Jews behaved any differently from their gentile counterparts, particularly with respect to bank accounts and currency hoarding. During the 1935-1936 crisis, Jewish controlled banks, which included co-operatives and private banks, suffered large scale withdrawals. Lodzki Bank Depozytowy, S-Ka AKC saw its deposits all but halve from Zl 12.3 million on 31.12.1934 to Zl 6.3 million two years later; and Miedzynarodowy Bank Handlowy S-KA AKC. in Katowice suffered a similar fall in deposits, from Zl 8 million at the end of 1934 to Zl 4.5 million in 1936.

Four years later, under German occupation, evidence of significant note hoarding surfaced in the ghettos, as noted above, when the Germans issued specially stamped notes and Zl 1 billion in bank notes surfaced for exchange. This is approximately twice the estimated Zl 500 million Jews held in deposits in Jewish banks.¹⁵⁴

We also know that property was a key component of middle-class Jewish wealth. About 10 percent of the total Jewish population lived in Warsaw. Polish data show that between the wars Jews owned 40 percent of the residential housing in Warsaw, mostly in the better-off neighbourhoods. In fact, in the two solidly middle-class sections of Warsaw about 90 percent of the residents were Jews. In the countries we studied, real estate holdings generally account for between 25 and 35 percent of personal wealth. It is plausible to assume

¹⁵² This figure was used by the United Nations Information Office and is based on a 1943 estimate provided by a group of Polish Jews.

¹⁵³ Zbigniew Landau, "The Polish Government's Monetary Policy in 1936-1939" in *Actae Poloniae Historica*, Polska Akademia Nauk, Instytut Historii, 1985.

¹⁵⁴ Total deposits in 1930/31 in the Jewish Savings Co-operative (which had 500 affiliates throughout Poland) were Zl 50 million, equaling about 4 percent of deposits in all savings institutions and a significant portion of the deposits in private banks in 1936: deposits in private banks amounted to Zl 513 million, about one-fifth of total deposits according to Dr. Wl Malinsowski, *The Structure of bank deposits in Poland*, Warsaw 1936, cited in WJC, *op.cit.*

that in Poland this share would be at the upper end of the range. Thus, with total wealth estimated at about Zl 13.5 billion, real estate and land would account for Zl 4.7 billion. This would leave about Zl 8.8 billion in other assets.

The high degree of self-employment points to a share of business assets in the neighbourhood of 15 percent, or Zl 2.0 billion, as in Austria and Hungary. The remainder, roughly Zl 6.8 billion, consists of tangible goods and financial assets, with the lion's share, perhaps Zl 5.8 billion or 43 percent of total wealth, being financial assets. With the propensity for Poles to hoard cash, gold coins and jewels, it would be reasonable to assume that highly liquid assets would make up a significant portion of their wealth. No data are available on the relative importance of ownership of shares or fixed income securities. Aggregate data on the turnover on the Polish exchanges, which show comparatively low values, are not illuminating as transactions would have been made on external exchanges with greater depth. Life insurance, introduced in Poland at the end of 1928, was not a major savings vehicle: only Zl 2 billion worth of policies were bought. However, this ignores the more widespread clientele of foreign companies.

In other countries, our estimates of the share of financial assets have ranged between 50 – 60 percent. Thus, 43 percent for Poland would not seem unreasonable. On the whole, the structure of Jewish owned financial assets remains in the realm of more or less informed guesses. Ours, based on the above reasoning, would be that total holdings of financial assets may have amounted to Zl 5.8 billion.

6. Capital Flight and Destination

As noted earlier, May 1935 and the subsequent shift in political power marked a turning point for Poland's Jews. The first of a new set of anti-Jewish laws was enacted in 1936, triggering a wave of emigration. But the 140,000 Jews who

are estimated to have left Poland between 1932 and August 1939 represented only a tiny fraction of the large Jewish community. Still, the increasing flight abroad indicates the rising degree of unease and the likelihood that money flows abroad would have accelerated as well. Although the Polish authorities introduced what, on the surface, seemed to be strict exchange controls on April 26, 1936, these had been long anticipated and were patchy in their implementation. At the same time, with anti-Semitism part of official policy a full three years before the German invasion, the incentive to send funds abroad would have been on the rise. In fact, numerous middle-men made their services known in advertisements in Jewish community papers, attesting to the breadth of apparent demand for transfer opportunities. The steep decline of deposits in savings institutions between 1935 and 1936, after steady year-to-year increases would support this,¹⁵⁵ though general unease in the face of the external payments difficulties may have been the primary reason.

With at least 91,000 people in a position to accumulate assets, with much of non-State banking in Jewish hands and an abundance of commercial and personal ties across borders, there was significant potential for capital outflows. The avenues were there, both through links abroad based on previous waves of emigration and through banking and commercial connections. **We posit that perhaps one third of our Zl 5.8 billion estimate of financial asset holdings, that is Zl 2 billion (or US\$ 378 million) would have been available for transfer abroad or already lodged there. It should be noted, however, that of all the countries researched, our estimates for Poland are the least robust.**

Of the 3.3 million Jews in Poland, a bare 400,000 survived.

¹⁵⁵ League of Nations, *op. cit.*

Appendix I

OSS Chronology of Nazi Anti-Jewish Measures in Europe, 1933 – 44

Note: this chronology does not purport to be exhaustive nor is it totally correct. It is of particular interest because of its source: the OSS files in the US National Archives. It shows that the OSS during the war kept close track of legal and extra-legal treatment of the Jewish populations in Nazi-dominated countries. Some corrections have been made, but no attempt has been made to make this an exhaustive record. It still should be a useful vademecum to the pace and breadth of the moves from exclusion to annihilation of European Jewry.

1. Legislation Affecting Citizenship, Economic, Professional and Religious Life of Jews

1933

April 7	Germany	Law for Reconstitution of the Professional Civil Service: series of exclusion laws barring “non-Aryan” instructors in all public educational institutions; as officials and employees of the Imperial Railway administration, of municipal theatres, of gas and electricity works, of public banks and, insurance companies, of the postal service and public welfare institutions, of other public or semi-public agencies, and as police officers and civil employees of the army.
April 11	Germany	Decree defined “non-Aryan” as person who is descended from Jewish parents or grandparents.
April 21	Germany	Prohibition of Shehitah, Jewish ritual method of slaughtering animals.
May 6	Germany	Licenses of “non-Aryan” tax consultants, judges, professors, instructors and lecturers in universities or colleges revoked.
July 14	Germany	“Non-Aryans” barred from film industry.
July 26	Germany	Citizenship of Jews from Eastern countries revoked, except World War I veterans on German side or those who rendered special service.
September 22	Germany	Reich Chamber of Culture set up. All Jews eliminated from departments of literature, press, radio, theatre, music, plastic arts and films.
September 29	Germany	Exclusion of Jews from agriculture.

1934

January	Germany	Citizenship laws passed dividing population into four categories. Jews placed in category 4 as “aliens”.
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1935

March 23	Germany	Jewish attorneys disbarred by law.
May	Germany	Decree permitting only “Aryans” to serve in army.
September 15	Germany	Nuremberg Laws: recognised two categories in Germany population, Aryans and non-Aryans. Jews denied German citizenship and reduced to status of “subjects”.
November 23	Germany	Jews prohibited from being official stockbrokers.

1936

April 3	Germany	Jews barred as veterinary practitioners.
April 7	Germany	Jews denied admission to final qualifying exams for public accountants.
September	Germany	Anti-Jewish measures enforced in Saar region.

1937

February 13	Germany	Jews barred from acting as notaries public.
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1938

March 22	Germany	Jews barred from the armaments trade by decree
March 28	Germany	Jewish communities deprived of legal status. Status of “church organisations” denied to Jewish congregations, compelling them to pay full taxes.
March 31	Austria	Jews excluded from professions.

April 8	Hungary	20% numerus clausus set up for Jews in industry and professions.
May 20	Austria	Nuremberg Laws introduced.
July 25	Germany	Licenses of Jewish physicians revoked.
September 27	Germany	All activity of Jewish lawyers terminated.
October 5	Germany	Passports held by Jews declared invalid.
November 12	Germany	Decree prohibited Jews from owning retail businesses or mail order houses, from owning export businesses or handcraft concerns. Jews forbidden to display wares at markets or fairs, or to act as business managers for “Aryans”.
November 24	Danzig	Introduction of Nuremberg Laws. Jews forbidden to hold public office or vote.
December 1	Slovakia	Jews excluded from public service.
December 23	Germany	Jews excluded from participation in Sudeten courts.

1939

January 16	Germany	Decree prohibiting “Aryan” lawyers from representing Jews.
January 17	Germany	Licenses of Jewish dentists, dental technicians and veterinarians revoked.
February 10	Germany	Decree prohibiting “Aryans” from representing Jews in matters of foreign exchange.
March	Protectorate	Jews disenfranchised and ousted from civil service, professions and businesses.
April 19	Slovakia	Promulgation of first of a series of laws modelled on anti-Jewish laws of Germany.
April 30	Germany	Jews deprived of protection from summary notice by landlords.
May 5	Germany	Jewish physicians barred from practice in Sudeten area. Licenses of Jewish dentists and technicians in Sudeten area revoked.
July	Slovakia	Prohibition of Shehitah.
November 15	Poland	Decree forbidding use of Hebrew and Yiddish in correspondence. Decree blocking all Jewish bank accounts and credits, ordering Jews to deposit funds in a single bank by December 31, 1939.

1940

January - February	Bohemia-Moravia	Jews forbidden to maintain any business enterprises.
January 24	Poland	Decree ordering all Jews to register property.
January 26	Poland	Decree prohibiting Jews from travelling on railroads without special permission.
February	Slovakia	“Aryanisation” laws put into effect. Jews excluded from all business enterprises.
March 12	Poland	Jewish physicians barred from treating non-Jews and non-Jewish physicians from treating Jews.
March 20	Poland	“Aryans” ordered to register professions. Jews barred from registration and practice of professions or trades.
May	Slovakia	Jews limited to 1% in professions.
July-August	Bohemia-Moravia	Introduction of Nazi definition of Jew.
August 8	Slovakia	Jews excluded from legal and other liberal professions.
September 7	Luxembourg	Jews barred from professions. Inter-marriage forbidden. Jews required to register property. Nuremberg Laws introduced.
September 20	Serbia	Jews barred from foodstuff trades.
September 16	Slovakia	Registration of all Jewish property required.
October 3	Netherlands	Jews, half-Jews, persons married to Jews or half-Jews excluded from holding public office or appointments in the educational service.
October 3	Norway	Jews barred from all professions and from state employment. Jewish shops required to bear distinctive signs.
October 21	Netherlands	Registration of all Jewish property.
November 17	Occupied France	Jewish artists barred from exhibiting works.
November	Belgium	Series of economic measures: Jews ordered to register themselves and property. Dismissed from public office. Jews who fled before Nazi invasion forbidden to return.
December	Germany	Clothing ration cards taken away from Jews.

1941

January 1	Occupied France	Liquidation of all Jewish businesses valued at over 25,000 Ff.
January 14	Netherlands	All Jews required to register.
February	Slovakia	Liquidation of 3,000 Jewish firms.
May 20	Occupied France	Jews completely eliminated from economic life, barred from all trades and professions.
May 28	Norway	Nuremberg laws set in force.
July	Belgium	Jews ordered to declare real estate holdings. Not allowed to deposit in any bank. Nazis demand closing of 7,600 Jewish firms.
October 2	France	Jews of Paris required to register.

1942

March	Germany	Jews denied compensation for illness and industrial accidents.
May	Belgium	Liquidation of Jewish enterprises and real estate.

2. Confiscations and Special Taxes**1933**

July 14	Germany	Total assets of B' B'rith expropriated.
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1938

March	Austria	De facto Anschluss; German anti-Jewish laws apply henceforth, though laws and regulations are specially promulgated.
March 24	Austria	Law regarding "kommissarischer Verwalter" to control "unauthorized" looting of businesses.
April 26	Germany	Law requiring all property valued RM 5,000 or more to be declared.
November 12	Germany	Jewish community required to pay collective atonement fine for assassination of vom Rath. Levy of 20% on Jewish property, should total be less than 1b RM the levy would be raised.
December 3	Germany	Jews compelled to sell all agricultural property and real estate within a given period.

1939

February 16	Germany	Edict declared all patents and industrial copyrights owned by Jews must be transferred to "Aryan" hands.
September 2	Germany	Jewish hospitals commandeered for military use.

1940

May 15	Poland	Decree forbidding Jews to withdraw more than 500 Zlotys from post office accounts.
August 5	Poland	Decree ordering all Jews to leave Krakow by August 15 following which date they were limited to amount of property they could take with them.
September 7	Slovakia	Transfer of Jewish-owned property to Christians.
October 28	Netherlands	Fine of fl50,000 imposed on The Hague Jewish community for alleged crime of sheltering 2 British airmen.
October	Occupied France	Jewish firms taken over by "Aryans".
October-November	Poland	Jewish property confiscated and put in "Aryan" hands.
December	Bohemia-Moravia	Jewish bank accounts above 3,000 crowns blocked.

1941

February 20	Slovakia	Redistribution of land property of Jews.
March 3	Netherlands	Fine of fl 15m imposed on city of Amsterdam. Jews required to pay 1/3 of the fine by May 1; rest of population given six months in which to pay.

March – August	Netherlands	Three decrees ordering Aryanisation of Jewish held farmland, real estate and mortgages.
June 16	Netherlands	Jewish-owned agricultural land confiscated.
August 8	Netherlands	Decree centralising all financial transactions by Jews and requiring deposit of their financial assets in Nazi-designated bank (LIRO)
1942		
Winter	Germany	Jews compelled to surrender woollens and furs for shipment to eastern front.
May	Netherlands	Jewish property valued at fl 200m transferred to non-Jews.
May 21	Netherlands	Forced deposit at LIRO of valuables other than financial assets e.g. jewelry, precious metals, art as well as of insurance policies, patent rights, etc.
June	Norway	Registration of Jewish businesses and subsequent confiscation.
August	Slovakia	All Jewish bank accounts of 2,000 crowns plus impounded.
Summer	France	35,000 Jewish-owned businesses “aryanised”. Value of total property taken from Jews of France Ff 10bn.
September	Netherlands	5/6ths of Jewish owned property in German hands.
October	Norway	Quisling ordered confiscation of property of all Jews in Norway.
1943		
February	Slovakia	By this date value of confiscated Jewish property said to amount to 17 m crowns. Total of 19,771 hectares of land transferred to “Aryans”. All insurance policies held by Jews confiscated.
March	Greece	Property of 2,000 Salonika Jews deported to Germany distributed among German and Italian residents.
April 16	Netherlands	Decree authorised seizure of land owned by arrested Jews.
June 11	Netherlands	Abrogation of insurance agreements with Jews.
October	Italy	After Badoglio’s surrender, Rome Jewish community forced to pay ransom of 50 kg of gold and 2.5m lire in currency. 35 percent of Jewish property in northern Italy confiscated.
1944		
May	France	Special tax on Jewish property raised to 20 percent.
May	Italy	75,000 acres of land, all Jewish property in Modena district, all property of Jews in Genoa confiscated.
3. Education		
1933		
April 25	Germany	Numerus clausus for “non-Aryans” in universities, schools and colleges.
December 18	Germany	Jews eliminated from Prussian Public School administration.
1937		
July 2	Germany	Jews forbidden to teach “Aryans” whether in schools or privately.
1938		
July 5	Germany	Jews barred as visiting students at universities.
September 6	Italy	Jews excluded from education institutions.
November 15	Germany	Jewish children expelled from German schools.
November 16	Germany	Jews barred from attendance at universities.
December 23	Germany	Jewish scholars and students forbidden use of public libraries and institutes, and museums, even when these have been founded and/or endowed by Jews.
1940		
September	Poland	Jewish children barred from state schools. Jewish communities ordered to establish schools of their own.

September-Oct.	Serbia	Numerus clausus instituted in schools and universities.
September 1	Bohemia-Moravia	Jewish children barred from state schools.
September 3	Slovakia	All Jewish schools closed. Jews barred from every form of state education, except elementary.
November	Belgium	Jewish professors and students dismissed from all universities.

1941

February 15	Netherlands	Jewish students in universities restricted.
June 2	Vichy France	Numerus clausus set up in institutions of higher learning.

4. Segregation**1933**

April 1	Germany	Nazis launch boycott of Jews with demonstrations in streets of Berlin.
May 9	Germany	Burning of books. 25,000 volumes including Bible burned by Nazi students in Berlin, Dresden, Nuremberg, Breslau, Frankfort-am-Main, Stuttgart, many other cities.

1935

September 15	Germany	Nuremberg Laws: major aim was segregation. Concept of “race defilement” introduced in criminal law. Inter-marriage and extra-marital relations between Jews and “Aryans” forbidden. No “Aryan” woman under 45 could be employed by Jews.
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1938

August 17	Germany	Jews required to adopt Jewish names.
November 19	Germany	Jews denied public relief.
November 24	Danzig	Nuremberg laws introduced.
December 5	Germany	Ghetto set up in Berlin. Jews banned from certain sections of city, particularly amusement and recreation areas.

1939

August 11	Bohemia-Moravia	Jews ordered to leave provinces and concentrate in Prague. Ghettos established in other towns.
November 21	Poland	All Jews in district of Krakow ordered to wear Star of David as armband. Decree copied throughout Poland.

1940

January 1	Poland	Jews forbidden to change arm band and residence without Nazi permission. Curfew imposed.
February 8	Poland	Ghetto set up in Lodz. 150,000 Jews concentrated there.
April 19	Poland	Decree ordered all Jews to shave beards; prohibited them from entering “Aryan” cafes and restaurants; banned them from holding political conversations; made it obligatory for them to introduce themselves as Jews when addressing an “Aryan”.
May-June	Bohemia-Moravia	Prague ghetto laws strengthened. Jews forbidden to own books by Czech authors, bookstores forced to remove books by Jews. Shopping hours restricted. Restaurants forbidden to serve mixed clientele.
August 16	Slovakia	Jews forbidden to employ “Aryan” women under 40.
September	Poland	Jews in Warsaw forced into ghetto surrounded by eight-foot wall. Prohibited from entering special German and Polish districts.
October 17	Poland	Official order commanding all Jews into Warsaw Ghetto. 450,000 - 500,000 Jews forced to live within one hundred city blocks.
November	Poland	Ghetto set up in Radom. 30,000 Jews concentrated there.
November	Bohemia-Moravia	Jews given special ration cards marked “J”.

1941

January	Slovakia	Jews compelled to wear yellow armbands.
February – May	Netherlands	Waterloo Square in Amsterdam closed off as ghetto. Ghetto set up in Rotterdam. Curfew imposed.
March	Slovakia	Jews ordered into ghettos.
September	Belgium	Curfew imposed on Jews of Brussels. Forbidden to travel outside specific areas in Brussels, Antwerp, Liege, Charleroi. Forbidden to walk in parks, use public baths, or stroll in streets of Antwerp.
September 1	Bohemia-Moravia	Jews forced to wear yellow armbands.
1941	Poland	Ghettos set up in Lublin, Krakow, Kielce, Bialystok, Lwow and smaller towns.
1941-42	Belgium	Jews concentrated in four cities, Brussels, Antwerp, Liege, Charleroi.

1942

1942	Norway	Ghettos established along shores of fjord.
1942	USSR	Ghettos set up in Odessa and other large cities.
1942	Latvia	Ghettos set up in Vilna, Kaunas, Riga.
1942	Lithuania	Most Jews in country concentrated in ghetto of Slobodka.
1942	Greece	Ghettos set up in Thrace and Sofia.
1942	Poland	By end of year Jews concentrated in 55 towns and cities of which 13 have ghettos.
January	Norway	Passport of Jews marked with “J”.
March	Norway	Order forbidding Jews to bear Norwegian surnames.
June 6	Belgium	All Jews forced to wear yellow armbands.
June 30	Netherlands	Curfew imposed on Jews. Ordered to wear Shield of David armbands.

5. Arrests, Deportations and Liquidations**1934**

March 23	Germany	Law regarding expulsion from Reich: under certain conditions aliens may be deported. Alien is one who does not possess Germany citizenship.
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1937

October 23	Danzig	Pogrom.
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1938

October	Germany	12,000 Polish Jews expelled to country of origin.
November 10, 11	Germany	Pogroms and arrests throughout country following assassination of vom Rath.

1939

July 31	Bohemia-Moravia	Order issued directing expulsion of 70,000 Jews within one year.
August	Slovakia	Pogroms throughout country led by Nazis.
October	Bohemia-Moravia	About 45,000 Czech Jews sent to Lublin.
October	Austria	8,000 Jews sent to Lublin.
1939 – 42	Slovakia	70,000 Jews deported.

1940

January	Austria	Several thousand Jews exposed in open air stadium where many died.
October 22	Germany	9,000 Jews of provinces of Baden and Palatinate shipped to Unoccupied France and left there.
December 24	Belgium	40,000 Jews from Antwerp and Flanders interned in concentration camp at Hesselt.
End of year	France	35,000 Jews from Alsace Lorraine deported.

1940 – 41	Poland	Tens of thousands of Jews expelled from smaller towns. Sent to larger cities, especially Warsaw.
1940 – 42	France	25,000 Jews shipped to work on Trans-Sahara Railway in North Africa. Many died from starvation and epidemics.
1940 – 42	Slovakia	Thousands of Jews arrested and sent to concentration camps.
February	Austria	10,000 Jews interned. 1,100 sent to Poland.
February	Bohemia-Moravia	Jews allowed to use food ration cards only between 3 and 5 pm.
February	Netherlands	12,000 Amsterdam Jews sent to concentration camps in Austria.
April	Greece	Wholesale arrest of Jews in Salonika.
May	Bohemia-Moravia	By then Jews from 83 Czech towns and villages had been expelled.
May-June	Italy	Mass arrests, evictions and internments throughout country.
June 1941– August 1944	USSR	Nazis killed one million Jews during retreat from Ukraine and Crimea.

1941

July	Hungary	125,000 Jews machine gunned after having been deported to Galicia.
July	Yugoslavia	18,000 Zagreb Jews deported to Island of Pago, salt mines of Dalmatian coast.
July – Feb 1942	Lithuania	30,000 Jews massacred in Vilna.
August 21	France	6,000 Paris Jews seized and taken to Drancy.
October	Austria	5,000 Jews shipped to Polish ghettos.
November	Austria	Food authorities called in ration cards, did not issue new ones for two weeks.
1941 – 42	Hungary	Hundreds of Jews sentenced to long terms for alleged sabotage. Others sent to concentration camps. 50,000 alien Jews sent to concentration camps.
1941- 42	Latvia	Jews received less than half of food rations allowed others.
September 24	France	4,000 Rumanian Jews arrested and sent to Drancy.
October	Germany	All Reich Jews concentrated in Berlin preparatory to deportation.
October 1	France	145,000 Jews arrested. Orphaned children seized as hostages.
November	Norway	Mass arrests of Jews when pro-Nazi Scavenus came into power.
December 20 – 30	Vichy France	10,000 Jews deported.

1942

1942	Latvia	24,000 Jews machine-gunned in Riga.
1942	Lithuania	Thousands of Jews slaughtered.
1942	France	By end of year more than 65,000 deported.
1942	Greece	8,000 Jews from Salonika deported to unknown destination in Macedonian mountains.
End of year	Poland	By then, 500,000 Jews had been deported to concentration camps, labour camps.
	Netherlands	By then 60,000 Jews deported.
	Lithuania	60,000 Jews executed in Vilna province.
	Poland	1,000,000 Jews massacred.
	Italy	Jews in Turin, Milan, Genoa sent to concentration camps in Italian Tyrol.

1943

January 7	Bohemia-Moravia	77 percent of Jews residing in Protectorate deported by this date.
February 3	Yugoslavia	Government-in-exile announced that 1,000 Jews left were interned.
February	Yugoslavia	By then all Croatian Jews exterminated.
May	Poland	Destruction of Warsaw Ghetto.
July	Germany	Remaining Jews in Cologne and Munich sent to Terezin. Last 400 Jews in Hamburg sent to Poland.
September	Belgium	After Italy's capitulation, a campaign of arrests and deportations of Jews.
September 30	Denmark	All Jews rounded up for deportation.
October	Italy	After Badoglio's surrender persecution of Jews in northern puppet government arrests, deportations, murders.

1944

January	Poland	Beginning of liquidation of Lodz: 20,000 Jews in one day.
March	France	More than 1,000 Jews arrested and deported in Dordogne region.
April	Hungary	Entire Jewish population of Carpatho-Ruthenia (60,000 – 80,000) deported to extermination camps in German-occupied Polish Silesia.
April	Greece	Thousands of Athens Jews executed.
June	Hungary	400,000 – 450,000 Hungarian Jews deported to Polish Silesia.

6. Forced Labour**1939**

March 4	Poland	Forced labour ordered for Jews.
September 2	Germany	All Jews between 16 and 55 ordered to report for compulsory labour.
October 15	Slovakia	Order that Jews be drafted for forced labour.
October 26	Poland	Decree issued – all Jews between 14 and 60 subject to compulsory labour for two years.

1940

July 25	Slovakia	Jews between 18 and 50 drafted for labour service.
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1941

1941	Yugoslavia	Serbian Jews subjected to forced labour.
1941 – 42	Latvia	15,000 registered for forced labour.
1941 – 42	Austria	Thousands of Jews taken for forced labour.
May – December	France	8,000 Jews sent to labour camps throughout country.
August	Norway	All Jewish inhabitants of Tromsøe sentenced to hard labour. Other native born Jews interned in labour camps.

1942

1942	Yugoslavia	All able-bodied Jews in Croatia subject to forced labour.
1942	Greece	All Jews 18 – 45 drafted for forced labour.
July	Netherlands	Start of deportation of Jews.
August	Belgium	Jews with special skills sent to Germany for forced labour. 35,000 foreign Jews sent to Belgium for labour.
August	Bohemia-Moravia	1,200 Jews, including women and girls, sent to coal mines in Moravska-Ostrava and Karvinna.
December 9	France	All Jews 18 – 55 arrested in Clermont-Ferrand and sent to labour camps.

1945

February	Germany	25,000 Jews transferred from Terezin to Slave labour camps in Germany.
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Source: U.S. National Archives, OSS files

Appendix II

Timetable of the Introduction of Exchange Controls in Europe

Moving money around in Europe in the 1930s was not easy for Jews and gentiles alike. In the aftermath of World War I and the breakdown of the gold standard in 1931, most countries initiated some form of exchange controls in an effort to forestall capital flight. Those imposed by Germany already before Hitler were by far the most stringent. When the Nazis came to power these controls were tightened even more at the same time that a number of other countries were beginning to relax theirs.

The table below tracks the dates of implementation of the most important measures imposed to control capital flows across Europe; the pervasive restrictions on trade movements are not detailed. France, Belgium and the Netherlands remained free of controls (except for some forward gold transactions) until after the outbreak of war, October 1939 for France and May 1940 for Belgium and the Netherlands, respectively.

Albania 5.15.39

Austria 10.9.31

All fund transfers and foreign exchange transactions require National Bank authorisation. Between 1931-38 this was freely given. German system of controls effective 4.21.1938.

Belgium 3.18.35 - 4.26.35

Authorised banks, bankers, stockbrokers and correspondents of foreign stockbroking firms, travel agencies and government offices needed permits for foreign exchange transactions but these were largely rubber stamped. German controls May 1940

Bulgaria 1918

German system of controls effective April 1941

Czechoslovakia 10.2.31

All transactions, including security transactions, required approval from the National Bank. The German system of controls took effect 1938/39.

Danzig 6.12.1935

Bank of Danzig permits required for foreign exchange and Danzig currency export and import from the Bank of Danzig. On 2.24.1936 special certificates or permits were required for selling foreign exchange to authorized banks. From 4.12.36 Danzig's controls mirrored those of Poland. From September 1938 the German system of controls was in effect.

Denmark 11.18.31

From 1931 the National Bank of Denmark and those banks and dealers authorized by it controlled all foreign exchange flows. Official permission required for purchase of insurance policies or shares where dividend payments were made outside the country, except if the amounts were small. German system of controls in effect from April 1940.

Finland 10.25.39

France minimal before 9.10.39

From September 1936 anyone with foreign assets had to report them to the Bank of France. From 10.1.36 Bank of France approval required for the import and export of gold bullion and for domestic gold transactions. German system of controls in effect from May 1940.

Germany 8.13.31; revised in 1934 and 1938

All exchange transactions required a permit. A Capital Flight Tax was imposed on any transfers above RM 200,000. Threshold lowered to RM 50,000 in 1934. In 1936 free export of securities limited. Death penalty introduced in 1937 for exchange control violations.

Greece 9.28.31

German system of controls from April 1940.

Hungary 7.17.31

German system of controls from March 1944.

Italy voluntary from 10.31; official 5.26.34

Luxembourg 3.18.35

German system of controls from April 1940.

Netherlands minimal before German system of controls effective 6.28.40.

Norway minimal before German system of controls effective April 1940.

Poland 4.26.36

All foreign exchange dealings to go through the Bank Polski or an authorized bank or dealer. In 1938, according to the BIS, all Poles had to declare their foreign currency holdings, permit required for foreign currency dealings with foreigners. German system of controls effective September 1939

Portugal 10.21.22-10.18.37

Romania 5.18.32

German system of controls effective June 1942.

Spain	5.18.32
Sweden	voluntary 12.12.1939; official 2.25.1940
Switzerland	minimal starting from 1936 As of 6.22.36 the government prohibited forward transactions in gold, advances against gold or foreign exchange and forward foreign exchange transactions for commercial purposes “if such operation is not based on a commercial transaction which justifies it.”
Turkey	11.26.30
United Kingdom	none until 9.5.39

Yugoslavia 10.7.31
German system of controls effective April 1941.

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Appendix III

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Among the Archives and Libraries with special collections the main ones consulted are the following:

Archives National, Paris
Archives of the Jewish Communities, Jerusalem
Archives of the Polish Treasury Department, Warsaw
Bank of England, London
Board of Governors of the Federal Reserve Board,
Washington
British Library, London
Central Zionist Archives, Jerusalem
Centre de Documentation Juif Contemporaine, Paris
Dokumentationsarchiv des österreichischen
Widerstandes, Vienna
Institut für Zeitgeschichte, Vienna
Jewish Historical Institute, Warsaw
Joods Historisch Museum, Amsterdam
Library of Congress, Washington DC
Library of the Jewish Community, Vienna
Library Joods Historisch Museum, Amsterdam
National Library, Paris
National Library, Warsaw
New York Public Library, New York
Österreichische National Bank, Vienna
Österreichisches Staatsarchiv, Vienna
Polish National Bank, Warsaw
Polish Statistical Archives (GUS), Warsaw
Public Records Office, London
Rosenthaliana, Amsterdam
Rijksarchief, 's Gravenhage
The Netherlands Bank, Amsterdam
US National Archives, Washington DC
Wiener Library, London
World Jewish Congress, Jerusalem and New York
Yad Vashem, Jerusalem
YIVO, New York

Report on Cash Deposits and Disbursements for the IAEP Bank Account

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LOS ANGELES
MINNEAPOLIS
PHOENIX
SAN FRANCISCO
SEATTLE

November 24, 1999

Michael Bradfield, Counsel
Independent Association of Eminent Persons

Re: Report On Cash Deposits And Disbursements

Dear Mr. Bradfield:

We have applied the procedures set forth below to the accompanying Summary Analysis Of Account Activity in Bankers Trust AG Account Number 9060 ("the Account") for the period from May 23, 1997 – the date the account was established – to June 30, 1999 ("the Summary Analysis Of Account 9060 Activity"). We did so periodically over approximately two years and reported to you.

These procedures, which were agreed to by you, were performed solely to assist the Independent Association of Eminent Persons ("the Association") in determining whether cash deposited in, and cash disbursed from, the Account has been identified and properly reflected in the Summary Analysis Of Account 9060 Activity and that the activity in the Account represents the cash transactions of the Association in connection with the Association's Swiss Bank Investigation Matter in such period.

Privileged And Confidential

Prepared At The Request Of Counsel

Michael Bradfield, Esquire
Independent Association of Eminent Persons
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Procedures applied to the Account 9060 Activity for the period from May 23, 1997 to June 30, 1999 were:

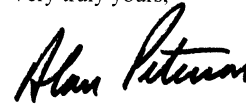
1. Obtained bank statements from Michael Bradfield, Counsel for the Independent Association of Eminent Persons, and Bankers Trust AG for Bankers Trust AG Account 9060.
2. Determined the clerical accuracy of the bank statements for Bankers Trust AG Account 9060.
3. Obtained a "Confirmation Of Business Relations" from Bankers Trust AG with regard to Account 9060 accompanied by a statement of transaction details for the May 23, 1997 to June 30, 1999 period. We compared this confirmation, and the transaction details, to the Bankers Trust AG bank statements we received from Michael Bradfield, Counsel for the Independent Association of Eminent Persons. We found that the Bankers Trust AG bank statements for Account 9060 we received from Michael Bradfield were an accurate representation of the Association's cash transactions with Bankers Trust AG for Account 9060.
4. Obtained positive confirmations from the payees (largely the accounting firms) of the amounts received and reconciled those amounts with the bank statements.
5. Obtained positive confirmations from the fifty funding banks, and other entities, of the amounts they paid to Account 9060 and reconciled those amounts with the bank statements, with the exception noted below (7a).
6. Obtained a confirmation from the Association that all of its cash transactions were made through Account 9060 and that the Account's only source of funds was from the various funding banks and other funding entities, with the exceptions noted below (7b, 7c).
7. Identified the following exceptions:
 - a. A confirmation for payments totaling SFr. 2,861,063 was not received from one bank.
 - b. Three transactions totaling SFr. 9,611,816, which should have gone through Account 9060, were instead paid directly by banks to accounting firms.
 - c. Two transactions totaling SFr. 4,010 were paid directly to Swiss hotels by a bank to settle hotel bills of an accounting firm's personnel.

Michael Bradfield, Esquire
Independent Association of Eminent Persons
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Based on the application of the procedures referred to above, and other than the exceptions noted, nothing came to our attention that caused us to believe: (1) that the accompanying Summary Analysis Of Account 9060 Activity does not properly reflect cash deposited in and disbursed from the Account for the period from May 23, 1997 to June 30, 1999; (2) that the Summary Analysis Of Account 9060 Activity does not reflect a reasonable accounting of the Association's cash transactions in connection with the Independent Association Of Eminent Persons Swiss Bank Investigation Matter; or (3) that the records provided to us were not adequate to perform these agreed upon procedures.

Those agreed-upon procedures are substantially less in scope than an audit or similar examination, the objective of which would be the expression of an opinion on the Summary Analysis Of Account 9060 Activity or the fairness of the presentation of third party financial statements. We do not express such an opinion on the Summary Analysis Of Account 9060 Activity presented here. We believe that the Agreed Upon Procedures here used were an appropriate approach to reviewing and reporting on the information contained in the Summary Analysis Of Account 9060 Activity and that it has not been necessary to conduct an audit.

Very truly yours,



Alan Peterson

Attachments

Summary Analysis Of Account Activity
Bankers Trust AG Account Number 9060
For The Period May 23, 1997 Through June 30, 1999 (1)
(All Amounts In Swiss Francs)

Schedule 1

	<u>Amount</u>
Beginning Balance, May 23, 1997	- 0 -
 Source Of Cash Deposited	
Contributing Banks	225,261,440
Other Entities	15,283,513
Credits From Accounting Firms	9,110
Interest On Fiduciary Deposits	<u>2,633</u>
Total Cash Deposited	<u>240,556,696</u>
 Payments For Professional Services And Credits	
Accounting Firms	(219,714,569)
Other Professional Services	(5,093,013)
Credits To Banks	(111,391)
Credits To Other Entities	<u>(400,000)</u>
Total Payments Made	<u>(225,318,973)</u>
Ending Balance, June 30, 1999	<u><u>15,237,723</u></u>

Note: (1) Amounts do not include "Direct Transactions" (i.e., certain transactions not made through Account 9060). See Schedule 2 for details.

Summary Of Direct Transactions (1)
For The Period May 23, 1997 Through June 30, 1999
(All Amounts In Swiss Francs)

Schedule 2

	Amount
Payment Of Bills By Banks To Accounting Firms	
May 29, 1998	9,336
August 12, 1998	8,899
April 1, 1999	9,593,581
Subtotal - Payment Of Bills By Banks To Accounting Firms	9,611,816
Payment Of Hotel Bills For An Accounting Firm's Personnel	
June 24, 1998	2,116
August 14, 1998	1,894
Subtotal - Payment Of Hotel Bills For An Accounting Firm's Personnel	4,010
Total Direct Payments	9,615,826

Note: (1) Certain transactions related to payments for work performed for the Association that were not made through Bankers Trust AG Account Number 9060.

List of Audit Firms

Andersen Worldwide S.C.
Arthur Andersen/London, England
Arthur Andersen AG/Zurich, Switzerland
Coopers & Lybrand/London, England
(a legacy firm of PricewaterhouseCoopers)
Coopers & Lybrand AG/Zurich, Switzerland
(a legacy firm of PricewaterhouseCoopers)
Coopers & Lybrand International
(a legacy firm of PricewaterhouseCoopers)
Deloitte & Touche/London, England
Deloitte & Touche Experta/Zurich, Switzerland
Deloitte Touche Tohmatsu
KPMG/London, England
KPMG Fides Peat AG/Zurich, Switzerland
KPMG International
Price Waterhouse
Price Waterhouse/London, England
(a legacy firm of PricewaterhouseCoopers)
Price Waterhouse AG/Zurich, Switzerland
(a legacy firm of PricewaterhouseCoopers)
PricewaterhouseCoopers (worldwide)
(a legacy firm of PricewaterhouseCoopers)
PricewaterhouseCoopers/London, England
PricewaterhouseCoopers AG/Zurich, Switzerland

Glossary

Account: Accounts, assets, or financial instruments of every kind, including, but not limited to cash, securities, art, jewelry, collectibles, gold, and other valuable metals, held by a Swiss bank in any form and under any legal regime, e.g., general deposits, special deposits, safety deposit boxes or other trust, custody, or funds management arrangements.

Accounts databases: Databases established by the audit firms at the banks under investigation and containing open accounts, suspended accounts, and closed accounts that were open in the Relevant Period, that have an unknown opening date, or that have an opening date prior to 1933 but an unknown closing date. See Annex 3, Part B (“The First and Second Phases of the Investigation – The Second Phase”) and Annex 4 (“Identification of Accounts Related to Victims of Nazi Persecution”).

Adjusted deposit-related liabilities: A re-grouping of deposit-related liabilities, by eliminating certain liability categories, namely: due to banks, liabilities due to reporting business, and secured bank notes.

Audit firms: Arthur Andersen, Coopers & Lybrand, Deloitte & Touche, KPMG, and Price Waterhouse are the five international audit and accounting firms that were selected by ICEP to carry out the forensic accounting investigations. See Appendix U.

Axis-occupied countries: Countries that were under the control of Axis-Powers during the Relevant Period. Axis-Controlled European countries are: Albania, Alsace-Lorraine, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bohemia and Moravia, Bosnia and Hercegovina, Bulgaria, Croatia, Czech Republic, Czechoslovakia, Denmark, Estonia, Finland, France, France - Metropolitan, Georgia, Germany, Greece, Holy See (Vatican City State), Hungary, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, The Former Yugoslav Republic of Macedonia, Republic of Moldova, Netherlands, Norway, Poland, Romania, San Marino, Slovakia (Slovak Republic), Soviet Socialist Republics, Uzbekistan, and Yugoslavia.

Bergier Commission: The Independent Commission of Experts: Switzerland – Second World War is a commission of Swiss academics and historians gathered with a remit to investigate the role of Switzerland during the Second World War, including its policy towards refugees in the context of economic and financial relations between Switzerland and the Axis and Allied powers. In addition, the Commission has a remit to investigate measures and actions taken by post-war Swiss governments and Swiss authorities to ascertain the volume and type of unclaimed assets and restore them to their rightful heirs. The Swiss Government established the commission in December 1996. See Annex 6 (“Intermediaries and Looted Assets”) and Appendices F and K.

Large commercial banks: Credit Suisse Group, Swiss Bank Corporation, and Union Bank of Switzerland. In 1998, the last two banks merged to form UBS AG.

Claims Resolution Tribunal for Dormant Accounts in Switzerland: An arbitral tribunal established by the Independent Claims Resolution Foundation and assigned to arbitrate claims between victims and the Swiss banks. See Annex 8 (“The Claims Resolution Tribunal for Dormant Accounts in Switzerland”).

Current account: An account providing instant access to funds. Often a checking account with a fluctuating balance held for liquidity, not investment, and typically providing minimal or no interest on balances held.

Custody account: An account held by a custodian for an institution or an individual. The bank holds the customer’s property in safekeeping, as provided by a written agreement, and collects dividends. The bank may also manage the account under a mandate or accept client instructions in relation thereto. Note that the value of a custody account is not reflected in the balance sheet of the bank; for this reason a custody account is considered an “off-balance-sheet” account. This definition excludes safe deposit boxes.

Decisions Memorandum: ICEP's Decision on Completion and Focusing the Forensic Accounting Investigation of January 27, 1999 refined the methodologies of the investigation to focus the resources of the audit firms on activities that would fulfill the goals of the Second Phase Mandate. ICEP set firm goals for completing the various stages of the investigative process and more clearly focused the matching and research. See Annex 3, Part B and Appendix P.

Demand deposit: See current account.

Deposit account: An account held to provide an interest return on sums held. Often holding relatively fixed sums, with few movements in balance, access to balances on deposit accounts may be restricted or time-delimited.

Deposit-related liabilities: Deposit-related liabilities include amounts due to banks (on demand and on time), liabilities due to reporting business, demand checking deposits and other demand liabilities, time deposits, savings accounts, deposit and passbook savings accounts, certificates of deposit, medium-term bank notes, and secured bank notes.

Depot account: See custody account.

Domestic accounts: These accounts are defined as accounts held by Swiss nationals or account holders classified as having permanent Swiss addresses and domiciled in Switzerland during the Relevant Period. See Appendix Q.

Dormant accounts: Those accounts with respect to which there have been no withdrawals or additions by, and no correspondence or other contacts with the account holders or their representatives or with the beneficiaries since at least the end of 1945 as well as accounts that should have been dormant as described above but for the fact that the funds in the account are unavailable for reasons other than their return to the original depositors or their legal representatives.

First Phase: The period from November 1996 to January 1998.

First Phase Mandate: The audit firm mandate and instructions by ICEP to the audit firms of November 19, 1996. See Appendix E.

Foreign accounts: Accounts of persons (a) holding numbered or hold-mail accounts, or (b) of foreign nationality, or (c) of unknown nationality and foreign domicile and residence, or (d) holding accounts linked to an account defined in a - c, or (e) of Swiss nationality having a domicile or residence in an

Axis or Axis occupied country during the Relevant Period, or (f) of unknown nationality and unknown or Swiss domicile or residence. See Appendix Q.

German Asset Freeze: Freezing of all assets of Germans that lived in Germany by a Swiss Federal Decree. The freeze commenced on February 16, 1945. All payments that were made by persons domiciled in Switzerland directly or indirectly to persons with domicile, residence, or place of actual control in Germany or German-occupied territory could only take place by payment to the Swiss National Bank and, *vice versa*, persons in Switzerland could only accept payments from persons in Germany with the SNB's consent. The banks were therefore obligated to verify the identity of their customers. If the bank was either unable to do this, or if there was any doubt as to the ownership of assets, then the assets had to be frozen. A Swiss Government ruling of May 29, 1945 set out that all German assets in Switzerland had to be reported to the Swiss Compensation Office. See Annex 5, Exhibit A.

Guidelines: The Guidelines for the ICEP Audit Firms for Completion of the Forensic Accounting Investigation of February 18, 1999 were issued pursuant to ICEP's Decisions Memorandum of January 27, 1999. They direct an increased focus on foreign accounts for the purpose of matching and research. See Appendix Q.

Historical research database: A database that was prepared in the First Phase and that accumulates the results of information gathered from various sources including government documents, books, articles, the Internet, dissertations or other academic works, transcripts, court documents and other primary and secondary sources relevant to the investigation of Swiss banks per the instructions set forth by the IAEP in the First Phase Mandate. Information accumulated in the database includes data regarding depositors, movement of assets, intermediaries, bank practices, bank schemes, location of wealth, and Swiss or cantonal law.

Hold mail: A service provided by the bank whereby no correspondence is sent to the customer. The customer visits the bank to collect or inspect mail. Upon each visit the customer signs a log to confirm that the mail has been seen or collected.

IAEP: The Independent Association of Eminent Persons (IAEP) is a legal entity registered in Switzerland as an Association with an office in Geneva. IAEP was established for the purpose of administering and monitoring the work described in the First and Second Phase Mandates. The IAEP is comprised of the same members as ICEP.

ICEP: The Independent Committee of Eminent Persons (ICEP) was established by a Memorandum of Understanding of May 2, 1996. See Appendix A.

Intermediary: An intermediary, sometimes referred to as a customer's representative, was generally an individual acting on behalf of the beneficial owner of an account for the purpose of protecting the anonymity of the beneficial owner. Intermediaries were often Swiss citizens and were often professional advisors, such as lawyers, accountants and asset managers. See Annex 6.

Matched account: An account that has at least one account holder that matched to one of the third party databases of victims' and claimants' names, which was used by the audit firms to identify accounts with probable or possible relationships to victims of Nazi persecution. See Annex 3, Part B.

Matching: The comparison of computer databases of account holders' names with the names of victims of Nazi persecution obtained from third-party sources. See Annex 3, Part B.

Off-balance-sheet customer liabilities: Assets belonging to the customer that the bank managed or took care of on the customer's behalf. These assets, which, for example, may include safe deposit boxes and custody accounts, do not appear on the balance sheet, or anywhere else within the financial statements, of the bank. Rather, they are tracked through internal reports. An example of an off-balance-sheet account is a custody account.

Omnibus account: See suspense account.

On-balance-sheet customer liabilities: Assets belonging to the customer (liabilities of the bank) disclosed on the balance sheet of the bank, including for example, demand deposits, time deposits, savings accounts and savings passbooks, and deposit accounts and deposit passbooks.

Passbook: Book issued by a bank in the name of the saver or depositor or issued as a bearer passbook in which the bank enters customer deposits and withdrawals.

Prescription: The process whereby an account is either closed as defined in a bank's regulations or becomes statute-barred as set out in the Swiss Code of Obligations.

Relevant Period: The period from January 1, 1933 to December 31, 1945.

Second Phase: The period from January 1998 to the conclusion of the investigation.

Second Phase Mandate: The instructions to the audit firms for the Second Phase. See Annex 3, Part B and Appendix J.

SFr.: Swiss franc.

Suspense account: An omnibus account into which individual accounts are placed for collective management, usually for the purpose of reducing administrative costs. In Swiss banks in the Relevant Period and after, suspense accounts were generally not assessed fees or other charges but did not earn interest.

Swiss Bankers Association: The Swiss Bankers Association (*Schweizerische Bankiervereinigung*) is a voluntary association of Switzerland's banks. It has 405 banks members and has the dual role of a traditional trade association and that of a self-regulatory organization. In its capacity as a trade association, the SBA advises its members on significant legal and regulatory developments in Switzerland and abroad, administers testing programs, and functions as the domestic and international spokesman for its members. In its capacity as a self-regulatory organization, the SBA cooperates closely with the Swiss Federal Banking Commission and the Swiss National Bank in implementing specific policies and procedures for its members to follow.

Swiss Banking Ombudsman: The Swiss Banking Ombudsman is a banking ombudsman with a remit to investigate complaints against banks by individuals or entities. The SBA assigned the SBO the role of providing a contact point for people searching for dormant accounts.

Swiss Compensation Office: The Swiss Compensation Office (*Schweizerische Verrechnungsstelle*) (SCO) took over from the Swiss National Bank the responsibility of monitoring Swiss transactions with foreign countries in 1934. After World War II, it was involved in the registration and liquidation of German assets in Switzerland under the terms of the Washington Agreement. It also monitored the certification of Swiss assets in the United States. The SCO was founded in 1934 and closed in 1978.

Temporary Swiss address: A designation used for accounts with no nationality information available and merely a temporary address in Switzerland. Examples include a hotel, a post office box, a train station, a bank branch, or a Swiss city or town with no street address. The following 11 locations have been identified during the investigation as having "Temporary Swiss Address" status: Zurich, Basel, Geneva, Schaffhausen, Bern, Davos, Kreuzlingen, Lausanne, Lucerne, Lugano, and St. Gallen. Accounts with this status are considered foreign according to the Guidelines. See Appendix Q.

Third party databases: Databases of victims' and claimants names used by the audit firms for the purpose of matching. The largest contributions have come from Yad Vashem, the Holocaust Memorial in Israel, and from the Holocaust Museum in Washington, D.C. See Annex 3, Part B.

Victim of Nazi persecution: In the past, this term has been narrowly construed so as to act as a barrier to a complete and just evaluation of the scope of the dormant account issue. The term is to be construed broadly to cover all persons fairly within this concept. For example, in the past this term was used to exclude persons who had died of disease, and included only those persons, or categories of persons, who had died of

direct Nazi violence. To assure that this term is as understood by IAEP, the audit Firms were directed to bring to the attention of the IAEP any doubtful categories of cases of inclusion or exclusion of people who deposited funds during the Relevant Period whose accounts have been closed or are dormant. See Appendix E.

Yad Vashem: Established in 1953, Yad Vashem the Holocaust Memorial in Israel has an archive on the Holocaust that contains more than 50 million pages of documents and hundreds of thousands of photographs and films. Yad Vashem was the source of a third party database. See Annex 3, Part B.

Abbreviations and Special Terms

Bergier Commission	Independent Commission of Experts: Switzerland - Second World War
CRT (the “Tribunal”)	Claims Resolution Tribunal for Dormant Accounts in Switzerland
FAI	Forensic accounting investigation
First Phase	November 1996 through January 1997
IAEP (the “Association”)	Independent Association of Eminent Persons
ICEP (the “Committee”)	Independent Committee of Eminent Persons
ICRF (the “Foundation”)	Independent Claims Resolution Foundation
MOU	Memorandum of Understanding of May 2, 1996
Relevant Period	January 1, 1933 to December 31, 1945
SBA	Swiss Bankers Association
SBC	Swiss Bank Corporation, a predecessor bank of UBS AG
SBO	Swiss Banking Ombudsman
SCO	Swiss Compensation Office
Second Phase	February 1997 through present
SFBC	Swiss Federal Banking Commission
SNB	Swiss National Bank (Switzerland’s central bank)
UBS	Union Bank of Switzerland, a predecessor bank of UBS AG
WJC	World Jewish Congress
WJRO	World Jewish Restitution Organization