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SUBJECT: HOLOCAUST-ERA ASSETS: SWISS WEEKLY SUMMARY

REF: 97 BERN 6114

1. (U) FOLLOWING IS THE SUMMARY OF ISSUES AND EVENTS RELATED TO HOLOCAUST-ERA ASSETS/NAZI GOLD FOR THE WEEK ENDING JANUARY 9.

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SUMMARY

2. (U) AFTER A HOLIDAY BREAK, THE WORLD JEWISH CONGRESS AND SWISS OFFICIALS BEGAN ONCE AGAIN TO AIR THEIR DIFFERENCES IN PUBLIC. AT ISSUE THIS TIME WERE REMARKS BY INCOMING PRESIDENT COTTI WHICH A WJC VICE PRESIDENT COMPARED TO COMMENTS MADE BY FORMER AUSTRIAN PRESIDENT **KURT WALDHEIM**. IN A JANUARY 8 SPEECH, TASK FORCE HEAD THOMAS BORER REITERATED HIS DOUBTS ABOUT THE SWISS GOVERNMENT'S PARTICIPATION IN A GLOBAL SETTLEMENT. END SUMMARY.

WJC AND SWISS GO AT IT AGAIN

3. (U) ALTHOUGH AN END-OF-YEAR INTERVIEW WITH ISRAEL SINGER HAD GIVEN MANY HOPE THAT THE LONGSTANDING PUBLIC FEUD BETWEEN THE WORLD JEWISH CONGRESS AND SWISS OFFICIALS MIGHT BE OVER (REFTEL), THE APPARENT TRUCE PROVED SHORT-LIVED AS THE TWO SIDES TANGLED OVER REMARKS MADE BY INCOMING PRESIDENT COTTI. IN AN INTERVIEW WITH A SWISS NEWSPAPER, COTTI HAD EXPRESSED UNDERSTANDING FOR THE ANGER AND FRUSTRATION MANY SWISS FEEL OVER THE ATTACKS ON THE COUNTRY IN CONNECTION WITH THE NAZI GOLD/HOLOCAUST-ERA ASSETS ISSUE. HE ALSO REPORTEDLY STATED THAT MANY OF THESE ATTACKS ORIGINATED IN "LIMITED GEOGRAPHIC AREAS, FOR EXAMPLE THE EAST COAST OF THE UNITED STATES, AND IN PARTICULAR NEW YORK." WJC VICE PRESIDENT KALMAN SULTANIK INDICATED THAT HE WAS "PAINED AND STUNNED" BY COTTI'S REMARKS AND SAID THAT THEY WERE "WORD FOR WORD THE SAME LANGUAGE USED BY **KURT WALDHEIM**, THE FORMER NAZI INTELLIGENCE OFFICER AND EX-PRESIDENT OF AUSTRIA."

4. (U) SULTANIK'S COMPARISON OF COTTI AND WALDHEIM BROUGHT A SWIFT NEGATIVE REACTION FROM SWISS OFFICIALS. TASK FORCE HEAD THOMAS BORER REQUESTED AN "IMMEDIATE EXPLANATION" FROM THE WJC. THE HONORARY HEAD OF THE ZURICH JEWISH COMMUNITY, SIGI FEIGEL, DEMANDED AN APOLOGY FROM WJC PRESIDENT EDGAR BRONFMAN AND SUGGESTED THAT THE SWISS GOVERNMENT SUSPEND CONTACT WITH THE WJC. EVEN THE ISRAELI AMBASSADOR TO SWITZERLAND, YITZCHAK MAYER, NOTED THAT THE COMPARISON OF COTTI AND WALDHEIM WAS "UNTENABLE" AND OPINED THAT THE WJC HAD "REACTED WRONGLY."

BORER SKEPTICAL ABOUT "GLOBAL" CLOSURE

5. (U) IN A JANUARY 8 SPEECH IN BASEL, TASK FORCE HEAD BORER PRAISED THE EFFORTS OF U/S EIZENSTAT IN BRINGING TOGETHER ATTORNEYS FOR BOTH SIDES IN THE U.S. CLASS ACTION LAWSUIT AGAINST SWISS BANKS, BUT VOICED SKEPTICISM ABOUT THE SWISS

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GOVERNMENT'S PARTICIPATION IN ANY GLOBAL "CLOSURE." WHILE HE NOTED THAT A DEFINITIVE SETTLEMENT OF THE LAWSUIT MIGHT BE POSSIBLE, BORER QUESTIONED WHETHER ANYONE COULD GUARANTEE IN THE FUTURE THAT THERE WILL NOT BE FURTHER DEMANDS PLACED ON SWITZERLAND IN CONNECTION WITH THIS ISSUE. HE ALSO SUGGESTED THAT THE BASIS FOR SUCH A GLOBAL SETTLEMENT COULD BE QUESTIONED IN THE FUTURE AND THAT IT MIGHT BE SEEN AS AN ADMISSION OF GUILT. THERE IS NO MAGIC SOLUTION WHICH WILL MAKE THIS ISSUE DISAPPEAR, HE WARNED. INSTEAD, SWITZERLAND MUST CONTINUE ON THE PATH IT HAS CHOSEN.

D'AMATO ON LOOTED ASSETS IN SWITZERLAND  
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6. (U) SENATOR D'AMATO CAPTURED HEADLINES IN SWITZERLAND AGAIN WITH A LETTER TO PROFESSOR BERGIER, THE HEAD OF THE SWISS INDEPENDENT HISTORICAL COMMISSION, REQUESTING AN INVESTIGATION BASED ON A DOCUMENT DISCOVERED IN THE SWISS ARCHIVES. THE DOCUMENT REPORTEDLY PROVIDES FURTHER EVIDENCE REGARDING THE TRANSFER OF ASSETS ON BEHALF OF NAZI OFFICIALS TO SWITZERLAND AT THE END OF THE WAR. THE ASSETS MAY HAVE BELONGED ORIGINALLY TO HOLOCAUST VICTIMS. IN HIS RESPONSE, PROFESSOR BERGIER NOTED THAT IT WOULD BE PREFERABLE IN THE FUTURE TO RECEIVE MESSAGES DIRECTLY FROM THE SENATOR BEFORE THEY REACH THE PRESS. ACCORDING TO BERGIER, THE DOCUMENT IN QUESTION "IS INDEED ONE OF MAJOR IMPORTANCE," BUT WAS ALREADY KNOWN TO THE COMMISSION ALONG WITH OTHER RELATED DOCUMENTS. HE ASSURED SENATOR D'AMATO THAT ONE OF THE TOPICS THE COMMISSION HAS BEEN ADDRESSING FROM THE OUTSET IS THE ISSUE OF NAZI FLIGHT CAPITAL WHICH EITHER TRANSITED OR ENDED UP IN SWITZERLAND. BERGIER CONCLUDED BY WISHING THE SENATOR SUCCESS IN HIS REELECTION CAMPAIGN.

STOLEN ART IN SWITZERLAND  
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7. (U) THE CONTROVERSY REGARDING CLAIMS TO ART WORKS FROM THE EGON SCHIELE EXHIBITION IN NEW YORK HAS REAWAKENED CONCERNS IN SWITZERLAND ABOUT THE ORIGINS OF SOME OF THE COUNTRY'S ART COLLECTIONS. SINCE LAST FEBRUARY, ROUGHLY TEN HISTORIANS AND LAWYERS HAVE BEEN ENGAGED BY THE FEDERAL OFFICE FOR CULTURE TO EXAMINE THE ORIGINS OF THE ART TREASURES BELONGING TO THE CONFEDERATION, STATE MUSEUMS AND STATE LIBRARIES. IN PARTICULAR, THE EXPERTS ARE CHARGED WITH EXAMINING WHETHER ART WORKS WERE OBTAINED AT A "FAIR PRICE."

FORCED LABOR CAMPS IN SWITZERLAND  
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8. (U) A BRITISH TELEVISION DOCUMENTARY AND COMMENTS BY ATTORNEY ED FAGAN HAVE RAISED QUESTIONS ABOUT SWISS CAMPS FOR JEWISH REFUGEES DURING THE SECOND WORLD WAR. ACCORDING TO FAGAN, WHO IS ONE OF THE ATTORNEYS INVOLVED IN THE CLASS ACTION LAWSUIT AGAINST SWISS BANKS, "THE SWISS DID NOT PLACE THE REFUGEES IN INTERNMENT CAMPS BUT IN CONCENTRATION WORK CAMPS." HE REPORTEDLY HINTED AT THE POSSIBILITY OF A NEW LAWSUIT AGAINST THE SWISS GOVERNMENT ON BEHALF OF CAMP SURVIVORS. A SWISS EXPERT ON THE ISSUE, HOWEVER, REJECTED ANY ANALOGY BETWEEN THE SWISS REFUGEE CAMPS AND NAZI CONCENTRATION CAMPS. FOR ONE THING, THE SWISS CAMPS WERE OPEN AND PEOPLE WERE FREE TO COME AND GO. A SPOKESPERSON FOR THE SWISS TASK FORCE QUESTIONED WHY ANY REFUGEE WHO SURVIVED THE WAR THANKS TO SWITZERLAND WOULD FIFTY YEARS LATER FILE CLAIMS AGAINST THE SWISS GOVERNMENT. KUNIN

ADMIN  
END OF MESSAGE

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