

COQ 25002

STATEMENT OF MARTHA NIERENBERG
TO THE
COMMITTEE ON BANKING AND FINANCIAL SERVICES
OF THE
UNITED STATES HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2000

Good afternoon, Mr. Chairman, Mr. LaFalce, and other members.

I am Martha Nierenberg. I am here to tell you of my quest, so far unfulfilled, to recover my family's heirlooms lost as a result of the Holocaust. Among those heirlooms are ten paintings now in the possession of two state-owned Hungarian museums and exhibited by them as part of the "Herzog Collection." These ten paintings include works by Anthonis van Dyck, Lucas Cranach, Gustave Courbet and Mihaly Munkacsy.

The Herzog Collection was assembled by my grandfather, Baron Mor Lipot Herzog, a banker in pre-War Budapest, Hungary. My grandfather selected and purchased the art in this collection before his death in 1934. The Herzog Collection was inherited by my mother, Erzsebet, or Elizabeth, Herzog Weiss de Csepel, and her two brothers, Istvan and Andras Herzog.

This was a large collection, containing hundreds of items, including paintings by Old Masters as well as modern works by Renoir, Monet and other impressionists. It also contained one of the largest private collections of paintings by El Greco. My mother and uncles divided the collection among them.

Unfortunately, World War II began with Hungary among the Axis Powers. Just as in Germany, laws against Jews and people of Jewish origin were gradually passed, requiring their property to be sequestered and catalogued. However, the situation for Hungarian Jews and people of Jewish origin did not become truly desperate until March

1944 when the Germans occupied Hungary. Adolf Eichmann was delegated to the country for the explicit purpose of exterminating all Hungarian Jews and persons of Jewish origin. Eichmann personally led the Waffen SS efforts to exterminate the Jews from Budapest. Some 600,000 Jews were deported from Hungary, and many went to their deaths. My uncle, Andras, was placed in a forced labor unit and did not survive the War. We do not know how he died, but it certainly was the result of the Holocaust.

My mother and father, along with many others, sought to save their art works from the Nazis. The Herzog collection was mainly hidden in the cellar of one of my father's family's industrial factories. Despite my parents' efforts to prevent the looting of their art, the Nazis found the hiding place and took the art to the Majestic Hotel, Eichmann's headquarters, for his inspection. Eichmann shipped much of the looted Herzog collection to Germany.

Fearing for our lives, my father's family agreed to a Nazi plan to lease my father's factories and equipment for a period of twenty-five years. If my father's family would agree to this lease, the Nazis would allow us to escape to the West. That is what happened in May 1944. My mother and I, together with my siblings, made it to Portugal, while my father stayed behind in Austria as a hostage.

In Portugal, I came to the attention of the American Ambassador, Mr. Samuel Baruch, because I played competitive tennis. He urged me to go to America, which I did on December 27, 1946. I went on to do graduate study at Harvard, to work, and eventually to marry and have four children and ten grandchildren. My mother, sister and two brothers came to America a little later. My father eventually joined us, and my immediate family was reunited. We all became naturalized U.S. citizens. My mother

who had been trained as a psychiatrist in Budapest, and who had studied in Vienna with Anna Freud, was re-licensed and practiced in New York for many years. When she died in 1992, I inherited that portion of the Herzog Collection she had inherited from her father, Baron Herzog.

I fondly remembered the Herzog paintings from my grandfather's house and my own family's home. Until the fall of the Berlin Wall, and the transformation of the former East Bloc countries, little if any information could be obtained about the state of the Herzog Collection or other looted properties. For this reason, and because my family had left Hungary, I was unaware of what had become of the lost Herzog Collection.

With the opening of Hungary to the West, and the rise of a democratic regime in Budapest, we made inquiries. We learned that many pieces of the Herzog Collection, both those I owned as well as ones inherited by my cousins, were being openly exhibited as the "Herzog Collection" in two museums in Budapest -- the Museum of Fine Arts and the National Museum. These paintings, while taken to Germany during the War, were shipped back to Hungary in 1946 and 1947 by American forces. The Hungarian museums then received the paintings but only for the express purpose of safeguarding them until their owners could be identified and located.

In September 1995, I retained counsel and approached the museums and the government about rectifying this situation and returning my paintings to me. There followed many months of negotiations, and in April 1996, I personally traveled to Budapest to meet with the Minister of Education and Culture and his assistant. This resulted in the creation of a so-called "Experts Committee" to determine the ownership of these paintings. The Experts Committee met several times over another long period and

concluded that I did indeed own these paintings. Based on the Experts Committee's findings, we made a friendly proposal to resolve all issues.

Unfortunately, then a new government came into power and was unwilling to continue this process. They apparently believed they could not support anything done by the prior government. The new government suggested we start the negotiation and Experts Committee process over from the beginning. The new government expressed no interest in negotiating on the basis of the proposal we had made.

Due to the endless delays and numerous broken promises, we felt there was no choice but to commence a lawsuit in the Hungarian courts, which we did in October 1999 with the assistance of the Commission for Art Recovery. By that point, we had been in contact with the Hungarian authorities for almost four years, and there had been no progress. These delays are significant in part because of my age. As the Hungarians continue to delay, it seems to me they expect there will be a point at which I will no longer be able to pursue my claims.

Since we believe Hungarian law clearly supports my right to possession of the paintings, litigation in Hungary was a logical decision. I am told that a lawsuit in the United States was virtually impossible and may well have involved months or years of litigation over jurisdiction, venue, sovereign immunity and other preliminary matters. We hoped that suing in Hungary would lead to a decision on the basic issue -- my ownership rights -- more quickly than in the United States, where the merits of the case might never be heard at all.

However, the Hungarian government continues to delay. The defendants have asserted several, minor procedural defenses and have not yet stated in court their position

on the basic elements of my case. For example, they are raising formal, petty and invalid arguments about authentication of a U.S. affidavit. They also formally raised an objection because my late brother's estate was not a party to this lawsuit, ignoring the fact that his will left all his rights to the art to me. Finally, the Hungarian government is asking the Court to impose a cost deposit requirement on me as a non-Hungarian litigant, although the government knows I am a Hungarian citizen in addition to being a U.S. citizen. If the cost deposit were imposed, I would be required to pay the Hungarian court several hundred thousand dollars to secure a claim by the government for legal fees. I believe the government is just trying to scare me away, but it will not work. However, most claimants of looted art in Hungary must deposit large sums before asking the court to decide their case.

Mr. Chairman, I am determined to do everything I can to obtain justice and recover my family's legacy. I would hope that a country clearly wishing to be a part of the West -- Hungary is a member of NATO and is seeking membership in the European Union -- would deal with the merits of claims such as mine for recovery of Holocaust Art rather than engaging in old, tired bureaucratic games. The Hungarian government should do what is right -- it should accept the conclusion of its own Experts Committee, acknowledge my ownership rights and negotiate an end to the lawsuit.

Yet this lawsuit is not just about me and my family's legacy but also about broader principles of right and wrong. The Hungarian government should do what is right for all owners and heirs of looted art. It should begin by acknowledging that it controls an unknown number of fine art pieces that were stolen from Jews and people of Jewish origin. It should make a serious and renewed effort to identify those artworks and

return them to their rightful owners. It should also provide a clear, short, workable process for all others who may wish to assert art claims -- a process that doesn't require hiring lawyers or posting hundreds of thousands of dollars in bonds.

Instead, the Hungarian government has done everything it could to make it impractical or impossible for me to recover my paintings. My attorneys have pressed my claims both through diplomatic channels and the lawsuit, but the response from the Hungarian government has been uniformly discouraging. Hungary's position is remarkable in that it differs from that taken by many other European countries which have faced the issue of returning looted Holocaust art. Germany, for example, has renewed its work on the principle that looted art must be returned. France, in recent years, has made exhaustive efforts to examine its museums and archives to determine what objects were stolen during World War II. Even the Russian Federation has passed laws recognizing victims of Nazi persecution. Hungary, however, continues to benefit from the horror involved in the exploitation of property stolen from Jews and people of Jewish origin during World War II. In effect, they are ratifying Eichmann's actions. My hope is that Congress and this Administration would intervene in Hungary and advise the government in the strongest terms that its prize collections cannot be founded upon stolen art.

Thank you.