

May 28, 2012

The Austrian Holocaust Property Loss "Haircut"

Dear Distinguished Member of Parliament,

The Greek debt crisis has resulted in a restructuring of Greece's sovereign debt. Current estimates are that this restructuring entails a "haircut" amounting to some 75%. As a result the credit ratings agencies downgraded Greece's sovereign debt to near-default values (Standard & Poor's – "selective default", Fitch – "restricted default", Moody's – "Ca").

The European Union has acknowledged Greece's economic woes and extends substantial financial assistance, to help Greece cope with these difficulties.

At the same time Austria has imposed a **95%** "haircut" on compensation it owes for Holocaust era property losses, which the Jewish population sustained under Nazi rule. For example - when damages of €50,000 were acknowledged by the Austrian General Settlement Fund's Claims Committee (which used very strict criteria, despite announcing relaxed standards of proof), the compensation amounted on average to €7,000 (14%). However our research has revealed that the sums were revalued to the present with no real interest, despite the passage of 70 years. Adding a minimal rate of real interest raises the equitable compensation to over €100,000 and thus produces a 95% "haircut".

We believe that Austria, being one of the four wealthy FANG countries, is better situated to honor its sovereign debt than Greece and is in no position to implement a bigger "haircut", especially when taking into account that it is imposing it on Holocaust survivors and their heirs.

Over 20,000 applicants stand appalled versus the unwillingness of Austria to amend this indefensible outcome.

Other European countries compensated Holocaust era property loss in entirety, despite their looser association with Nazi Germany.

On January 9, 2012, we met with the Austrian ambassador in Israel, Mr. Franz Josef Kuglitsch and explained our reservations concerning the Austrian property loss compensation scheme and our financial demands. Upon our enquiry about the response from Vienna, we received the reply: "Naturally we could not promise you a reply and, indeed, have not held out the prospect of a reply".

Best regards,

The Committee for Equitable Holocaust Property Loss Compensation from Austria

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