

Volcker to lead holocaust cash hunt: [London edition]

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Full Text

Mr Paul Volcker, former chairman of the US Federal Reserve, is expected to be appointed chairman of the international committee to investigate how much money due to victims of the Jewish holocaust is still hidden in Swiss bank vaults.

The appointment of one of the world's most respected central bankers comes amid growing concerns that there is much more money in dormant Swiss bank accounts opened between 1933 and 1946 than the Swiss banks admit.

During this period, many German Jews opened Swiss bank accounts to safeguard their wealth, fearful of the rise of Nazism. Many of the account holders died in the holocaust.

Mr Greville Janner, a British MP and chairman of the Holocaust Education Trust, released documents at the weekend indicating that allied governments were aware that the Nazis had deposited substantial amounts of looted gold in Swiss bank accounts.

Under an agreement dated May 25 1946 the allies agreed to waive further claims against the Swiss government and the Swiss National Bank in return for payment of \$60m to help pay for the reconstruction of Europe.

The Swiss banks argued they were helping to protect Jewish depositors, but many Jews suspect the Swiss banks collaborated with the Nazis.

The problem of identifying the Jewish account holders has been complicated because most of the money was deposited in numbered accounts whose ownership was known only to the people who died. Swiss banks have made attempts to clarify the situation over the years and have long argued that the sums involved are relatively small.

But recently the Swiss banks have become concerned that their desire to expand globally could be harmed by growing suspicion in the US and Israel that they have not been truthful about these accounts.

There had been fears that Jewish organisations might support a boycott of Swiss banks unless they made more efforts to co-operate in the search for money due to holocaust victims.

In May the Swiss bankers' association and leading Jewish organisations signed an agreement in an attempt to sort out once and for all how much money due to victims of the holocaust was hidden in Swiss banks. Progress has been delayed, partly because of uncertainty about membership of the seven-strong committee following the Israeli elections.

It has also taken longer than expected to find a chairman acceptable to both sides. Lord Howe, the former British foreign secretary and a noted lawyer, was one of several leading names canvassed. Copyright Financial Times Limited 1996. All Rights Reserved.

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