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The legacy of Nazi-expropriation in Austria: the impact of the Historical Commission on research and restitution

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I.

Let me start with a short look back to December 1997: The New York Times¹ accused the Austrian art collector Rudolf Leopold of having at least four pictures with a "difficult history" in his famous Schiele Collection. Before 1938 these works of art were owned by people later expelled by the Nazis. Leopold repudiated these accusations but even now one of these pictures – "Bildnis Wally" – remains confiscated as the subject of a lawsuit.

This article in the "New York Times" fuelled **extensive discussion on restitution and compensation** in Austria. In February 1998, a **commission for research** on the provenance of works of art belonging to the Republic of Austria and stored in public museums was established. Shortly thereafter, in October 1998, the **Historical Commission of the Republic of Austria**, in short Historical Commission, was constituted.

What were the underlying developments and motives for these moves?

 A paradigm shift not only in Austria, but also on the international level: commissions, research- and working groups were established all over Europe and in the United States, dealing with issues such as dormant bank accounts in Switzerland or compensation for forced labour in Germany.

Judith H. Dobrzynski: The zealous collector. A special report; A Singular Passion For Amassing Art, One Way or Another. In: New York Times, 24 December 1997.

- Most importantly, a change of the general attitude towards dealing with the Nazi period in Austria. It had been growing since the "Waldheim years", at least within the intellectual community and parts of the political establishment and especially among the younger generation. It seems now largely accepted that although Austria as a state did not exist between 1938 and 1945, it nevertheless bears moral responsibility for the crimes committed by so many Austrians.
- With this change in attitude grew the awareness that previous efforts in the field of restitution and/or compensation were often half-hearted, late and inconsistent. E.g. the poorest surviving victims were frequently neglected as their often very modest property had not been formally "aryanised". They didn't get compensation if they had taken foreign citizenship and had not come back to lodge claims, which many had not been able to do due to lack of resources.
- Progress in contemporary historical research, including improved access to archives, has made it possible to shed new light on the complexity of expropriation during the Third Reich. Other Nazi crimes had long dominated the academic as well as the public debate. This aspect had so far not been at the centre of international research.
- A noticeable **change within the Austrian Jewish Community** in recent years. The older generation had, for understandable reasons, largely abstained from effective demands above all for fear of the notorious anti-Semitism in Austria. The second and third generations after the Shoah, while aware of this danger of anti-Semitism, are not intimidated or discouraged by it.
- Last but not least, other formerly persecuted groups for instance the Roma and Sinti, or homosexuals – had developed enough selfconfidence to demand their own restitution and compensation.

The **mandate of the Historical Commission** was formally appointed by the Austrian government in October 1998, its mandate included: Independent expert research and reporting

- about the entire complex of looting of property in the territory of the Republic of Austria under the Nazi regime
- and on restitution and/or compensation (including economic and social benefits) by the Republic of Austria after 1945.

The commission consisted of six members; I had the honour to be appointed as its chairman.

With the submission, on January 24, 2003, of the **final report**, a summary of the Commission's findings and evaluations, to the government, the parliament and to the public, the Historical Commission concluded its task. After four years of research a series of 54 volumes was produced containing the results of the many individual research projects and expert reports to which 160 researchers had contributed in 47 projects.

It is not possible to list here such a multitude of research. Regarding the looting of property the commission tried to analyse all variations of Nazi activities from formal legislation to individual crimes. The commission tried to present economical damage in all its dimensions from the "arianysation" of big enterprises to the loss of small appartments, from slave labour to looted moveable property. It became clear that the Nazi system was "organised crime" on an extremely large scale. The commission did not focus on Jews alone but also on other persecuted groups like political opponents, minorities, homosexuals, forced labourers, euthanasia victims and even the church. The research on postwar activities consisted of a critical review of the main legal acts of restitution and compensation with a view to the praxis of courts and administrative authorities, completed by a number of special studies concerning social security and tax law, acts on citizenship etc. It was a main principle of the commission to follow a multidisciplinary approach combining historical research with legal and sometimes economic expertise. Quite often the Commission had to deal with missing or destroyed ("skartierte") files, sometimes the research teams made surprising finds in forgotten archives and dusty cellars.

II.

The **paradigm shift** towards the end of the 90s was not exhausted by such intellectual activities. Partly on the basis of the work of the Historical Com-

mission and other new research, **legislative measures** were taken leading to **concrete acts** of compensation and restitution.

Already in 1995, the "National Fund of the Republic of Austria for Victims of National Socialism" had been established by law. The Austrian Parliament thus acknowledged the moral duty towards victims of National Socialism, connected with a token payment. Since then benefits from this Fund have been paid to approximately 30,000 people. Today the Fund also supports Holocaust research and remembrance projects.

In 2000, the "Reconciliation Fund Act" was passed. It was based on the interim reports of the Historical Commission on forced and slave labour in the territory of the Republic of Austria during the Nazi period. It can thus be counted among the impacts of the Historical Commission. Until the end of 2003, payments worth approximately 350 million Euros were made from this Fund to former forced labourers, mainly in Eastern Europe. The unclaimed remaining sum of about 23 million Euros was rededicated in 2005 for the establishment of a "future fund". The purpose of this further Fund is the "promotion of projects that serve the interests and the commemoration of the victims of the National Socialist regime, as a reminder of the threat of totalitarian systems and despotism, as well as international cooperation; and to contribute to the promotion of respect for human rights and mutual tolerance in these areas, as well as the promotion of scholarly work on these topics". Thus, the scope of the "future fund" extends beyond the context of Nazi despotism. This future fund supported e.g. a project concerning the biographies of Austrians executed between 1938 and 1945.

The crucial political and legal breakthrough in this series of measures was the "Washington Agreement". After eight months of intensive negotiations, a joint statement was signed by the Republic of Austria, the United States, the Conference on Jewish Material Claims, the Austrian Jewish communities, Austrian business enterprises and attorneys representing important class actions on 17 January 2001. A package of relevant measures was agreed upon, by means of which a "legal peace" (*Rechtsfrieden*) was gained especially in the USA. On the basis of this agreement, the "Compensation Fund Act" was passed in 2001. It created a General Settlement Fund which was endowed with

^{2 § 2} des Zukunftsfonds-Gesetzes, BGBl. I Nr. 146/2005.

USD 210 million for the comprehensive resolution of open questions about compensation for victims of National Socialism, for losses and damages incurred in Austria during the Nazi period. It took some patience and much good will to breathe actual life into these procedures. But this has already been discussed in Hannah Lessing's lecture.

Let me just mention a **few selected points** concerning this agreement, law and the Settlement Fund:

- "Restitution in kind" of properties and religious objects that are today in the possession of the Republic of Austria is provided for.
- Legally-valid settlements that were concluded by Nazi victims with the Republic of Austria during the post-war period can be "repaired" if these **legal transactions** are understood, by modern standards, to constitute "extreme unfairness".
- new benefits in the area of social law were introduced. Of special importance was a lump sum payment for withdrawn tenancy rights.
 The research of the Historical Commission was also crucial for this compensation.
- The Jewish "Hakoah" sports facilities, were re-established with public sponsorship.
- A topic still open is the **renovation of Jewish cemeteries**, particularly the one in the Währing district of Vienna, but there seems to be hope that this issue will be resolved.

III.

"Art restitution" is a topic that attracts public attention again and again. It was *not* among the tasks of the Historical Commission, which primarily dealt with the fate of the many ordinary people. Now, 10 years later, I have taken over the leadership of the "Art Restitution Advisory Board". Art restitution does not concern only highly valuable works of art.

The reality of persecution and deprivation often shows up particularly vividly in art restitution after war. It is a typical **part of the more general problem**, about which Dr. Bailer-Galanda has already spoken. It was and is beset by legal and practical complications and has proceeded in a particularly **sluggish and unsatisfactory** manner. All this is further complicated by the notoriously murky business of art dealing.

After 1945, in addition to the art works in private hands, a lot of art and cultural assets remained under the custodianship of the Bundesdenkmalamt (Federal Monuments Office). For these items special legal measures were taken in Austria in addition to the general Law on Restitution.³ In addition to this, further art works were returned to the Republic of Austria in 1958 by West Germany under the Transition Agreement with the Western Allies of 1956.⁴ The former owners or heirs could lay claim to these items, but even in these cases bureaucratic hurdles had to be overcome.

In 1966 at the Bundesdenkmalamt there were still 8,422 unclaimed objects stored in various depots. A quick solution was wanted, but there was the problem that the question of property which was unclaimed or without an heir came up repeatedly. For those assets which could not be or were not reclaimed or were without an heir – primarily, however, as the fulfilment of the obligations of Article 26, Paragraph 2 of the Treaty of Vienna of 1955 – collection points were set up in 1957. Their objective was to facilitate the assertion of the claims of restitution on this type of property, to return the items which had been claimed

³ Cf. Bailer-Galanda, Die Entstehung der Rückstellungsgesetzgebung. Die Republik Österreich und das in der NS-Zeit entzogene Vermögen (= publications of the Austrian Historical Commission. Vermögensentzug während der NS-Zeit sowie Rückstellungen und Entschädigungen seit 1945 in Österreich, vol. 3), Vienna–Munich 2003, p 557 ff.; Brückler, Kunstwerke zwischen Kunstraub und Kunstbergung: 1938–1945, in: same (ed.): Kunstraub, Kunstbergung und Restitution in Österreich 1938 bis heute (= study on conservation and preservation, vol. XIX), Vienna–Cologne–Weimar 1999, pp 13–30; Petropoulos, Kunstraub und Sammelwahn. Kunst und Politik im Dritten Reich, Berlin 1999, The subject of the collecting points and the relationship to Austria are not considered here due to reasons of space; see: John, Oberösterreichisches Landesmuseum 1938–1955. 'Sonderauftrag Linz' and 'Collecting Point'. Aspects of the confiscation of artworks (and objects) and the restitution in Upper Austria. Final report, Linz 2007.

⁴ Cf. the explanatory notes on the government bill on Art and Cultural Assets Settlement (Kunst- und Kulturbereinigungsgesetz), 421 of the minuted stenographic records of the Nationalrat, XI parliamentary period, p 3.

and ultimately to distribute the proceeds among the victims of National Socialism in Austria. In total the collection points took more than ten times the 25 million Austrian Schillings which the Bundesministerium für Finanzen had anticipated as the maximum value at the beginning of the 1950s. In 1966 endeavours were made by the collection points in the context of the negotiations on the Art and Cultural Assets Settlement Law to lay claim to the artworks in the "custody" of the Bundesdenkmalamt.⁵ It was already quite clear during the operation of the collection points that the question of the restitution of artworks or simply clearing up the matter of what was where failed due to the museums' distinct unwillingness to cooperate.

After numerous debates and attempts, an Art and Cultural Assets Settlement Act was enacted on 27 June 1969.⁶ The possibility would again be created to lay claim to a right of restitution on the remaining 8,422 art assets. It contained rules on the release to the rightful owners. For unclaimed and unreturned objects the law envisaged a partial payment to the collection points responsible for the property without heir amounting to 5 million Austrian Schillings.⁷

The unclaimed art and cultural assets were then to be given to the State. In order to inform possible claimants, a list of all the objects present in 1969 was published in the Wiener Zeitung newspaper. The deadline was originally set for the 31 December 1970, but was extended until the end of 1972. However, only 270 items were returned. The remainder of the objects continued to be stored in the Mauerbach charterhouse and virtually hidden there, unable to be visited. In regular intervals, criticism arose both from within Austria and internationally that these objects confiscated under National Socialism had been transferred to the possession of the Republic of Austria.

⁵ Cf. Werner/Wladika, Die Tätigkeit der Sammelstellen (= publications of the Austrian Historical Commission. Vermögensentzug während der NS-Zeit sowie Rückstellungen und Entschädigungen seit 1945 in Österreich, vol. 28), Vienna–Munich 2004.

⁶ Federal law on the settlement of the ownership situations of art and cultural assets in the safekeeping of the Bundesdenkmalamt (Federal Monuments Office), BGBl. no. 294/1969. For a legal evaluation of the law cf. Graf, I.c., p 475 ff.

⁷ Cf. Blimlinger, Mittäter in der Opferrolle. Die Restitution von Kunst in Österreich, in: Kunst im Konflikt. Kriegsfolgen und Kooperationsfelder in Europa, Osteuropa, 56th year/volumes 1–2/January – February 2006, pp 235–246.

⁸ Cf. the view of the civil servants responsible into the 2000's: Haslinger, Mauerbach und der lange Weg bis zur Auktion: 1969–1996, in: Brückler, Kunstraub, pp 39–52.

It was not until 1984 that an article by Andrew Decker rekindled international interest. In December 1985 the Nationalrat (National Assembly) enacted the 2nd Art and Cultural Assets Settlement Law. 10 The main purpose of this law was to give those people who did not lodge a claim under the first law a renewed chance to do so. The unclaimed exhibits could then be sold at auction by the Federal Minister for Finance to benefit those who had been persecuted and were in need. After just a small proportion were actually claimed this time as well, the objects were sold at auction in 1996, but not as planned by the Finance Minister, but by the Israelitische Kultusgemeinde (Jewish Community Organisation). They declared themselves to be prepared to take charge of the objects stored in the Mauerbach and to arrange the auction. The auction – carried out by Christie's Auction House – took place on 29 and 30 October 1996 at MAK – Österreichisches Museum für angewandte Kunst (the Austrian Museum for Applied Art) in Vienna. 11 Needy Jewish holocaust survivors currently resident in Austria could apply for a grant from the Mauerbach Fund up until 30 June 2003. At the end of 2005 the accounts of the Mauerbach Fund were presented to the Bundesministerium für Finanzen.

A peculiarity in the area of works of art – which ultimately saw a set back for the Art Restitution Law – was and is the ownership restrictions in the law regarding export bans. ¹² This regulation was first enacted in 1918 and historically served as a hindrance to the "selling off" of Austrian cultural assets to those abroad. After 1945, this rule was carried over into the Austrian state law and then served, among other things, in an approach (which even in terms of the legal aspects was questionable) to issue export licences only "in return" for

⁹ Decker, A Legacy of Shame. Nazi Art Loot in Austria, in: ARTnews, December 1984, p 55 ff.

¹⁰ BGBl no. 2/1986 last amended by BGBl. no. 515/1995.

¹¹ Mauerbach exhibition catalogue. Auction of artworks confiscated by the National Socialists for benefit of the victims of the holocaust, Vienna 29th and 30th October 1996; Christie's Auction House (ed.), Mauerbach benefit sale items seized by the National Socialists to be sold for the benefit of the victims of the Holocaust; MAK – Österreichisches Museum für angewandte Kunst, Vienna, 29 and 30 October 1996, Vienna 1996.

¹² The export ban is currently contained within the law on preservation, BGBl no. 533/1923, last amended by BGBl I no. 70/1970, legally regulated in the 3rd section "protection against unlawful transfer abroad". Also see Bazil/Binder-Krieglstein/Kraft, Das österreichische Denkmalschutzrecht, Vienna, 2004.

"gifts" or "dedications" to the State. 13 Even if the works of art were returned by a decision of the Commission on Restitution or were directly restored or returned, this did not mean in any way that the right of possession over these items was ultimately obtained. Consequently, art works which were part of restitutions were in many cases ultimately retained without remuneration in the course of procedures under the export ban and transferred into the possession of the Austrian federal museums and collections.

Following the seizure of artworks from the Leopold collection – as mentioned before – a **Commission for Provenance Research** was set up in February 1998 which was to locate possibly looted works of art or books in state possession. Also in 1998 parliament passed the **Art Restitution Act**, today the main legal source for art restitution. It empowers the minister responsible for public museums and collections to transfer ownership of works of art, but it does not create a legal basis for enforceable claims ¹⁴. Analogous legal provisions are in force for parts of other public institutions. ¹⁵

In a nutshell, the **focus**¹⁶ under this 3rd Art Restitution attempt is on:

 Objects that were initially legally returned but then in fact transferred into state property without remuneration, due to the aforementioned export ban procedures. They can now be exported.

¹³ Cf. Öhlinger, Die Museen und das Recht. Von der Öffnung der kaiserlichen Gemäldesammlung bis zum Bundesmuseengesetz, Vienna 2008, p. 26, with further evidence. Cf. as example case in V. 1 below.

¹⁴ Binder-Krieglstein, Restitution und Entschädigung in Vergangenheit und Gegenwart, in: David, 52/2002, pp 24–32. http://david.juden.at/kulturzeitschrift/uebersicht-52.htm (accessed on 7/5/2008);Blimlinger, Und wenn sie nicht gestorben sind ... Die Republik Österreich, die Rückstellung und die Entschädigung, in: Pawlowsky/Wendelin (ed.), Die Republik und das NS-Erbe, Vienna 2005, p 186 ff.

¹⁵ Cf. under 5 later.

¹⁶ This is verbatim as follows: "Paragraph 1 subparagraph 2: 1. The objects of restitution to the original owners or their legal successors by will were, also after the 8 May 1945 in the course of the subsequent procedures in accordance with the provisions of federal law on the ban on exporting objects of historic, artistic or cultural significance, StGBl. no. 90/1918, transferred without remuneration to the property of the State and are still in the possession of the State;

^{2.} they were legally transferred into the property of the State, but were the subject of a legal transaction as per paragraph 1 of federal law on 15 May 1946 on the invalidation of legal

 "Aryanized" objects now in state property, acquired during the Nazi period, via auctions, e.g. of the Dorotheum auction house, or via art dealers.

The Commission on Provenance Research is tasked with assessing acquisitions between 1938 and 1945 and clarifying all questions of ownership before '38, during National Socialist rule and in the immediate post-war period. On the basis of such factual evidence, respectively provenance research¹⁷, the Advisory Board which I preside, following legal evaluation, recommends appropriate action to the competent minister.

In accordance with the "self-commitment structure" of the Art Restitution Act, the minister for education usually, if sometimes belatedly, complies with the Board's recommendations. Where original owners or legal heirs of art works cannot be found they will be transferred to the National Fund of the Republic of Austria for the Victims of National Socialism.¹⁸

The Art Restitution Act has met with **criticism** both in Austria and abroad: for not establishing legal entitlements and for lack of procedural transparency.¹⁹ But legal entitlements are inevitably often complicated and their clarification will take a long time if they are to stand the test of sound-proved legitimacy. Deficiencies in such legitimacy could lead to rejection, to the disadvantage of presumed prior owners or heirs, as happened in the 1940s and 1950s in procedures under the Restitution Act.²⁰

transactions and other legal acts which took place during the occupation of Austria, ended up as the property of the Republic of Austria, BGBl no. 106/1946, were and still are the property of the State;

^{3.} after conclusion of restitution processes could not be returned to the original owners or their legal successors by will, transferred without remuneration into the ownership of the state as unappropriated goods and are still the property of the state".

¹⁷ Cf. the explanatory notes of the government bill, 1390 of the minuted stenographic records of the Nationalrat, XX parliamentary period, p 4.

¹⁸ BGBl no. 432/1995.

¹⁹ Cf. Noll, Fortschritt und Versäumnis. Kunstrückgabe in Österreich, Juridikum 2003, p 31.

²⁰ Due to similar deliberations, the immediate inclusion of restitution applicants or their representatives in the bodies which rule upon the return is to be judged cautiously. This of course does not mean that the expressions of knowledge and preference from this group can be or should be forgone. The main feature of provenance research and return through official government channels should be preserved, however.

Thus, the Commission for Provenance Research and museums have been compiling dossiers on individual works of art, trying to document the detailed and complete history of their ownership. Sometimes records are missing, especially those on restitution after '45. Up to now, **305 dossiers** on questionable acquisitions in state museums and collections have been created. The Commission for the Restitution of Art already decided on 210 of them. 184 were recommended for restitution, encompassing roughly 10,000 objects. These objects range from **Klimt** pictures – such as the "Goldene Adele" – to drawings, watercolours, bird skins, minerals, vehicles, and letters and stamps. In some other cases restitution was rejected or rendered obsolete. Others remain to be dealt with, including 52 new ones. The comprehensive work of the Commission for Provenance Research in the last ten years as well as the provenance research undertaken by regional museums and other collections is documented in a newly issued publication.²¹

An often-discussed open question concerns works of art in the **Leopold Foun-dation**. Several of them are subject to provenance research.²² The Foundation is largely funded by the Austrian government, but it does not fall under the scope of the Art Restitution Act as it is not state-owned. The legitimacy of legislation enabling expropriation of artworks from this collection for the purpose of restitution is contentious under constitutional law.

Even nearly 64 years after the end of the war, the debate about artworks confiscated during the National Socialist period and their return has still **not run out of steam**. The problem is by no means limited to Austria,²³ as the "Principles of the Washington Conference With Respect to Nazi-Confiscated Art" of ten years ago show.

However, with the system for the legal return of artworks now in place, Austria has a respectable if far from perfect mechanism, by international comparison. This became quite clear at a recent conference in Berlin. In this special field Austria is more then 10 years ahead of Germany.

²¹ Anderl / Bazil / Blimlinger / Kühschelm / Mayer/ Stelzl-Gallian/ Weidinger (ed.), ... wesent-lich mehr Fälle als angenommen. 10 Jahre Kommission für Provenienzforschung, Vienna–Cologne–Weimar 2008.

²² Cf. Fischer, Irgendwo. Theresienstadt und die Welt. Die Sammlung Heinrich Rieger, Vienna 2008

²³ Cf. Kropmanns, Wem gehören diese Meisterwerke? NZZ, 25 September 2008, p 25.

The "Causa Leopold", e.g., remains an ongoing problem. As, despite all efforts, not all claims can be satisfied, frustration on the part of unsuccessful claimants is understandable.

The restitution and export of artworks does not always meet with general public approval, as can be detected on the web forum pages of some Austrian newspapers. Some, especially on the left, question the inheritance of great artworks in general and believe that they should be displayed publicly and not hidden away in private. Some suspect that claimants are motivated purely by financial reasons. This is in accordance with the words of August Bebel, who in 1873 characterised anti-Semitism as the "stupid man's socialism".

Nevertheless, according to a recent opinion poll, most Austrians agree that the country has moral obligations towards the persecuted Jews, more than a third think that restitution was insufficient and only 8% believe that it was too generous.

IV.

Following the 2003 final report of the Historical Commission with its extensive findings, research into the topic of "property deprivation and restitution", of course, continues as it should. One of the idiosyncrasies of academic research is that it can always go further.

From my point of view, research into the fate of persecuted, murdered or exiled students at Austrian **universities** – particularly at the University of Vienna – is of particular importance. "Property deprivation" also includes lost education, interrupted university studies, examinations not taken, et cetera. Two extensive research projects have already been devoted to this topic.²⁴

²⁴ Cf. "'Arisierung', Berufsverbote und 'Säuberungen' an der Universität Wien – Ausschluss und Vertreibung 'rassisch' und/oder politisch oder in anderer Weise verfolgter Studierender 1938/39" (Doris Inrisch, Werner Lausecker, Herbert Posch, 2000–2003; Projekt Nr. 101); "Bildungsbiografien und Wissenstransfers, Studierende der Uni Wien vor und nach 1938" (Gert Dressel, Doris Ingrisch, Werner Lausecker, Herbert Posch, 2004–2007, Projekt Nr. 112).

The devastation of intellectual life during the Nazi period and thereafter was highlighted at a conference at the University of Vienna in 2003 which had been initiated by two Nobel Laureates, **Eric Kandel and Walter Kohn**, refugees from Austria. One purpose of this meeting was to "call home" exiled Austrian intellectuals, particularly among the "Nobel Prize class". It had also been supported by the then newly created "university advisory boards". Some members of these boards, however, belonged to right-wing extremist duelling societies which I found highly disconcerting. Nevertheless, in my paper to the conference, I stressed that it was truly the universities – next to the churches – that underwent the most important transformation. Today they can no longer be regarded under any circumstances as the breeding places of fascism and anti-Semitism.

As a scholarly work, the final report of the Historical Commission is perhaps not very easily readable. We had requested that the most important results find their way into **school** lessons. As a matter of fact, the Ministry of Education undertook considerable efforts in this regard. It is worth mentioning an internet project combining maps with nazi crimes to inform esp. younger people about the past of their neighbourhood.

V.

Let me now conclude with a few sentences:

In the last decade Austria found itself – surprisingly almost unanimously – ready for profound research and real acts of restitution and compensation. The positive changes in society are remarkable, with the universities being the best examples.

Attitudes which came to the fore especially in 1938 and largely contributed to the atrocious crimes so many Austrians committed, such as anti-Semitism, have not vanished, in spite of all efforts. Although, according to international surveys, Austria is not worse than many other countries in this respect, we must stay vigilant and continue to strengthen our efforts, particularly at a time when economic crises and political events such as those in the Middle East threaten to increase racist, xenophobic and anti-Semitic attitudes all over Europe.

Thank you for your attention.

