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On the track of art with a troubled history

Legal wrangles over wartime loot are making provenance supremely important to buyers and sellers, says **Thomas Catan**

Before ending up in a basement at the New York Museum of Modern Art under the watchful eye of US Customs, two paintings by Austrian expressionist Egon Schiele had a troubled past.

The first, called "Portrait of Wally", was once taken from the Vienna gallery of Lea Bondi Jarray, a Jewish woman forced to flee from the Nazis. The second, "Dead City", was once owned by a cabaret artist named Fritz Gruenbaum before he was taken by the Nazis to the concentration camp at Dachau.

Both pictures were being loaned to the New York museum for an exhibition by Austrian collector Rudolph Leopold when New York prosecutors took the unprecedented step of seizing them at the request of descendants of the original Jewish owners.

For billionaire Ronald Lauder - diplomat, art collector and heir to the Estee Lauder cosmetics fortune - the incident led to an uncomfortable couple of years.

As chairman of the museum's board and a former US ambassador to Austria, Lauder had personally arranged for the loan. But he also serves on the art restitution committee of the World Jewish Congress, which has led the campaign for the return of looted artworks.

Having personally vouched for the safety of the pieces, Lauder was eventually forced to appeal for the works to be returned to Leopold's collection. Follow-

ing a lengthy court battle, "Dead City" went back to Austria at the end of September. Meanwhile, "Portrait of Wally" remains in the Manhattan basement, the subject of legal wrangling.

It's a scene that is being played out in dozens of cases spanning the globe - with many more expected. According to US government estimates, the works were just two among 220,000 seized, or forcibly sold, to the Nazis. That represents about a fifth of the world's total stock of western art. Indeed, the value of the art looted in Europe during and before the second world war was said to be worth \$2.5bn in 1945 prices - equivalent to \$25bn today.

Half the pieces are still missing or the subject of dispute.

Cases such as that in New York have radically changed the face of the art-selling business, and have broad implications for museums, collectors and auction houses - even some of the world's largest banks. Now, people are scrambling to trace the histories of artworks, with billions of dollars at stake.

Some in the art world report that owners are removing works from their walls and stowing them in their basements, fearful they could turn out to have questionable pasts.

"There is a sea change going on at the moment," says James Emson, managing director of the Art Loss Register in London. "This (case) really set the cat among the pigeons in the art trade. In the past, very



The history man: art and antiques sleuth Jim Mintz

Gregg Brown

few questions were asked about works that might have been plundered during the war. Now very serious questions are being asked."

The Art Loss Register, a database set up nine years ago by insurance companies and auction houses to register stolen artworks, has seen the number of inquiries into suspect works surge over the past year. In the first six months of 1998, it received 120 inquiries into suspect artworks.

During the same period this year, it received 460, and looks likely to double that number by the end of the year.

The register is just part of a thriving industry that has sprung up in recent years to help trace the provenance of works of art. James Mintz,

the Mintz Group and the Art Loss Register have received a growing number of inquiries from banks, often in Japan, that took in valuable pieces of art as collateral for loans. Mitsui Bank, now Sakura, is estimated to have accumulated about 1,000 works during the bubble economy of the 1980s.

A growing number of foreign governments has also begun to seek the return of national treasures taken from their countries. Italy recently became the first nation to ask formally that the US curb imports of artefacts from its classical sites.

In one of Russell's best-known cases, the auction house Sotheby's found itself at the centre of a storm when it put a hoard of fifth century Roman treasures known as the Sevso silver on the auction block in 1992. Lebanon, Hungary and Yugoslavia, each began lawsuits laying a claim to the treasure.

"Imagine how much the environment has changed in the arts and antiques world, when Sotheby's puts on sale a particular hoard of antiquities, and not one but three countries jump in to assert a claim that it was dug up on their ground," Russell says. "Countries are now far more aware of their cultural heritage and will pursue their art round the world. This is a huge change from even 10 years ago."

Because of such prominent cases, it has become increasingly difficult to sell art or antiquities without a well-documented provenance attached. One consequence is that criminals have

become more sophisticated in faking not just the art, but its provenance as well.

Perhaps the most notorious case is that of John Drewe, caught by detectives from Scotland Yard and convicted this year for devising one of the most ingenious and damaging art frauds in British history.

A protean character, reputedly with the intelligence of a genius, Drewe commissioned cheap fakes from an unaccomplished forger named John Myatt, who produced scores of paintings from Impressionist masters using a combination of ordinary household acrylic and KY Jelly.

Drewe's genius lay in producing complex and sophisticated histories for the paintings - talking with relatives of the artists, producing fake letters, and often inserting them into the records of the Tate, the Victoria & Albert Museums and other venerable institutions where investigators were likely to look.

Ever since, art institutions around the world have been trying to gauge the full extent of the damage and restore records to their former condition. But Drewe's work was so extensive, and occurred over so many years, that many think the damage to the history of art may be irreversible.

"Anything he has touched becomes suspect," Jonathan Searle, an investigator on the case, said at the time. "He has rewritten art history."