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# The Millions Taken from the Air are Causing Controversy

by Audrone Urbonaite December 3, 2011

#### **Translator's notes:**

- (1) TITLE BLURB on page 1 is headed: *Riddle of the Millions*
- (2) CAPTIONS FOR PHOTOS (in order of appearance):
- [a] No one wants to have even for free the Zelva synagogue rubbished during the Soviet period (photo on left). Neither does the Ziezmariai synagogue, once turned into a warehouse, look very appealing.
- [b] Many negotiations took place on the compensation of property of the Jewish communities [plural]. First from right: negotiator V. Kavaliauskas.
- [c] Kaunas resident M. Bairakas says Jews with old roots in Lithuania are being treated unfairly.
- [d] S. Alperavicius admits that the 128 million litas allocated don't satisfy the Jews.
- [e] Influential rabbi from the US Andrew Baker demanded compensation extremely categorically.

Why does the Law for Good Will Compensation of Real Estate of Jewish Religious Communities allocate exactly 128 million litas? Is that a lot, or too little? As the time nears for the law to go into force, these questions are being aired among Jews as well as Lithuanians.

First, a touching, funny and tutelary story I heard from a well-informed source.

When Lithuania decided to transfer to Jews Torah scrolls formerly in Vilnius, a valuable part of our heritage as well as of the Judaic religious heritage, these words escorted the cargo from Vilnius to Israel: "This is a gesture of good will by our state to strengthen mutual understanding between Lithuanians and Jews, demonstrating sympathy for a people who have suffered and improving relations between Israel and Lithuania in the future."

When the airplane with the valuable cargo landed in Jerusalem [sic], the crowd there to meet it began shouting "Finally we have torn out of the bloody hands of the Jew-shooters our dear Torahs!"

There was no mention of our state's good will.

The Israelis assembled at the airport divided up the cargo and each took away something for himself.

Immediately Lithuania began to be bombarded by the claims of international Jews and our own Jews: "How dare you gave those holy Torahs to the wrong Jews?! And where are our other holy relics?!"

Lithuania took the blame for returning [them] to the wrong people, and for returning an insufficient [quantity].

Could the same thing also happen with the 128 million litas when they are paid out?

And not only because of claims by Jews, but also because of the inconsistent behavior of our government.

On January 1, 2012, the Law for the Good Will Compensation of Real Estate of Jewish Religious Communities adopted by Parliament in June will come into force.

The 128 million litas over ten years will have to be transferred to a foundation appointed by the government. The Jewish communities themselves will have to agree on who will be members of the foundation.

The first 3 million must be meted out during 2012.

That sum seems much too small to different Jewish organizations. But in 2005, the then-head of the government, the late Algirdas Brazauskas, was thoroughly convinced that the sum of compensation should be symbolic and not more than 50 million litas.

# A Birch Sapling on the Roof

I took the list of sites to be compensated containing 108 communal buildings and pointed my finger at Zelva.

It was difficult to find the former Jewish house of prayer in the small churchyard community in the Ukmerge district using the address, because there simply was no address on the abandoned building.

"There is not a single living Jew here, just the Jewish cemetery. The synagogue must be that building with the broken windows. But just who needs it? Everything is broken, there's no heat or electricity," a toothless woman explained.

The building at Sesuoliu street 2 which she pointed out looked as dilapidated as our guide.

A sapling was sticking out of the roof, the windows were broken and the building was overgrown on two sides by bushes.

It wasn't nice to see how no one protects the Jewish heritage. The building was trashed and vandalized when during privatization it became clear it was listed on the list of sites to be returned [to the Jewish community].

If I were a Jewess who came to Zelva looking for my roots, I would begin to think very poorly of the Lithuanians who know how to wreck things but are unable to show respect.

During the Soviet period the two-storey building was a collective farm office and a house of culture. Now it is just the ruins of a building.

"In 1979, when I was still a student, we used to come here for dances and a movie theater. But even back then the floor was cracked. But now there's nothing even left of the floor," a man we met next to the building who now lives in Kaunas said.

# Owner Would Like to Rid Himself [of the Building]

We found Algirdas Jarukas, the owner of the former house of prayer.

"Fourteen years ago my brother and I bought this building for 18,000 litas. If the Jews pay me those 18,000 litas, they can just take the synagogue! I would be happy!

"You can't start any business here during the [economic] crisis, no matter to whom I've tried to sell it, no one takes it. But now the building itself is completely worthless," the Zelva resident explained.

At the district alderman's office we learned that someone wanted to establish a sewing factory here during the economic boom, but decided not to when the crisis came along.

"The Jarukas brothers couldn't agree on how much they wanted to sell it for.

"But that wasn't the reason: we didn't encounter even one realistic buyer of the prayer house who thought it was worth investing in Zelva," [female] personnel at the district alderman's office said.

So how much now, in 2011, should the foundation representing the Jewish communities be paid for this building? What would be a fair price?

"If the state doesn't give me back those 18,000 litas, I will be angry and I will destroy it and sell the bricks, and it won't exist for Jews or Lithuanians," building owner A. Jarukas ranted.

### The Same Logic

Villagers judge things practically. They aren't moved by gestures of good will or heartache over a destroyed religious site.

Jews, too, conduct their affairs with a practical bent. When the Lithuanian Jewish community headed by Simonas Alperavicius was returned the valuable building at Gaon street 6 in the Vilnius Old Town in 1996, it was sold to the Austrian embassy for just \$400,000.

Although the dollar was strong back then, the deal caused a small smile, because no one could believe the Jewish sellers didn't know how to count and gave such a discount.

Nightmarish amounts of money were paid at that time for even a plot in the Old Town.

In 2001 architects Erich Wagner and Sigitas Sparnaitis received an award for [their] reconstruction of the building.

The refurbished building is now worth 2,882,000 litas, but this is thanks to investors, not the Jewish community.

Incidentally, it was worth 5.7 million litas in 2008.

#### **Asked Ten Times More**

I can give another example as well about unrealistic desires. The Jews stubbornly demanded the Jewish Hospital at A. Jaksto street 5 in Kaunas be returned to them or that they be paid 20 million litas.

But not enough documents were found proving it was religious community property. Or those found didn't convince those who decide what belongs to whom.

Head of the Kaunas Jewish religious community Mausa Bairakas claims he himself sent property documents from St. Petersburg.

"I showed the commissions the documents where back in the 19th century a Kaunas Jewish merchant bought land on what is now A. Jaksto street, built the building and donated it to the Kaunas kahal (Jewish religious community).

"Things such as a candle factory, a kosher food unit, a sauna [bath?] or a hospital where circumcisions were done, are both religious and communal assets.

"I found an investor who would have turned the building into a modern hospital. But no, no one needs that," Bairakas said.

The Department of Archives indicated that the documents showing the ownership by the Jewish religious community of the building were insufficient.

In 2010 the building was sold at auction for just 2.2 million litas. For ten times less than was asked earlier. Who fooled whom? [Did the] Lithuanian Kaunas residents [fool the] Jewish Kaunas residents?

"Tie with the same cord a Jewish and a Lithuanian merchant and throw them in the pond, both will be worthy of drowning," my grandmother said about both peoples' love of money.

# Who's Juggling the Figures?

But you can't foist the Zelva synagogue off on a Jew or a Lithuanian because it has no monetary worth, it only has a moral value.

I went to the Real Estate Department of the Center of Registers to find out how much the Jewish prayer house in Zelva was worth in 2005, 2008 and now in 2011.

I was naive in believing I could get a definite answer which would illustrate through the example of the Zelva synagogue whether the Government led by Andrius Kubilius had done the right thing in increasing the value of Jewish assets 2.5 times at a time when everything had catastrophically lost its value.

The prayer house to be returned to the Jews at Sesuoliu street 2 in Zelva was not registered at this address on the Real Estate Registry, although the district alderman's office confirmed the accuracy of the address.

So therefore perhaps, criteria are being made for the Jewish communities, since there are more sites on the list of buildings to be returned which are registered neither on the Real Estate Register nor at the Center of Registries?

"If the Zelva prayer house had been registered, it would be impossible to compare its value in 2005 with later years. In 2005 real estate was assessed by decisions of the Expensive Assets Assessment Commission. It's not clear what criteria were used to establish value then.

"After 2006 a mass assessment methodology based on internal market price came into force. We are not engaged in speculation," deputy director of the Center of Registries for wealth assessment Arvydas Bagdonavicius explained.

Asset assessment specialists said there are no data remaining at the Center of Registries on what criteria were used by the Expensive Assets Assessment Commission.

But the funniest thing is that no agency this year has asked the Center of Registries current values for assets to be returned. Not Parliament, not the Justice Ministry.

So what are prices based on, air? I was completely unconvinced by an answer from the Prime Minister's office that there were no new inquiries on price because the sum of 128 million litas to be returned was fixed by law.

It's obvious even to a freshman that the price is arrived at carefully by the Government and Parliament before voting on such an important issue.

And the list of sites to be returned, for which compensation is being paid, contains about 75 synagogues of small towns whose monetary worth is very slight. Just as in Zelva.

#### The Price Rises, the Price Falls

I decided to look at another exceptional site which was assessed using the method of restorative value (calculating how much it would cost to rebuild a destroyed building).

The Ziezmariai wooden synagogue surprises one with its lonely beauty. This is a famous site on the European Jewish Cultural Heritage Path [?] and is protected by UNESCO.

One of the most unique wooden synagogues which was used as the Litkoopsoyuz storehouse, it was assessed in 2005 at just 27,767 litas.

I got this information from Vilius Kavaliauskas, a former negotiator with international Jewish organizations on assets to be returned. He worked in the Governments led by Brazauskas and then Gediminas Kirkilas.

In 2008 the value of the Ziezmariai synagogue rose to 31,000, in 2010 to 37,000, but this year fell back to 36,000.

So how much must Lithuania truly pay for this dilapidated building? Must it pay? After all, the religious edifices of other faiths were also destroyed by the same regime.

According to attorneys who advised me, making restitution for religious community assets based on ethnicity is unfair and illegal.

In this case, Poles should be returned the US embassy building on Akmenu street in Vilnius because it belonged to the Association of Poles between the wars.

# **Value Falls Drastically**

Then I got the idea to ask Center of Registries Real Estate Department director Bagdonavicius how much the Center of Registries building itself, on V. Kudirkos street in the middle of Vilnius, was assessed as being worth in 2008 and 2011.

My thinking was simple: if in 2011 the value of Jewish assets mystically rose in the eyes of the current government, then the Center of Registries building should have risen in value as well.

But it turned out that the headquarters of the wealth assessors was worth 23,244,000 litas in 2008, but just 15 million in 2011.

Since I didn't get a straight answer on how the expensive wealth assessment methodology before 2005 and the mass assessment methodology of market value applied after 2005 differed, I present [here] how the value of some of the sites to be compensated changed from 2008 to 2011.

The synagogue in Pasvalys was assessed at 47,765 litas in 2008 and 38,300 litas in 2011. The synagogue in Sveksna was assessed at 175,000 litas in 2008 and 130,000 litas in 2011.

The building at Skerdeju street 2 in Klaipeda was assessed at 189,000 litas in 2008, at 138,000 litas in 2010, and has since been razed to the ground.

Using the methodology of restorative value, it would today cost 134,000 litas.

The building at Gaon street 5 in Vilnius was worth 5,790,117 litas in 2008 but is now worth just 3,380,000 litas.

The building at Mesiniu street 4 in Vilnius was assessed at 3,356,745 litas in 2008, but only 2,664,000 litas this year.

The building at Vilniaus street 23 in Kaunas was assessed at 4,206,170 litas in 2008 but is now worth 1,960,000 litas.

So the average market value of assets to be returned [compensated] on average fell by a third over three years, but the Government increased payments 2.5 times.

# Will Anyone Say "Enough is Enough"?

An even more important question: can the current government guarantee that 128 million litas is the right sum after whose payment over 10 years Jews will have no further claims against Lithuania?

After all it's still not clear who will become members of the foundation who will decide which projects to support with compensation [monies].

It wasn't possible to learn from the government or from the Jews who those chosen ones will be.

The government's position would be simple if the members of the foundation through which money will be repaid signed a document saying they all agree that the sum of compensation is final and unchanging.

"Representatives from our community, the oldest in Lithuania, the Kaunas Jewish community established 140 years ago, weren't invited to this foundation being set up. This is becoming the greatest secret," Kaunas Jewish religious community leader M. Bairakas said.

"Simonas Alperavicius's gang with attorney Faina Kukliansky in the lead. The Lithuanian Jewish community association, which is led by S. Alperavicius, has sold out to the Americans. US Jewish organization representatives support them and put great pressure on the government of Lithuania. This artificially created product of Vilnius is dedicated to taking money. They deny that we, the locals, are inheritors to rights [to compensation].

"What right does the Government have to confirm the foundation if it includes foreign Jewish organizations while real functioning communities in Lithuania are excluded?

<sup>&</sup>quot;Who marginalized you?" Lietuvos rytas asked.

"The majority of members of the association [= Lithuanian Jewish Community] ended up in Lithuania during the Soviet period and have nothing in common with local Jewish religious communities.

"Really, no one authorized S. Alperavicius to represent all Jews of Lithuania. He is seeking benefit for members of his association alone.

"It's strange that representatives of democratic America support a man who in the Soviet period acted as a collaborator and wrote texts against Lithuania," Bairakas said.

The resident of Kaunas noted that the number of real Jewish inhabitants of Lithuania, not arrivals during the Soviet period, comes to just around 800 people.

[Former advisor to the prime minister on Jewish restitution] Kavaliauskas confirmed that representatives of other Jewish organizations have suddenly begun to ignore the fact that the Kaunas Jewish religious community was legally recognized as the heir of the pre-war Kaunas community.

I asked Bairakas "What is it that Kaunas and Vilnius Jews most disagree upon?"

"We agree to take back synagogues as they are now and to try to revive them.

"Masterpieces such as the painted alter in the Cekiske synagogue in Kaunas district received back two years ago have more than a monetary value.

"But Kukliansky shot back at me: 'Why are you taking those synagogues back if you don't have the money to restore them?!' This sort of attitude really demonstrates [their] interests.

"Those who still have Lithuanian citizenship but settled long ago in Israel or America will not take care of property in Lithuania."

"Does that mean that even after paying 128 million litas into the fund, there will still be claims against the Government?"

"Of course there will. Kaunas Jews and Vilnius residents supported by foreigners have too much of a different understanding of the value of returned assets," Bairakas said.

## Millions ... For Projects Alone

"Does the sum of compensation of 128 million litas satisfy Lithuania's Jews?" *Lietuvos rytas* asked S. Alperavicius, leader of the Lithuanian Jewish community.

"Everyone knows it doesn't. But something is better than absolutely nothing."

"So Lithuania will have made payment in full, or not?"

"Formally, yes."

"Does that mean that after paying out compensation planned, there could be new claims by local Jews and international organizations abroad?"

"Surely, there could be. But they must have a basis for making the claim."

The law says that only Jewish organizations operating in Lithuania can make claims.

"Your opponent M. Bairakas in Kaunas says he has been pushed out of negotiations on forming the foundation."

"I say not. The foundation doesn't exist yet. M. Bairakas represents 10 to 15 people and wants to have an equal vote, while we represent all Lithuanian Jews.

"They think the foundation will give out a million to each organization.

"This is money for projects, not for dividing up. If M. Bairakas has a good project, then please, let him write up an application, work with the foundation and present it," S. Alperavicius explained.

This conversation reflects clearly the perspectives Jews have for agreeing among themselves.

#### Threatened to be Barred from America

There are many telling details from the earlier history that reflect upon the role of the international Jewish organizations.

On November 12, 2008, the government of Lithuania was considering two possibilities for making restitution of Jewish community property, and decided upon monetary compensation.

The next day Rabbi Andrew Baker, director of foreign relations for the American Jewish Committee and chief negotiator in negotiations with Lithuania on the restitution of Jewish community property, called V. Kavaliauskas on his mobile telephone.

Baker said the variant chosen wasn't satisfactory to them. Especially the idea that compensation funds would be transferred through a Restitution Foundation whose regulations and board of directors would be confirmed by the Government.

The rabbi categorically demanded rescinding this part of the plan and the entire plan itself.

Kavaliauskas explained he was not the person authorized to change government resolutions.

Baker then threatened him: if Kavaliauskas was not able to change the prime minister's mind, he would be placed on a list of suspect people or people dangerous to America and would never be able to enter US territory.

The Lithuanian negotiator complained in writing to the State Security Department and the Foreign Ministry and went to the US embassy [in Vilnius].

In April, 2011, following a television program on Jewish property compensation issues aired in which Kavaliauskas took part, about an hour

afterward, Baker sent the former negotiator an email with the sentence "I'm surprised you're still alive."

### "He knew I had health problems."

"Incidentally, if Baker had followed through on his threats to bar me from America, Lithuania never would have received the legacy of Arbit Blatt, the famous Jewish artist born in Kaunas.

"Fortunately, the US embassy supported me on principle."

This is the context in which decisions were made on compensating Jewish property. Did perhaps someone also threaten [prime minister] A. Kubilius with being barred from entering America?

#### **Wealth Assessors Avoid Politics**

"Is it possible to artificially inflate the worth of some site on political considerations?" *Lietuvos rytas* asked director of the Center of Registries Real Estate Department A. Bagdonavicius.

"Wealth assessors don't do politics. The Center of Registries does not assess Jewish or some other religious community's wealth separately. We were only asked once, in 2008, to provide the value of sites to be returned to the Jews.

"It's another thing entirely that the value in 2008 was actually the 2007 value, because it was averaged on the last day of the year and used for the coming year. In 2007 the value of real estate was especially high and everyone supported the illusion that [its value] would [only] grow."

"General assessment according to average market value is not accurate. Why wasn't each individual site to be returned to the Jews assessed individually?"

"It would have been very expensive. Assessing one site using the general assessment methodology costs from one to three litas, whereas individual assessment [costs] from twenty to several hundred litas."

"Has anyone asked this year for documentation of the change in value of the sites for which compensation will be paid?"

"No, we received no such request."

# **Minister Points Finger at Others**

"In October, 2008, the Justice Department sent the Center of Registries the mysterious letter No. (1-11)-7R-8816. It asked them to provide the value then of assets to be restituted to the Jews. What is the point of using information during the obvious crisis from back in 2007, when property was the most expensive?

"Who from among politicians gave the ministry such instruction? If this was an independent decision, who made this decision in the Justice Ministry?" *Lietuvos rytas* asked justice minister Remigijus Simasius.

"The political team in the Justice Ministry made all decisions, based on decisions by the government led by Gediminas Kirkilas. Justice minister Petras Baguska signed the letter to the Center of Registries."

"Has the Justice Ministry this year sent the same letter to the Center of Registries asking what is now the value of assets to be returned?"

"No. You must ask the Prime Minister's office for information about this."

"Provide arguments why the Jews having received 128 million wouldn't have basis to go to the Constitutional Court to show that the compensation wasn't fair."

"The law adopted is not restitution, but an act of good will. The law says the sum of compensation is final, that in the future claims cannot be made and that the sum of compensation foreseen for Jewish religious community assets cannot be changed.

"If Jews desire to receive back a building in its current state or part of such a building for the needs of the religious community, its value would be subtracted from the 128 million.

"Compensation is paid from the state budget to a foundation appointed by the government.

"Its establishment is in the hands of the Jewish communities."

"Is there a written agreement between the government and the foundation such that [the latter] represents all possible makers of claims, and that they all agree with the planned sum of 128 million litas? If there is, who from among Jewish representatives signed it?"

"This collegiate governance body should represent the Lithuanian Jewish Community, the Lithuanian Jewish Religious Community and other organizations safeguarding Jewish religion, health, culture and education, if they express such a desire."

# It's Possible to Pay Cheaply and Correctly

**Vilius Kavaliauskas,** former negotiator on Jewish property questions in the Brazauskas and Kirkilas governments

"In Austria only 12% of today's value was compensated for lost Jewish communal property. In Poland the Jewish community was offered 15% of current value, but, when Jews demanded 20%, negotiations faltered. The parliament of Latvia voted not to pay anything during the [economic] crisis.

"In 2005 prime minister Brazauskas offered the maximum, 28% of the thenassessed value of 174 million litas of Jewish property, or 50 million litas. But Kubilius like some kind of millionaire raised this sum by 78 million!

"I think restitution can be done very cheaply and correctly.

"I recommend giving the Jewish community all empty buildings regarded as liable to restitution [on the list of sites to be returned –trans].

"If need be, I recommend helping Jews sell those buildings and paying them not 30 but 100% of their value.

"For buildings already privatized or used by the state, I suggest pledging the state to solve this once it emerges from the economic decline, but not later than after 3 to 5 years.

"Then, to assess buildings at the current market price and to cover 28 to 30%, and to plan a quick deadline for paying compensation."

#### There is No Bookshelf of Jewish Assets

#### Paulius Koverovas, former justice minister, 2002-2007

"Neither at the Center of Registries nor in the state archives are assets categorized according to ownership by the Jewish community. There is no bookshelf where Jewish property cases are set aside separately.

"It was difficult to determine what property must be returned to the religious community not because of ill-willed attitudes, but because of the features of Judaism. In the Catholic faith it is easy to distinguish between objects that are religious and those that have another function.

"In Judaism religious and communal property were not separated.

"Because of this much confusion arose when the attempt was made to make lists of Jewish community properties which should be returned.

"There is another side of the coin as well. No matter how enormous the burden of compensation of 128 million litas is to Lithuania, the real value even during conditions of [economic] crisis of the properties owned by Jews was quite a bit more.

"The list of properties is also inaccurate. For part of the properties, documents proving ownership were not found sufficiently.

"But that doesn't mean that that property did not belong to Jews.

"Both Lithuanians and Jews need to understand that the compensation does not coincide with the market value of specific Jewish community properties. "This is a political decision, based on the state's good will and its financial abilities."