

# WORKING PAPER: Curt Valentin and Otto Kallir: The Experiences and Significance of Two Dealers

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## Bridges from the Reich: The Importance of Émigré Art Dealers as Reflected in the Case Studies Of Curt Valentin and Otto Kallir-Nirenstein

Please permit me to begin with some reflections on my own work on art plunderers in the Third Reich. Back in 1995, I wrote an article about Kajetan Mühlmann titled, “The Importance of the Second Rank.”<sup>1</sup> In this article, I argued that while earlier scholars had completed the pioneering work on the major Nazi leaders, it was now the particular task of our generation to examine the careers of the figures who implemented the regime’s criminal policies. I detailed how in the realm of art plundering, many of the *Handlanger* had evaded meaningful justice, and how *Datenschutz* and archival laws in Europe and the United States had prevented historians from reaching a true understanding of these second-rank figures: their roles in the looting bureaucracy, their precise operational strategies, and perhaps most interestingly, their complex motivations. While we have made significant progress with this project in the past decade (and the Austrians, in particular deserve great credit for the research and restitution work accomplished since the 1998 Austrian Restitution Law), there is still much that we do not know. Many American museums still keep their curatorial files closed—despite protestations from researchers (myself included)—and there are records in European archives that are still not accessible.<sup>2</sup> In light of the recent international conference on Holocaust-era cultural property in Prague and the resulting Terezin Declaration, as well as the Obama Administration’s appointment of Stuart Eizenstat as the point person regarding these issues, I am cautiously optimistic.

To follow a somewhat different autobiographical thread, in 2004, I co-organized a conference on a related topic that borrowed from Primo Levi’s notion of the “gray zone”: here the participants explored how so many individuals caught up in the National Socialist maelstrom (as well as those who tried to repair the damage) found themselves ethically compromised. This resulted in a book titled, *Gray Zones: Ambiguity and Compromise During and After the Holocaust*. My particular contribution concerned the disposition of Nazi leaders’ assets after the war, including their art collections.<sup>3</sup> In this paper today, I would combine those two research interests—the second rank and the gray zone—and examine the career of two art dealers whom I think important for understanding the history of art plundering and its still unresolved legacy.

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<sup>1</sup> The Importance of the Second Rank: the Art Plunderer Kajetan Mühlmann," in *Contemporary Austrian Studies* IV (1995), 177-221.

<sup>2</sup> Jonathan Petropoulos, "Exposing Deep Files," in *ARTnews* 98/1 (January 1999), 143-44.

<sup>3</sup> "The Gray Zone of Denazification and Postwar Justice," in Jonathan Petropoulos and John Roth, eds., *Gray Zones: Ambiguity and Compromise During and After the Holocaust* (New York/Oxford: Berghahn Press, 2005), 325-38.

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At the outset, I would admit that the two figures who I examine may not be “second rank” figures—at least in the art world. Curt Valentin and Otto Kallir-Nirenstein (Kallir) were two of the most important dealers of modernism, and specifically German and Austrian Expressionist art in the twentieth century. But they were obviously not figures of “world historical” status such as Hitler, Göring, or Goebbels.

I would also note that it is not my intention to destroy reputations or write a prosecutorial brief regarding Valentin and Kallir’s relationship to the Nazi regime and to Nazi looted artworks. Rather, I would endeavor to recognize the considerable accomplishments of these two men, but also show how they fell into a “gray zone” in certain respects. This is necessary because the existing literature on the two dealers has been nothing short of hagiographical. For example, in a 1963 volume that grew out of an exhibition paying tribute to Curt Valentin, titled *Artist and Maecenas*, art historian Will Grohmann offered the formulation, “Never was he seen in the company of questionable people.”<sup>4</sup> In the subsequent paragraph, Grohmann lists Valentin’s closest friends and associates, including Alexander Vömel. This latter, to take but one example, was a Nazi who became a member of the S.A. (Sturmabteilung) and who “Aryanized” Alfred Flechtheim’s Düsseldorf Gallery in March 1933.<sup>5</sup> I think it fair to regard Vömel as “questionable.” Perhaps even more striking is that Grohmann could offer his summary of Valentin’s career without mentioning Karl Buchholz: a Berlin dealer who employed Valentin from 1934 to 1937 and then helped launch his career in the United States. Buchholz, as is now well-known, was one of the dealers who sold off the purged “degenerate” art. The main assessments of Kallir-Nirenstein’s career have been written by his granddaughter, Jane Kallir.<sup>6</sup> These treatments have also lacked the necessary critical distance. In short, the scholarly literature regarding Valentin and Kallir has hitherto been stunningly uncritical.

Curt Valentin and Otto Kallir sold hundreds of works to American museums by artists of the likes of Picasso, Rodin, Kirchner, Klee, Marc, Schiele, and George Grosz.<sup>7</sup> Valentin

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<sup>4</sup> Will Grohmann, “A Recollection,” in *Artist and Maecenas: A Tribute to Curt Valentin* (New York: Marlborough-Gerson Gallery, 1963), 5.

<sup>5</sup> Stefan Koldehoff, *Die Bilder sind unter uns. Das Geschäft mit der NS-Raubkunst* (Frankfurt: Eichborn, 2009), 42.

<sup>6</sup> Jane Kallir, “Otto Kallir-Nirenstein: Ein Wegbereiter österreichischer Kunst,” in Jane Kallir and Hans Bisanz, *Otto Kallir-Nirenstein. Ein Wegbereiter österreichischer Kunst* (Vienna: Historisches Museum der Stadt Wien, 1986); Jane Kallir, *Saved From Europe: Otto Kallir and the History of the Galerie St. Etienne* (New York: Galerie St. Etienne, 1999); and Jane Kallir, “Otto Kallir and Egon Schiele,” in Renée Price, ed., *Egon Schiele. The Ronald Lauder and Serge Sabarsky Collections* (Munich: Prestel, 2005), 47-65. See also Alessandra Comini, “Hands Across the Water: A Tribute to Dr. Otto Kallir,” and Jane Kallir, “Kallir, Klimt and Schiele,” in Jane Kallir, ed., *Gustav Klimt-Egon Schiele* (New York: Galerie St. Etienne/Crown Publishers, 1980), 11-27. The exceptions to the hagiographical treatment of Kallir-Nirenstein would include Sophie Lillie, *Was Einmal War. Handbuch der enteigneten Kunstsammlungen Wiens* (Vienna: Czernin Verlag, 2003), 540-45; and the journalistic piece, Jason Horowitz and Gillian Reagan, “Dealer with the Devil,” *New York Observer* (17 September 2007).

<sup>7</sup> *In Memory of Curt Valentin, 1902-1954: An Exhibition of Modern Masterpieces Lent by American Museums* (5 – 30 October 1954). The Memorial Exhibition Committee consisted of: Alfred Barr, Richard Davis (Minneapolis Institute of Arts), R. Sturgis Ingersoll (Philadelphia Museum of Art), Perry Rathbone (St. Louis Art Museum), Carl Schiewind (Art Institute of Chicago).

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was particularly close to certain artists whom he represented, including Henry Moore, with whom he usually spent Christmas, Gerhard Marcks, Jean Arp, and Max Beckmann.<sup>8</sup> Kallir specialized in Austrian modernism, having written the first catalogue raisonné on the paintings of Egon Schiele. He also was a key proponent of Grandma Moses, a naïve or outsider artist. Kallir did a brisk business in graphic arts: in a sense, a lower end of the fine arts market as compared to Valentin's paintings. But both Valentin and Kallir were among the two most influential promoters and purveyors of the modern in the United States. Their accomplishments in bringing modernist art to the United States must be recognized and they deserve to be praised as visionaries who helped transform the American museum landscape.

They were also involved in a series of dubious activities that involved the National Socialist regime: despite being Jewish, both dealers established a *modus Vivendi* with the Nazi authorities that enabled them to export modernist artworks from the German Reich. They enriched themselves in the process. But more importantly, they trafficked in many works that fall into a kind of gray zone, and they reflected a marked lack of concern for ethical considerations.

Valentin and Kallir were exceptional, yet also representative. They were among the dozens, if not hundreds, of European émigré art dealers in the United States after 1933.<sup>9</sup> Key figures in these circles would include Karl Nierendorf (who left Berlin for New York in 1936), Hugo Perls (who left Berlin for New York in 1940), Paul Graupe (who left Berlin and arrived in New York in 1940 via Switzerland and France) and Georges Wildenstein (who arrived from France in 1940), among others.<sup>10</sup> They were part of a network of dealers who knew one another and often did business with one another. Networks are customary in the art world (there were other networks at this time, including those involving Karl Haberstock, Walter Andreas Hofer, Hans Wendland, and Bruno Lohse).<sup>11</sup> The networks involving Valentin and Kallir intersected with those of the Nazi dealers in various ways, and indeed, there are some striking similarities: outward collegiality, often clandestine antipathies, and relationships based, above all, on mutual self-interest. The American networks overlapped with other networks, such as the one in

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<sup>8</sup> Grohmann, "A Recollection," 6.

<sup>9</sup> For more on European émigré art dealers, see Nancy Yeide, Konstantin Akinsha, and Amy Walsh, *The AAM Guide to Provenance Research* (Washington, DC: American Association of Museums, 2001); Stephanie Barron with Sabine Eckmann, eds., *Exiles and Émigrés: The Flight of European Artists from Hitler* (Los Angeles: Los Angeles County Museum of Art, 1997); Presidential Advisory Committee on Holocaust Assets in the United States, *Plunder and Restitution* (Washington, DC: U.S. Government Printing Office, 2001).

<sup>10</sup> Anja Heuß, "Die Reichskulturkammer und die Steuerung des Kunsthandels im Dritten Reich," *Sediment: Mitteilungen zur Geschichte des Kunsthandels* 3 (1998): 48-61. Heuß details the controversial case of the Berlin art dealer Paul Graupe, who was allowed to become a member of the Reich Chamber for the Visual Arts, despite being a "Full Jew" according to National Socialist racial definitions. See also Sabine Rudolph, *Restitution von Kunstwerken aus jüdischem Besitz. Dingliche Herausgabeansprüche nach deutschem Recht* (Berlin: DeGruyter Recht, 2007), 27.

<sup>11</sup> Jonathan Petropoulos, "The Polycratic Nature of Art Looting: The Dynamic Balance of the Third Reich," in Gerald Feldmann and Wolfgang Seibel, eds., *Networks of Persecution: Bureaucracy, Business, and the Organization of the Holocaust* (New York: Berghahn Books, 2005), 103-17.

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Switzerland, which featured, according to Esther Tisa Francini, about a dozen dealers with close ties to émigré circles, including Walter Feilchenfeldt, Fritz Nathan, Nathan Katz, Kurt Bachstitz, and Leopold Blumka.<sup>12</sup> Many of these dealers specialized in “Fluchtgut”—or objects sold by Jews trying to flee the Nazis—and their contacts with the American-based émigré dealers like Valentin and Kallir-Nirenstein provided them with an important market for the works they acquired from those in distress.

### I. Curt Valentin (1902-1954)

Curt Valentin, although younger than Kallir by eight years, often appeared the more senior of the two figures under consideration here.<sup>13</sup> Valentin also sold more of the expensive French modernist paintings and, along with Karl Nierendorf, became the leading purveyor of German modern art in the United States. Born in Hamburg in 1902, he was also educated in his Hanseatic home town.<sup>14</sup> Valentin’s entrée into the art world came via the legendary dealer, Alfred Flechtheim (1878-1937), who had begun in Düsseldorf and then opened an important art dealing business in Berlin. Valentin worked in Flechtheim’s Berlin gallery and became the trusted aide of the dealer. In 1932, for example, Flechtheim sent Valentin to New York to meet with his client, George Grosz. Their consignment agree had lapsed and it was Valentin’s job to renegotiate one (he did, but on a non-exclusive basis, such that Grosz could sell via other dealers).

Then, in 1934, after Flechtheim had left Nazi Germany and his business was being liquidated, Valentin moved over to work with Karl Buchholz, an important book and art dealer with branches of his gallery all over Berlin and in other German cities. The dealer’s daughter, Godula Buchholz quotes an undated letter of her father, Karl Buchholz, describing his meeting with Valentin at a dinner party in 1934. Buchholz immediately offered Valentin a job at his Berlin-Leipziger Strasse gallery: “it was mutual trust at first sight. This began a beautiful and fruitful period for us.” That these dealers of modern art would begin their “fruitful period” in 1934—during the Third Reich—itself raises questions. This was well before Buchholz became one of the primary dealers of the modernist “entartete” art after 1938. As noted above, Karl Buchholz also financed Valentin in his New York City venture, which began in early 1937 when the Buchholz Gallery opened on 46<sup>th</sup> Street.

Documents show that before this, however, Valentin came to an understanding with the Nazi government. On 14 November 1936, Valentin received authorization from the Nazi

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<sup>12</sup> Esther Tisa Francini, “Berlin, Wien, Paris: Zentren des internationalen Kunstmarkts und die Beziehungen zur Schweiz 1933-1945,” in Gabriele Anderl and Alexandra Caruso, eds. *NS-Kunstraub in Österreich und die Folgen* (Innsbruck: Studienverlag, 2005), 228.

<sup>13</sup> Note that Curt Valentin’s papers are held in The Museum of Modern Art Archives. See <http://www.moma.org/learn/resources/archives/EAD/Valentin/> (last accessed 2 November 2009).

<sup>14</sup> Kallir, *Saved From Europe*, 30. See also Vivian Endicott Barnett, “Banned German Art: Reception and Institutional Support of Modern German Art in the United States, 1933-1945,” in Stephanie Barron with Sabine Eckmann, eds., *Exiles and Émigrés* (Los Angeles: Los Angeles County Museum of Art), 273-84.

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Reich Chamber for the Visual Arts stating “once you are in a foreign country, you are free to purchase works by German artists in Germany and make use of them in America.” It is a curious document that has been subject to varying interpretations. Some see it as an effort at clarification, as Valentin sought to ensure that he could obtain stock in Germany (which he would then sell in the United States).

However, it is curious that Valentin, having already decided to emigrate, would seek the approval of the Nazi government to ply his trade in his new country. Because Joseph Goebbels and Hans Hinkel had removed all Jews from the Reich Chamber of Culture in 1935, the authorization represented a kind of exception. Valentin could also have left it to Karl Buchholz, who was not Jewish, to supply him with stock (as Buchholz did starting the following year). In short, I would view Valentin’s approach to the Reich Chamber for the Visual Arts as an expression of his interest in finding accommodation with the Nazi regime. I do not say that he was a Nazi, or even a Nazi sympathizer. I would see him as a collaborator. It may also be significant that Valentin was able to travel back to Germany in the late-1930s, which, according to Anja Tiedemann (who is writing a doctoral dissertation on Valentin), he did on numerous occasions.

Godula Buchholz writes that when Valentin arrived in the United States in January 1937 to set up this branch of the Buchholz empire (there would be galleries in Bucharest, Lisbon, Madrid and Bogota), he carried “baggage containing sculptures, Paintings, and drawings from the Galerie Buchholz in Berlin.”<sup>15</sup> She goes on to say that the works in his luggage were by artists who had been declared “degenerate” back in Germany. I have not seen any customs receipts or records showing that Valentin established this business in an orderly and legal fashion. Indeed, there is no evidence that Valentin ever paid the mandatory Reich Flight Tax. At this time, emigrating Jews were permitted to leave with only 10 Reichsmarks, and their other monetary assets were supposed to go into blocked accounts (in the form of Sperrmarks), which were themselves heavily taxed.<sup>16</sup>

In his FBI file, Valentin is on record saying that he got his start in New York thanks to the financial backing of Edward Warburg and someone from Cassel & Co. (the name is redacted). Warburg was a trustee of The MoMA in 1939. Valentin’s statements to the FBI, where he conceals his connection to Buchholz, are not consistent with Buchholz’s daughter’s account. On 30 June 1942, Alfred Barr wrote:

Mr. Valentin is a refugee from the Nazis both because of Jewish extraction and because of his affiliation with free art

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<sup>15</sup> Godula Buchholz, *Karl Buchholz. Buch- und Kunsthändler im 20. Jahrhundert* (Cologne: DuMont, 2005), 64-69. Note that the Buchholz Gallery was initially at 3 West 46<sup>th</sup> Street.

<sup>16</sup> See Raul Hilberg, *The Destruction of the European Jews* (New York: Holmes & Meier, 1985); Avraham Barkai, *From Boycott to Annihilation: The Economic Struggle of German Jews, 1933-1943* (Hanover: University Press of New England, 1987); Karl Schleunes, *The Twisted Road to Auschwitz: Nazi Policy Toward German Jews, 1933-1939* (Urbana: University of Illinois Press, 1970); and Martin Dean, *Robbing the Jews: The Confiscation of Jewish Property in the Holocaust, 1933-1945* (Cambridge: Cambridge University Press, 2008).

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movements banned by Hitler. He came to this country in 1937, robbed by the Nazis of virtually all possessions and funds.

Barr further praised Valentin's patriotism in Valentin's application to become a U.S. citizen. Barr's praise of Valentin belies his knowledge that Valentin's partner was an authorized art dealer of the Reich Propaganda Ministry.

Nor is Barr's statement that Valentin arrived in the U.S "robbed by the Nazis of all virtually all possessions" consistent with the statement on The MoMA's website that "In 1937 Valentin immigrated to the United States with a sufficient number of modern German paintings to open a gallery under the Buchholz name in New York City."<sup>17</sup> Based on these inconsistencies it appears that Barr was not candid with the authorities about the circumstances of Valentin's arrival in the United States. Indeed after Valentin arrived in the United States, he imported from Germany 19 artworks by Paul Klee (as evidenced by a list prepared in the spring 1938 by Charlotte Weidler). While it is unclear why Weidler prepared this list, it should be noted that the total value of the Klee artworks on the list exceeded \$4,500.

Business went well for Valentin and in 1939, the Buchholz Gallery moved to 57<sup>th</sup> Street. Valentin was also able to buy out Karl Buchholz and become the sole proprietor of the gallery, even though it continued to feature Buchholz's name. It was only in 1951 that he changed the name to the Curt Valentin Gallery. As The Museum of Modern Art notes on its website about Valentin,

"Widely respected as one of the most astute dealers in modern art, Valentin organized influential exhibitions and attracted major artists to his Gallery. His enthusiasm for sculpture is obvious from the artists and exhibitions he selected. Valentin also published several distinguished, limited edition books in which the writings of poets and novelists were "illustrated" by a contemporary artist."<sup>18</sup>

All this success, however, covers up what I would characterize as a dark side.

Notably, Curt Valentin served as a conduit of the purged "degenerate" artwork that his partner Karl Buchholz directed to him. As one of the four dealers initially selected by Goebbels's Reich Ministry of People's Enlightenment and Propaganda to sell "degenerate" art purged from German state collections, Buchholz held an extraordinary position.<sup>19</sup> When Buchholz received his formal contract with the Reich Propaganda Ministry to sell off "degenerate" art on 5 May 1939, the final provision was that Buchholz keep the contract secret: Buchholz received a commission of 25 % in

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<sup>17</sup> See The Museum of Modern Art Archives, Curt Valentin Papers, at <http://www.moma.org/learn/resources/archives/EAD/Valentin/> (last accessed 2 November 2009).

<sup>18</sup> Ibid.

<sup>19</sup> The contract was signed by the Kommission zur Verwertung der Produkte entarteter Kunst aus deutschem Museumbesitz. For Buchholz's contract of 5 May 1939, see Bundesarchiv Berlin, R55/21017, Documents 338-39.

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Reichsmarks for the works he sold. Contemporaneous documents from Goebbels's Reich Propaganda Ministry—now located in the German Federal Archives--also list the works purged from German museums that were sent to Valentin for sale between 1939 and 1941.

Buchholz's initial arrangement with Valentin was such that Valentin received 50% of the profits. Buchholz's daughter, in her hagiographical treatment of her father, quotes Buchholz as saying that the contract was seized by the SS in 1942.<sup>20</sup> I have seen no other evidence concerning the terms of the agreement between Buchholz and Valentin. After Valentin's death in 1954, Buchholz sued Valentin's heirs (his siblings), claiming that he was due a share of Valentin's New York gallery.<sup>21</sup> I do not know the outcome of this lawsuit, which Godula Buchholz notes lasted many years into the 1960s.

Curt Valentin also represented The MoMA (and other clients) at the Galerie Fischer auction purged "masterpieces" from German museums that took place in Lucerne in June 1939. Stephanie Barron notes, "Quickly establishing himself as the leading dealer in German Expressionist art in America, Valentin would indeed become one of the most important bidders at the [Fischer] auction."<sup>22</sup> Alice Goldfarb Marquis elaborates,

Actually, the Barrs were in Paris while the auction took place and had given exiled German art dealer Curt Valentin, who owned the Buchholz Gallery, money donated by Mrs. Resor and others to bid. 'I am just as glad not to have the museum's name or my own associated with the auction,' he wrote MOMA manager Thomas Mabry on July 1. Many French dealers, artists, and newspapers were outraged that anyone had bid on art stolen by the Nazis. 'I think it very important,' Barr added, 'that our releases ... should state that [the works] have been purchased from the Buchholz Gallery, New York.'

Barr handsomely repaid Valentin for his services by sending trustees to shop in his gallery and by stopping there himself about once a week. When the dealer applied for American citizenship in 1943 (*sic*), Barr vouched for his good character. Barr's uneasiness over the morality of buying art stolen from German collectors and museums lingered on for decades....

To an Associated Press reporter a decade later, Barr implied that the MOMA had actually boycotted the auction and thereby had lost the best Munch ever on the market. After thinking 'a long time,' eighteen years in fact, Barr decided that he had acted correctly in accepting--and keeping--the stolen works."<sup>23</sup>

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<sup>20</sup> Buchholz, *Karl Buchholz*, 65.

<sup>21</sup> Buchholz, *Karl Buchholz*, 69.

<sup>22</sup> Stephanie Barron, "The Galerie Fischer Auction," in Stephanie Barron, ed., "*Degenerate Art*": *The Fate of the Avant-Garde in Nazi Germany* (New York: Abrams, 1991), 137.

<sup>23</sup> Alice Goldfarb Marquis, *Alfred Barr Jr. Missionary for the Modern* (Chicago: Contemporary Books, 1989), 178-79.

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To conclude a sale of a work from a German state collection, the Reich Propaganda Ministry had to approve of the transaction. That meant that the German dealers told their foreign, mostly American and Swiss, clients that any sale was contingent upon government approval. The dealers for the Reich Propaganda Ministry and their foreign clients would agree on a price, and then turn to the Propaganda Ministry for final approval (with the exception of the auction at the Fischer Lucerne Gallery in June 1939).

Buchholz and Valentin helped finance the Nazi regime by selling artworks for foreign currency. This was at a time when there were widespread reports that the revenues from the sale of purged art were going to the Nazi war machine.<sup>24</sup> In fact, much of the money went to purchase officially acceptable art, as German museums received unprecedented grants from the Reich government to expand their collections (that is, to take advantage of exploitative currency rates and occupation policies in conquered lands). But the revenue still meant additional resources for the Nazi government, and, as historian Götz Aly has recently noted, the regime's policies were predicated on conquest and plunder.<sup>25</sup> More importantly, contemporaries like Valentin and Kallir would likely have heard the reports that the sales were funding rearmament, and they nonetheless continued to collaborate.

Buchholz would also sign letters to the Reich Ministry for Propaganda and People's Enlightenment with the phrase, "Heil Hitler." One letter in the German Federal Archives from Buchholz to the Reich Propaganda Ministry from 4 March 1939 is signed, "I greet you with honor and Heil Hitler!" ("Es grüsst Sie verehrungsvoll mit Heil Hitler!"). Of course, signing letters in such a way did not mean that one was a Nazi (and Buchholz certainly was not), but in Buchholz's case, it signaled a wish to collaborate with the Nazi regime.

Karl Buchholz founded a branch of his gallery in Bucharest, Romania, in 1940 and later in 1943 opened a branch in Lisbon. He was able to travel between Berlin, Bucharest, and Lisbon throughout the war--a remarkable accomplishment in that Lisbon was located in neutral Portugal. Buchholz remained in contact with the Reich Ministry for People's Enlightenment and Propaganda, as illustrated by a letter he sent on 2 November 1942 to Reich Propaganda Ministry employee Dr. Rolf Hetsch. He also had good relations with the Reich Foreign Ministry, which assisted him in the shipment of books to neutral Portugal in October 1943.

Godula Buchholz claims that her father and Valentin suspended their partnership during the war. She does note, however, that Valentin sent a check to Buchholz for foreign

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<sup>24</sup> See, for example, the letter from Otto Nebel to Hilla Rebay of the Guggenheim Museum dated 19 August 1938, quoted in Esther Tisa Francini, *Fluchtgut-Raubgut. Der Transfer von Kulturgütern in und über die Schweiz 1933-1945 und die Frage der Restitution* (Zurich: Chronos Verlag, 2001), 204. A report with similar allegations about purchases of purged art enhancing German armaments funds can be found in the Eugen Spiro papers in the Paul Westthim archive in Moscow.

<sup>25</sup> Götz Aly, *Hitler's Beneficiaries. Plunder, Racial War, and the Nazi Welfare State* (New York: Metropolitan Books, 2006).

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currency for \$325 that arrived in April 1941 (before the United States entered the war in December 1941). During the war, on 29 May 1944, under the Trading with the Enemy Act, the United States government, through the office of the Alien Property Custodian, seized 401 artworks that Karl Buchholz had shipped to Valentin. The seized artworks had been shipped from Lisbon and had been addressed to Valentin at the Buchholz Gallery at 32 East 57th Street. It appears that they were transported to a repository known as the Lincoln Warehouse, where they were seized by federal agents. We know relatively little about these artworks. Nancy Yeide, Konstantin Akinsha and Amy Walsh have noted “The fact that a part of the seized artwork might have been on consignment with the dealer was never taken into consideration.”<sup>26</sup> They also noted, “Several of the paintings by Paul Klee and Alexei von Javlensky (sic), both victims of political prosecutions by the Nazis, were vested from the estate of famed art dealer Galka Scheyer.”<sup>27</sup> Some of these works from the 1944 shipment were later returned to the Scheyer estate: in other words, they appear to have been regarded as looted artworks.

In a letter of 2 November 1942 from Karl Buchholz to Rolf Hetsch of the Reich Propaganda Ministry, Buchholz explained these events and said he would continue to work to settle his debts to the Reich Propaganda Ministry “with the help of business friends who are citizens of neutral countries.”

I have seen no correspondence between Karl Buchholz and Curt Valentin during World War II. From 1945 to 1951, Karl Buchholz’s main business was located in Madrid. Franco’s Spain was infamous for protecting Nazis who were sought by the Allies, including SS-Commando Otto Skorzeny (who had “rescued” Mussolini from the Gran Sasso in September 1943).

The Allies set up an Art Looting Investigation Unit (“ALIU”). Its final report, issued on 1 May 1946 stated the following about Buchholz and Valentin in its section on Portugal:

BUCHHOLZ, Karl Lisbon, 50 Avenida da Libordado. Berlin book dealer, who opened a branch in Lisbon in 1943. Suspected of having worked for von RIBBENTROP and GOEBBELS, and of possible traffic in loot.

Partner of LEHRFELD, Portuguese national. Pre-war Berlin partner of Curt VALENTIN, German refugee dealer now established in New York (Buchholz Gallery, East 57th Street). VALENTIN is believed to have no contact with BUCHHOLZ during the war.

Allied investigators knew little of Buchholz’s business activities during the war, and historians today face similar challenges.

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<sup>26</sup> Nancy Yeide, Konstantin Akinsha, and Amy Walsh, *The AAM Guide to Provenance Research*, 47.

<sup>27</sup> some were reportedly from the estate of famed art dealer Galka Scheyer, 47.

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Buchholz and Valentin continued their partnership in the post-1945 period. One letter from 15 May 1946 from Buchholz to Valentin begins, "I received three letters from you this week dated 3 May, 14 April and 22 April...." Buchholz, as noted above, was in Madrid at this time. In the immediate postwar period, Valentin also sent Buchholz catalogues from MoMA. In short, the two men worked together intensively in the post-1945 period, just as they had in the pre-War period.

Considering their close personal and business relationship before and after the war, and that Buchholz spent considerable time in neutral Lisbon during the war (where it would have been easier to send letters without them being intercepted by the Nazi authorities), it seems likely that Buchholz and Valentin remained in contact during the war. The U.S. government also intercepted and censored mail, and this would no doubt have provided an obstacle for the two dealers (and partners). Some of the records of the so-called "postal intercepts" are in the U.S. National Archives and Records Administration in College Park, Maryland, and should be examined

Some defenders of Valentin have noted that the May 1938 law concerning "degenerate art" legalized the sale of purged art from German state collections, and that there is no evidence that he trafficked in artworks expropriated from Jewish victims. This is not true. There is an Oskar Kokoschka self portrait in MoMA's collection now that was once owned by a Jewish couple, Alfred and Rosy Fischer, who sold it to the Halle Museum in 1924. Halle paid some of the purchase price, but not for all of it and stopped payments in the Nazi era because the family was Jewish (this was not uncommon). After the payments were stopped, the Nazis confiscated it, put it in the *Degenerate Art* exhibition and then sold it through Buchholz and Valentin to MoMA. This case has been studied by Andreas Hüneke and published in a book about the Fischer collection done by the Jewish Museum in Frankfurt.<sup>28</sup>

Now, do we know for certain that Valentin knew of the painting's status: that the Halle Museum had not paid for the work? No, but it would have been Valentin's responsibility to investigate the provenance. It bears mentioning that MoMA refused to return the Kokoschka self-portrait claiming simply that it has good title.

An even more questionable artwork in The MoMA's collection throwing doubt on Curt Valentin's reputation is Paul Klee's painting, *Introducing the Miracle* (1916). Valentin acquired the painting from left-wing German-Jewish cultural critic Walter Benjamin, who had bought it from Berlin dealer J.B. Neumann (1887-1961) prior to the Nazi seizure of power. Because of Nazi racial persecution, Benjamin emigrated to France. In 1940, after the German invasion and conquest of France, Benjamin was imprisoned in an internment camp in the South of France; as is well known, he managed to gain his liberation and attempted to flee over the Pyrenees Mountains to Spain. When he was detained by Spanish authorities, he committed suicide. It is unclear when or how

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<sup>28</sup> Andreas Hüneke, "Die lange Geschichte der Hallenser Fischer-Bilder," in Georg Heuberger, ed., *Expressionismus und Exil: die Sammlung Ludwig und Rosy Fischer, Frankfurt am Main* (Munich: Prestel, 1990), 81-94 (the Kokoschka self-portrait in The MoMA is discussed on page 90).

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Valentin acquired this painting by Paul Klee, but it would appear that it occurred after 1938: at a time when Benjamin was suffering economic persecution by the Nazis, including the loss of a significant part of his highly valued library. Valentin sold the Klee to American collectors, Dr. and Mrs. Allen and Beatrice Roos, who subsequently donated it to The MoMA (The MoMA has not fully disclosed the provenance records for this work).<sup>29</sup>

### II. Otto Kallir-Nirenstein (1894-1978)

Born in Vienna in 1902, Otto Nirenstein, as he was then known, was the eldest son of lawyer Dr. Jacob Nirenstein and Clara Engel, who were both Jewish (they had been married in the Jewish Community in Vienna in 1893). Like Curt Valentin, he counted as Jewish according to the 1935 Nuremberg Laws, although he left the Viennese Jewish community in December 1936 and apparently embraced Catholicism. He reportedly experienced vicious anti-Semitism as a student at the Technische Hochschule in Vienna, which induced him to abandon his training as an engineer and focus on art and literature.<sup>30</sup> He nonetheless volunteered in 1914 to fight in the Austrian army, where he served as an officer (Oberleutnant) and saw action on the Russian and Italian fronts.<sup>31</sup> It was while in the “k. und k. Armee” that he met a writer and painter, Max Roden, who called his attention to the art of Egon Schiele. In 1919, Nirenstein returned to study art and art history, attending a drawing and painting class by Johannes Itten (a Bauhaus Master from 1919 to 1922), among other experiences. Nirenstein also began a relatively short tenure at the Galerie Würthle beginning in 1919, which intensified his interest in Schiele (he purchased Schiele’s *Portrait of an Old Man* in 1921—a work he later donated to the Boston Museum of Fine Arts). A dispute with the owners of the Galerie Würthle induced Nirenstein to explore other opportunities, and in 1923, he co-founded the Neue Galerie in Vienna; his short-term partner Erich Hirsch subsequently went on to work with Wolfgang Gurlitt and left the Neue Galerie to Kallir.

The Neue Galerie did well, and Nirenstein established himself as the foremost expert on Egon Schiele. The inaugural exhibition of the Neue Galerie featured Schiele’s work (the first since the artist’s death in 1918), and Nirenstein later received his doctorate in art history at the University of Vienna in 1930 for his dissertation on Peter Vischer and the Maximiliangrab (grave marker) in Innsbruck. This appeared the same year he published the first catalogue raisonnée of Schiele’s paintings, which would become invaluable for scholars, in part because it documented a number of works lost during the Third Reich.<sup>32</sup>

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<sup>29</sup> See Museum of Modern Art Provenance Research Project at <http://www.moma.org/explore/collection/provenance/items/395.62.html> (last accessed 29 September 2009).

<sup>30</sup> Jane Kallir, “Otto Kallir-Nirenstein: Ein Wegbereiter österreichischer Kunst,” in Jane Kallir and Hans Bisanz, *Otto Kallir-Nirenstein. Ein Wegbereiter österreichischer Kunst* (Vienna: Historisches Museum der Stadt Wien, 1986), 15.

<sup>31</sup> Kallir, “Otto Kallir-Nirenstein,” 15. She says that Schiele was “das Hauptmotiv seines Lebens” (16).

<sup>32</sup> Otto Nirenstein, *Egon Schiele. Persönlichkeit und Werk* (Berlin: Paul Zsolnay Verlag, 1930). The 1930 edition also provided the basis for the 1966 version, Otto Kallir, *Egon Schiele. Oeuvre-Katalog der Gemälde* (New York: Crown Publishers/ Paul Zsolnay Verlag, 1966). See also Otto Kallir, *Egon Schiele*.

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Nirenstein also promoted the art of other modernists; for example, buying the Nachlass of Richard Gerstl from Gerstl's brother in 1931 and displaying it for the first time in 1931.<sup>33</sup> The work of Oskar Kokoschka, Alfred Kubin, Anton Faistauer, and of course, Gustav Klimt, was also featured in the Neue Galerie, but also non-Austrians including Lovis Corinth, Vincent Van Gogh, and Edvard Munch. Nirenstein also branched out into publishing, founding various imprints, including the Verlag Neuer Graphik in 1919 and the Johannes-Press (named after his eldest son) in 1924. This latter published mostly luxury editions in small print runs by Rainer Maria Rilke, Thomas Mann, and Hugo von Hofmannsthal, as well as volumes illustrated by Max Beckmann, Oskar Kokoschka, and Paul Signac, among others.

Nirenstein emerged as a major proponent of Austrian modernism and rose in visibility in Vienna. He served on the board of the Hagenbund, a prominent exhibition society, and he developed a loyal clientele. Among his customers, Nirenstein counted Viennese cabaret performer Fritz Grünbaum, who would come to possess 88 works by Schiele (as part of a collection of over 400 artworks). The two men established a relationship of trust in the 1920s: in 1928, for example, Fritz Grünbaum loaned Otto Nirenstein 21 works by Schiele for the exhibition organized by the Neue Galerie at the Hagenbund.<sup>34</sup> Note that in this correspondence about the loan, Fritz Grünbaum reported that he was in Munich performing, but that he was willing to loan Nirenstein the works by Schiele. Fritz Grünbaum then permitted Nirenstein to go to his apartment and pick up the works from his sister-in-law. This, in my opinion, suggests considerable familiarity: to allow a dealer to enter one's home when one is not there and remove artworks reflects a high level of trust and a close relationship. The issue of their relationship would prove significant later on, after the anti-Nazi performer was arrested and sent to Dachau in 1938, where he subsequently died in January 1941. Grünbaum's magnificent art collection was stolen and the disposition of this art collection has been the subject of a recent lawsuit (*Bakalar v. Vavra*).

In 1933, Otto Nirenstein changed his name to Otto Kallir-Nirenstein (Kallir being a branch of his family). This same year, he met Reinhold Hanisch, a handyman who was employed at the Neue Galerie. Hanisch had known Hitler when the two men lived at a Viennese hostel (the Brigittenau hostel) in 1909.<sup>35</sup> Hanisch had a number of Hitler's watercolors, which Kallir evidently acquired. Kallir also encouraged Hanisch to write down his recollections, which he did. Later, on 14 March 1938 (the day after the Anschluss), Kallir reportedly burnt Hitler's watercolors (but he took Hanisch's manuscript with him to Paris and sold it to Konrad Heiden). The account of the burning of Hitler's art, in my opinion, should be viewed with skepticism (what dealer burns art, especially in the face of Nazi cultural barbarism?).

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*Das druckgraphische Werk* (New York: Crown Publishers/ Paul Zsolnay Verlag, 1970). Kallir, "Otto Kallir-Nirenstein," 16.

<sup>33</sup> Kallir, "Otto Kallir-Nirenstein," 17.

<sup>34</sup> *Egon Schiele Gedächtnisausstellung* (Vienna: Hagenbund und Neue Galerie, 1928).

<sup>35</sup> Lothar Machtan, *The Hidden Hitler* (New York: Basic Books, 2001), 29, 51-54.

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The Hanisch manuscript is among the many interesting things that Kallir sold around this time, including a Ferdinand Waldmüller painting of a young girl in a deal he brokered that involved Goebbels, who wanted to present it to Hitler as a gift. The painting was owned by a Mrs. von Vivenot (who lent it to the 1937 show at the Galerie Welz in Salzburg), and she gave it to Kallir on the condition that it would ultimately go to Adolf Hitler. It evidently did, via the Nazi deputy director of the Österreichische Galerie, Dr. Bruno Grimschitz (1892-1964), who couriered it to Berlin and transferred it to the Reich Propaganda Minister Joseph Goebbels: Goebbels in turn apparently gave it to the dictator in 1938.<sup>36</sup> While Kallir supposedly did not profit directly from the sale—other than to recover a loan he made to the original owner—it appears that he benefited by improving relations with Grimschitz and others in high official positions.<sup>37</sup>

Indeed, Kallir nurtured relations with a number of figures who could help him professionally, yet were tainted by their complicity in the Nazis' plundering program. In the mid-1930s, Kallir had begun collaborating with Friedrich Welz in Salzburg, as Kallir sent Welz works by Richard Gerstl in 1936 and they worked together on a Ferdinand Waldmüller exhibition in the summer of 1937 in Salzburg.<sup>38</sup> Welz, of course, became a notorious dealer of looted artworks. Kallir also had a longtime friendship and business relationship with Wolfgang Gurlitt (1888-1965), a Berlin dealer who later became an agent for Hitler's Führermuseum in Linz.

Perhaps more significantly, Kallir remained on good terms with Dr. Bruno Grimschitz, even as the director of the Österreichische Galerie helped implement the Nazis' plundering program from 1938 to 1945.<sup>39</sup> Jane Kallir testified under oath at a recent trial (Bakalar v. Vavra) that "Grimschitz was certainly director of that museum (the Österreichische Galerie) prior to the Anschluss in 1938. So obviously, my grandfather would have had a professional relationship as an art dealer with the director of the most important museum in the country."<sup>40</sup> Actually, at the time of the Anschluss Grimschitz was the Deputy Director under Franz Martin Halberditzl: Grimschitz became the Provisional Director (Kommissarischer Leiter) in August 1938, and the severely handicapped Halberditzl was sent into retirement.<sup>41</sup> Grimschitz formally joined the Nazi Party on 1 May 1938, but he was given an especially low membership number that

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<sup>36</sup> Alexandra Caruso, "Raub in geordneten Verhältnissen," in Gabriele Anderl and Alexandra Caruso, eds. *NS-Kunstraub in Österreich und die Folgen* (Innsbruck: Studienverlag, 2005), 101-03.

<sup>37</sup> Horowitz and Reagan, "Dealer with the Devil."

<sup>38</sup> Gerhard Plasser, "Untersuchung und Dokumentation von Gemälderückseiten am Beispiel der Landesgalerie Salzburg," in Gabriele Anderl and Alexandra Caruso, eds. *NS-Kunstraub in Österreich und die Folgen* (Innsbruck: Studienverlag, 2005), 266, 270-71. See also Gert Kerschbaumer, *Meister des Verwirrens. Die Geschäfte des Kunsthändlers Friedrich Welz* (Vienna: Czernin Verlag, 2000), 16.

<sup>39</sup> Monika Mayer, "Bruno Grimschitz und die Österreichische Galerie 1938-1945. Eine biographische Annäherung im Kontext der aktuellen Provenienzforschung," in Gabriele Anderl and Alexandra Caruso, eds. *NS-Kunstraub in Österreich und die Folgen* (Innsbruck: Studienverlag, 2005), 59-79; and Caruso, "Raub in geordneten Verhältnissen," 95-101.

<sup>40</sup> Jane Kallir, Transcript of trial for David Bakalar v. Milos Vavra, et. al. (United States District Court, Southern District of New York, 05 CV 3037), 15 July 2008, (Southern District Reporters), 292.

<sup>41</sup> Grimschitz became Director on 28 December 1939. Caruso, "Raub in geordneten Verhältnissen," 95.

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signified his “special services” to the Nazi Party during the “Verbotzeit.”<sup>42</sup> The former Nazi Grimschitz remained in the art world after World War II, working for example, as a consultant for the Dorotheum auction house; however, I have seen no documentation about Kallir’s relationship with him after 1945.<sup>43</sup> Art historian Alexandra Caruso, however, has noted that Grimschitz after the war pointed to helping Kallir as evidence that he had endeavored to aid persecuted Jews, but it is not clear what role Kallir played in Grimschitz’s de-nazification trial.<sup>44</sup>

In the mid-1930s, Kallir positioned himself as an Austrian nationalist and supporter of Vaterländische Front, sometimes described as “Austro-Fascism.” Kallir assisted Chancellor Kurt Schuschnigg by raising money from mostly Jewish businessmen.<sup>45</sup> As noted above, Kallir resigned from the Viennese Jewish community in December 1936 and moved in conservative, pro-Habsburg circles. After the Nazi take-over of Austria, a list of financial backers of the Vaterländische Front would fall into the hands of the Gestapo, but Kallir managed to escape incarceration by the Nazis.

Kallir did a remarkable job saving his own assets after the Anschluss. First, he managed to sell the Neue Galerie to Viktoria (“Vita”) Maria Künstler (1900-2001), who had been an employee at the gallery since 1924. The contract for the take-over was dated 14 June 1938, although the initiative had begun earlier that year prior to the Anschluss (but at a time when the Nazi threat had grown exponentially). Because she was not Jewish, Vita Künstler avoided the “Aryanization” measures that were implemented with such force as part of the “Modell-Wien.” But Dr. Künstler went well beyond this, and organized exhibitions that were consistent with the tastes of the Nazi leaders (going so far as to put a bronze bust of Hitler in the gallery).<sup>46</sup> Künstler cultivated influential figures such as Dr. Kajetan Mühlmann, the head of cultural matters in the Ostmark in 1938-1939 who would ultimately rank as one of the greatest art plunderers of all time. Künstler would invite Mühlmann to openings at the gallery, and she wrote fellow art dealer Ludwig Gutbier, with whom she co-organized several exhibitions, in breathless prose about her interactions with the Austrian cultural bureaucrat. Künstler undoubtedly sought to cultivate Mühlmann and earn his good will.<sup>47</sup> She organized exhibitions at the Neue Galerie until 1942, where upon she ceased activities until 1945.<sup>48</sup>

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<sup>42</sup> Caruso, “Raub in geordneten Verhältnissen,” 95-96, 105. For Austrians who joined the Nazi Party after the Anschluss, numbers under 6,600,000 signified “besondere Leistungen” for the Nazi Party; Grimschitz received the number 6,288,429.

<sup>43</sup> Caruso, “Raub in geordneten Verhältnissen,” 101.

<sup>44</sup> Caruso, “Raub in geordneten Verhältnissen,” 102.

<sup>45</sup> Kallir, “Otto Kallir-Nirenstein,” 18.

<sup>46</sup> Deutsche Kunstarchiv, Nuremberg, I, B-746: Neue Galerie file from November 1938 to June 1940. For her cultivation of Mühlmann, see, for example, Künstler to Ludwig Gutbier, 4 April 1939, where she reports on the opening of the exhibition “Aus Münchener Ateliers,” where Grimschitz, Dworschak (the director of the Kunsthistorisches Museum), and various Nazi officials attended, and reports that Mühlmann will come see her after Easter. She also reports on the bronze bust of Hitler that Gutbier had send her for the gallery.

<sup>47</sup> Check Altmann v. Austria report for Klimt work that Künstler obtained and later left to the Austrian Gallery.

<sup>48</sup> Kallir and Bisanz, *Otto Kallir-Nirenstein*, 9.

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Vita Künstler also engaged in other questionable activities, including acquiring certain works that belonged to victims of Nazi persecution, such as Gustav Klimt's *Portrait of Amalie Zuckermandl*, which had been in the collection of Ferdinand Bloch-Bauer and also the Müller-Hoffmanns. The present day ownership of this Klimt portrait has also been disputed in a law suit (Altmann v. Austria). In another instance, Künstler sought to do business with the likes of Nazi dealer Karl Haberstock, to whom she wrote in June 1939: in a letter in the Haberstock Nachlass in Augsburg, Künstler reported that she heard that he was selling modernist art for foreign currency, that she had a foreign customer who would be interested in this work, and inquired about doing business (which eventually might lead to "a larger block sale").<sup>49</sup> It is to be presumed that Otto Kallir would have played a role in this initiative, although there is no evidence that the deal came to fruition.

The point about these activities on Künstler's part—trying to cultivate Mühlmann and do business with Haberstock, and buying art from Jews under distress—is that she went well beyond trying to save what could be saved. Künstler, who was effectively Kallir's partner, tried to profit from circumstances created by the Nazis' policies. Now one can argue that she needed to earn a living, and the activities mentioned above came with the territory because of her market niche (modernist art). But there were other dealers of modernist art in the German Reich who survived with fewer ethical entanglements: Ferdinand Möller, for example, who continued to sell modernist art up through 1945, but appeared to steer clear of Mühlmann, Haberstock, and Jewish persecutees' property.<sup>50</sup>

Otto Kallir also managed to export many of the artworks in his possession. Some were sent off before the Anschluss, including 25 paintings that went to Lucerne in February 1938. But other export permits were granted after March 1938, such as 74 works that received approval on 10 June.<sup>51</sup> Note that according to the Monuments Law (Denkmalschutzgesetz) of 1923 (Paragraph 3), an export permit was needed to take art out of Austria when the artist had died 20 years ago or longer. Therefore, for certain works, no permit was needed: Schiele died on 31 October 1918, and there was a window that closed just after Kallir exported his art, but Gustav Klimt died on 6 February 1918, so a permit would have been needed for his works.

Kallir's friend, Professor Grimschitz, helped with regard to Kallir's export permits, although Dr. Otto Demus (1902-90) of the Bundesdenkmalamt signed off on the official documents. True, Kallir was unable to export certain nineteenth century works, and they had be "sacrificed to the gods," in Grimschitz's now famous words.<sup>52</sup> But these works

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<sup>49</sup> Städtische Kunstsammlungen der Stadt Augsburg, Karl Haberstock Nachlass, Vita Künstler to Haberstock (10 June 1939).

<sup>50</sup> Eberhard Roters, *Galerie Ferdinand Möller. Die Geschichte einer Galerie für moderne Kunst in Deutschland, 1917-1956* (Berlin: Mann, 1984).

<sup>51</sup> For the list of works approved for export on 10 June 1938, see Sophie Lillie, *Was Einmal War*, 544-45.

<sup>52</sup> Kallir, "Otto Kallir-Nirenstein," 18. See also Kallir, *Saved From Europe*, 21. Jane Kallir recently testified she was not sure whether the phrase about "sacrificing works to the Gods" was made by Grimschitz or Demus. See Jane Kallir, Transcript of trial for Bakalar v. Vavra (U.S. District Court, Southern District of New York, 05 CV 3037), 15 July 2008, (Southern District Reporters), 293, 300.

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retained by Grimschitz and Demus, according to Sophie Lillie, were in no way the most important in Kallir's possession, and suggested a kind of special deal.<sup>53</sup>

In light of the "Modell Wien" that was quickly implemented by Adolf Eichmann, it is fair to say that Kallir was fortunate to receive permission to export artworks, even modernist works. Kallir was by no means unique in this regard, but he fared extremely well with regard to the export of his property. Kallir benefited not only from his relationships with those in positions of authority, but also because he acted quickly—before Eichmann had firmly established his Zentralstelle für Jüdische Auswanderung (although, as Sophie Lillie notes, Kallir transferred goods through September 1938—at a time when most shipments were held back).<sup>54</sup> He apparently continued to export works into 1939, and, of course, it only became more difficult to export property (with the door slamming completely shut in 1941).

There is also no indication that Kallir ever paid the Reich Flight Tax, which is also a testament to his shrewdness. While there is no clear explanation for this, it appears as though he convinced the Nazi authorities for some time that he had not left the Reich for good. This was a tactic employed by other Jewish dealers, such as Alfred Flechtheim, who stayed in hotels around Europe after his departure from the Reich in 1933, rather than moving into an apartment or permanent residence, which would have sent a different signal. Flechtheim returned to Germany on several occasions in the mid-1930s and was able to export some of his modernist stock, in part by convincing the non-Jewish liquidator of his firm, Alfred Schulte, that he was committed to paying down an alleged debt. Although Kallir's strategy was less transparent, he was evidently processing the Neue Galerie stock either by obtaining export permits or by transferring works to Vita Künstler, but without having declared his firm intention to emigrate, which would have kicked in the onerous tax and currency provisions designed to deprive émigrés of their assets. By the time it was clear that Kallir would not return, there was little if anything left of his for the Nazi authorities to seize.

Kallir traveled to Lucerne Switzerland in June 1938, but was unable to obtain a work permit. He then moved on to Paris, where he received such a permit; but because his wife, Fanny and their two children had no permit to remain in France, the family eventually made its way to the U.S.A. in August 1939. In September 1939, all the artworks from the Kallir's flat in Vienna arrived in New York, care of Curt Valentin and the Buchholz Gallery. It bears mentioning that prior to leaving Europe, he also attended the Fischer Lucerne auction, where, according to Nancy Yeide, Konstantin Akinsha, and Amy Walsh, "Kallir bought a large number of works from the June 30, 1939 Fischer sale,

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<sup>53</sup> Lillie, *Was Einmal War*, 542. She writes, "Die mehr als zurückhaltende Bewertung der Sammlung durch Otto Demus, der ausschliesslich eine kleine Auswahl der regimegenehmen (und keineswegs der wichtigsten) Bilder zurückbehält, deutet auf eine gewisses Entgegenkommen hin."

<sup>54</sup> Lillie, *Was Einmal War*, 542-43. She writes, "...wofür die Tatsache spricht, dass der Übersiedlungslift noch im September 1938 in die Schweiz abgefertigt und nicht wie in den meisten Fällen von der Spedition zurückgehalten worden ist...."

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sending them to the United States for resale.”<sup>55</sup> During the war, Otto Benesch, then a curator at Harvard University (and later director of the Albertina from 1947 to 1961) accused Kallir of smuggling art into the United States; but when FBI agents interviewed him in Cambridge, Massachusetts, Benesch retracted the allegations and admitted that he and Kallir had a pre-war business dispute in Vienna.<sup>56</sup> Yeide, Akinsha, and Walsh have also noted that “paintings sent by Kallir from Vienna to Paris and stored in Paris during the war were not looted and were returned to him.”<sup>57</sup> I have seen no explanation for this remarkable occurrence.

Curt Valentin served as Otto Kallir’s first sponsor in the United States and helped him establish his gallery in New York (he used the name of the short-lived gallery he had founded in Paris, the Galerie St. Etienne, which was taken from a Catholic saint known for his anti-Semitism). The initial shipment of Kallir’s art from Europe was sent care of Valentin and the Buchholz Gallery in New York. According to Jane Kallir, Valentin helped Otto Kallir-Nirenstein in another way: in 1940, Valentin arranged for Kallir’s 1940 Kokoschka exhibition to travel to the Arts Club of Chicago and the Kalamazoo Institute of Arts, thereby increasing his national exposure and potential customer base.<sup>58</sup> It was indeed extraordinary that Valentin would assist his competitor in this way; the logical conclusion is that they were not simply competitors. More will be said about this momentarily.

Kallir developed an extraordinarily wide-ranging network of colleagues and contacts that extended well beyond Valentin: one that included not only Nazi museum director Bruno Grimschitz and the powerful Otto Demus, but others whose identities we still do not know. For example just two weeks prior to his departure from France in the summer of 1939, he wrote to Karl Buchholz in Berlin about purchasing several artworks. He suggested that if his offer was acceptable, then Buchholz should consider sending the works to the German Embassy in Paris. He noted, however that he himself could not set foot in the Embassy, but that he would send a representative. How is it that Kallir felt comfortable sending valuable art to the Nazis’ embassy in France?<sup>59</sup> Who was his non-Jewish representative? There is clearly much that we do not know about Kallir.

Kallir’s extensive network of contacts sometimes caused him difficulties. For example, once in the U.S., Kallir traveled in conservative (and Catholic) Austrian monarchist circles, and, as detailed in his FBI file, helped found the Free Austrian Nationwide Council, which aimed to assist Austrian refugees. In 1941, he was accused (wrongly) of being a Nazi agent in a *Washington News* article. The allegations induced not only his withdrawal from several émigré political organizations, but also a heart attack. This

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<sup>55</sup> Yeide, Akinsha and Walsh, *The AAM Guide to Provenance Research*, 237-38.

<sup>56</sup> Kallir file, Federal Bureau of Investigation, Report of Special Agent F. J. Holmes about Otto Kallir, 10 February 1942 (Freedom of Information Act).

<sup>57</sup> Yeide, Akinsha and Walsh, *The AAM Guide to Provenance Research*, 238.

<sup>58</sup> Kallir, *Saved From Europe*, 33.

<sup>59</sup> Bundesarchiv Berlin, R 55/21017, Bl. 175, Otto Kallir to Karl Buchholz, 29 July 1939.

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event signaled a cessation of his explicitly political activities, and he focused again on his art dealing and publishing activities.

During the late-1930s, Kallir maintained ties to many Austrian friends, and this led to his purchasing many works from Viennese Jews who sought to sell works in their collection. The Nazi state was applying increasingly strong pressure on Jews (especially Austrian Jews), forcing them to register and then relinquish many of the artwork they owned. One example is Dr. Oskar Reichel, a prominent Viennese physician and art dealer, who had his business closed down by the Nazis in November 1938.<sup>60</sup> Reichel sold the Neue Galerie five paintings between December 1938 and in February 1939, including two works by Kokoschka: *Portrait of a Youth* (1910) and *Two Nudes* (1913), which Kallir imported to the United States before the War. The latter, which features the artist with Alma Mahler, has been in the Boston Museum of Fine Arts since 1973. Reichel had been forced to provide the Nazi authorities an inventory of his art in June 1938, and he knew that they were in imminent danger of being seized when he sold them the following year. The Reichel family suffered greatly during the war (one son died in a concentration camp and Oskar Reichel himself died of “natural causes” in 1943).<sup>61</sup> Reichel’s business and home were both confiscated. Yes, Reichel and Kallir had done business together in the past, but in my opinion, this episode falls into a gray area. Kallir exported the works he bought from Reichel, first to Paris, and then to the United States, and sold them out of his New York Gallery to fellow émigré dealer Karl Nierendorf in 1945. The two Kokoschkas have also been the subject of several recent lawsuits between Reichel’s heirs and the heirs of Sarah Reed Blodgett Platt (who had bought the works around 1948 and then later donated one of them to the Boston museum). The court rulings disallowed restitution on grounds that had nothing to do with Kallir’s acquisition of the works (e.g., a Louisiana court ruled that Sarah Reed Blodgett Platt had them for more than ten years and owned them by “prescription”).<sup>62</sup>

### III. Valentin and Kallir in the Post-War Period:

In the postwar period, both Curt Valentin and Otto Kallir were in positions to take advantage of the art market that flourished in the United States and accompanied the rise of American museums. It is no coincidence that a study of modern art in the Harvard University museums uses the phrase “The Acquisitive years” as the chapter title for the period 1948 to 1968.<sup>63</sup> While it took some time for the market in modern art to rise—and prices for German as well as Austrian Expressionist works in no way compare to the

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<sup>60</sup> Sophie Lillie, “A Legacy Forlorn. The Fate of Egon Schiele’s Early Collectors,” in Renée Price, ed., *Egon Schiele. The Ronald Lauder and Serge Sabarsky Collections* (Munich: Prestel, 2005), 116-19.

<sup>61</sup> Arabella Yip and Ronald Spencer, “Untouched by Nazi Hands, but Still...” in *The Wall Street Journal* (28 February 2008).

<sup>62</sup> Martha Lufkin, “Second Kokoschka Nazi Claim Rejected,” in *The Art Newspaper* (9 September 2009).

<sup>63</sup> John Coolidge, “The Acquisitive Years, 1948-1968. An Informal Memoir,” in Caroline Jones, ed., *Modern Art at Harvard. The Formation of the Nineteenth- and Twentieth- Century Collections of the Harvard University Art Museums* (New York: Abbeville, 1985), 59-74.

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situation today—both dealers prospered in their new homes. The first work of Egon Schiele to enter the collection of an American museum did not occur until 1954, when the Minneapolis Institute of Arts acquired *Portrait of Paris von Gütersloh* (1918). And Jane Kallir maintained that the first truly successful Schiele exhibition at her grandfather's Galerie St. Etienne was not until 1957.<sup>64</sup> But it is telling that Valentin and Kallir could both afford galleries on 57<sup>th</sup> Street in Manhattan, just blocks from one another.<sup>65</sup>

Both Valentin and Kallir did a great deal to expose the American public to modernist art, and their methods often involved philanthropy: for example, Valentin donated Rudolf Belling's sculpture of Alfred Flechtheim (Valentin's former employer) to the Museum of Modern Art in 1950 and later left as a bequest Max Beckmann's *Descent from the Cross* (1917) to The MoMA; and Kallir gave works by Schiele and Klimt to important museums, including Klimt's *The Park* to the Museum of Modern Art in 1957 and Klimt's *Pear Tree* to the Busch-Reisinger Museum at Harvard University in 1966.<sup>66</sup> Both dealers were "missionaries for the modern," to borrow the title of a book about Alfred Barr. But they were both shrewd businessmen. And, as noted above, they appeared to find ways to co-exist that reduced the level of direct competition, with Valentin specializing in high end (and often French) paintings, and Kallir focusing more on less expensive graphic works (albeit, as indicated above, with some important paintings, especially by Austrian modernist masters, added to the mix).

While much of Valentin's wartime activity remains cloaked in mystery, we know somewhat more about his postwar business activities. For example, Valentin bought back many works from the 1944 Buchholz seizure and sold them at profit. According to The MoMA's website, a work in the museum's collection, August Macke's *Lady in a Park* 1914, was purchased by Curt Valentin in 1945 from the U.S. Alien Property Custodian. Thus, Valentin appears to have simply purchased at least one of the artworks that the U.S. government had seized from him.<sup>67</sup>

Valentin, of course, renewed his contacts with European colleagues, including Louise Leiris, the Catholic sister-in-law of Daniel Henry Kahnweiler, who had taken over the famed Jewish dealer's establishment in Paris during the war. In 1949, Valentin bought a Fernand Leger painting, *Smoke over Rooftops* (1911) from Leiris/Kahnweiler, which he

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<sup>64</sup> Kallir, "Otto Kallir-Nirenstein," 19.

<sup>65</sup> Valentin, as noted above, moved in 1939 to 32 East 57th Street; while Kallir opened the Galerie St. Etienne at 46 West 57<sup>th</sup> Street and then moved in 1960 to 24 West 57<sup>th</sup> Street.

<sup>66</sup> Kallir, "Otto Kallir-Nirenstein," 19. See also Peter Nisbet and Emilie Norris, *The Busch-Reisinger Museum. History and Holdings* (Cambridge: Harvard University Art Museums, 1991), 76. Klimt's *Pear Tree* was one of the works that Kallir took with him from Vienna in 1938.

<sup>67</sup> For the provenance for one of the works that was confiscated in the "Buchholz seizure"--August Macke's *Lady in a Park* [*Frau mit Sonnenschirm und karierten Handschuhen*]--see <http://moma.org/collection/provenance/items/16.56.html>. See more generally, Godula Buchholz, *Karl Buchholz: Buch- und Kunsthändler im 20. Jahrhundert* (Cologne: Drumont Verlag, 2005). See also Nancy Yeide, Konstantin Akinsha, and Amy Walsh, *The AAM Guide to Provenance Research*, 46-47; and Presidential Advisory Committee on Holocaust Assets in the United States, *Plunder and Restitution* (Washington, DC: U.S. Government Printing Office, 2001), SR 58- SR 72.

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sold in 1951 from his New York gallery.<sup>68</sup> The Leger painting had been seized by the Nazis from famed French collector Alphonse Kann early in the war (Kann had fled Paris in 1939), and then sold in November 1942 at the collaborationist Paris auction house, the Hôtel Drouot. Leiris had evidently purchased it at what was presumably a bargain price, and then flipped it to Valentin in 1949. Valentin in turn sold it to Putnam Dana McMillan, an executive at General Mills, who bequeathed it in 1961 to the Minneapolis Institute of Arts. The Minneapolis museum was compelled to conduct extensive research in recent years, and returned the Leger to the heirs of Alphonse Kann in October 2008. The curator of paintings at the Minneapolis Institute of Arts, Patrick Noon, noted with regard to Valentin, “I don’t know what to make of him, although I have heard him disparaged like the dealers who dealt directly with Hermann Goering.”<sup>69</sup> In this case, Valentin dealt with a clear-cut case of Nazi looted art from the collection of one of the most famous French-Jewish victims.

Later, in 1952, Valentin sold George Grosz’s *Herrmann-Neisse with Cognac* to The MoMA on behalf of Charlotte Weidler, a German art dealer who worked for the Carnegie Institute. Weidler has been charged with stealing art that had been entrusted to her during the 1930s, including a number of valuable works by émigré art critic Paul Westheim.<sup>70</sup> It appears that the Grosz portrait that Valentin sold for her was also stolen: in this case from Alfred Flechtheim, who had fled Germany in 1933 and had his galleries “liquidated.” A review of Grosz’s business records show no evidence that he was paid for the painting. Flechtheim’s records show an absence of the picture being sent to any third party. The painting is currently the subject of a lawsuit between the heirs of George Grosz and The Museum of Modern Art.

Valentin died of heart attack in 1954. His heirs refused to compensate Buchholz and they went to court for years. But, as noted at the outset of this paper, Valentin has been lionized as a Maecenas, philanthropist, and all around good fellow.

Kallir returned to Vienna in 1949—for the first time since the Anschluss—whereupon he was able to effect the recovery of the Neue Galerie from Vita Künstler. Yet they remained “partners” until 1952, as she ran the Vienna operation and he worked from New York.<sup>71</sup> In 1952, Künstler transferred her share to his daughter Eva-Marie, but continued on her own as a major dealer of modern art. Perhaps most notably, Künstler sold Egon Schiele’s important painting, *Winter Flowers* (1911/12) to then U.S. Ambassador to Austria Ronald Lauder in 1987. In order to help Lauder export the painting, Künstler offered to donate Klimt’s *Portrait of Amalie Zuckerkandl*, the work once in the Bloch-Bauer collection that she acquired during the war under mysterious circumstances, to the

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<sup>68</sup> Mary Abbe, “MIA Sends Nazi ‘Loot’ Home to Paris,” in *Star Tribune* (30 October 2008).

<sup>69</sup> Mary Abbe, “MIA Sends Nazi ‘Loot’ Home to Paris,” in *Star Tribune* (30 October 2008).

<sup>70</sup> Stefan Koldehoff, *Die Bilder sind unter uns. Das Geschäft mit der NS-Raubkunst* (Frankfurt: Eichborn, 2009), 37-54.

<sup>71</sup> Vita Maria Künstler, “Die Neue Galerie und ich,” in Jane Kallir and Hans Bisanz, *Otto Kallir-Nirenstein. Ein Wegbereiter österreichischer Kunst* (Vienna: Historisches Museum der Stadt Wien, 1986), 24.

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Austrian state.<sup>72</sup> This was yet another example of “horse-trading” (Tauschgeschäfte) that occurred so frequently before 1998.

After the war (from 1946 to 1964), Otto Demus headed the Bundesdenkmalamt, and in this capacity, oversaw a policy that forced those who wished to leave Austria—mostly Jews who no longer wished to live in a land where the inhabitants had sanctioned such intense persecution—had to give up certain works in order to export others. This “Tauschgeschäft” was declared illegal under the 1998 Art Restitution Law and provided grounds for restitution. Kallir apparently sanctioned such postwar measures and worked with Demus in implementing the “horse-trading” policy. The most famous case involving Kallir concerned the Nachlass of Johann Strauss, where Kallir worked as the intermediary between the heirs and a Viennese museum. According to Tina Walzer and Stephan Templ, the deal brokered by Kallir resulted in the most valuable pieces going to the museum.<sup>73</sup>

Kallir also reportedly helped a number of Jewish victims recover looted artworks after the war. While he very likely wanted to help others redress the crimes of the Nazis, there was certainly an element of self-interest in his actions. His efforts evidently afforded him certain business opportunities, and proved most useful in terms of public relations. In one case, family members of Fritz Grünbaum approached Kallir in the 1960s and sought help in tracking the lost artworks. Even though Kallir sold Grünbaum many of these artworks in the interwar period, and as discussed below, purchased some of them again in the mid-1950s, he was unable to provide them with any useful information. The evidence leading to restitution claims emerged only in the wake of the revelations concerning Schiele’s *Dead City III* in the late-1990s, well after Kallir’s death.<sup>74</sup>

Kallir retained his extensive network in the art world, sometimes with dealers who themselves were compromised by events during the Third Reich. Eberhard Kornfeld, the proprietor of Gutekunst and Klipstein in Berne would be one example. The Nazis had planned to sell “degenerate” graphic arts at Gutekunst and Klipstein as a follow-up to the Fischer Lucerne sale. For unknown reasons—perhaps the criticism that stemmed from the Fischer auction, perhaps the low prices of the modernist graphic works—the public

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<sup>72</sup> Hans Haider, “Wiener Irrwege eines Klimt-Porträts,” in *Print-Presse* (22 June 2002). The head of the Austrian Monument Office Professor Dr. Ernst Bacher announced on 28 January 1988, “there are many variations of Schiele’s *Winter Flowers* in Austrian collections, but that the previous owner [Dr. Vita Künstler] has declared that as compensation [*als Gegenleistung*] she will give the *Portrait of Amalie Zuckermandl* to the Österreichische Galerie.”

<sup>73</sup> Tina Walzer and Stephan Templ, *Unser Wien. “Arisierung” auf Österreich* (Vienna: Aufbau Verlag, 2001), 101. See also Hanns Epstein, “Zusammenfassender Bericht der Museen der Stadt Wien und der Wiener Stadt- und Landesbibliothek über den Erwerb der Sammlung Strauß-Meyszner durch die Stadt Wien” (Vienna: Dokumentation der Stadt Wien, 2000). For more on Demus, see <http://www.dictionaryofarthistorians.org/demuso.htm> (last accessed 2 November 2009).

<sup>74</sup> For Kallir’s long time associated Hildegard Bachert reporting that relations of Fritz Grünbaum (the Reif family) turned to Kallir in the 1960s, see Jane Kallir, Transcript of trial for David Bakalar v. Milos Vavra, et. al. (U.S. District Court, Southern District of New York, 05 CV 3037), 15 July 2008, (Southern District Reporters), 305.

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sale was called off. But Klipstein continued in the art dealing business during the war, selling property of Jewish émigrés (Judenauctionen), among other activities.

In the autumn of 1956, Gutekunst and Klipstein sold works by Egon Schiele from Fritz Grünbaum's collection. Otto Kallir purchased 20 of these works, including the oil painting *Dead City III* (currently the subject of a long-standing lawsuit). Did Otto Kallir know that these were Grünbaum's artworks? The answer, in my opinion, is yes: Kallir was the world's greatest Schiele expert, a friend of Grünbaum, and had sold many of the works to Grünbaum in the first place (including *Dead City III*—which was listed as belonging to Grünbaum in Kallir's 1930 catalogue raisonné). Kallir had been in Switzerland in summer of 1956, just prior to the sale, where he had an opportunity to speak with Eberhard Kornfeld and others familiar with the sale (note that every Schiele in the sale came from the Grünbaum collection).<sup>75</sup> Grünbaum was very famous (although the square named after him today in Vienna came about only in 1989). It would have been virtually impossible for Kallir not to know his customer and friend had been killed by the Nazis. It is striking that there is no written record of Kallir asking about the provenance of the work. Kornfeld later claimed the works came from Mathilde Lukacs, Grünbaum's sister-in-law who had fled Austria for Belgium in August 1938. We know that the Grünbaum art collection was still in Vienna in June 1939, if not later, and I would agree with Sophie Lillie in asserting that there was virtually no chance for Lukacs to travel across half of Europe during the war in order to obtain Grünbaum's art collection.<sup>76</sup> In terms of a possible postwar recovery, it is important to note that Lukacs was not the sole and rightful heir. She had no court documents attesting to her good title to Grünbaum's art (she, or a lawyer using her name, had initiated measures in this direction in 1954 and then abandoned the attempt shortly thereafter, such that Lukacs never obtained any legal ownership, let alone authority to dispose of the works). Kornfeld's explanation of what happened, which he was compelled to give some fifty years later, lacks credibility (the receipts for the consignment are in pencil and the documents do not match with the works offered for sale).

Kallir took the Grünbaum works he acquired and sold them out of his New York gallery in the late-1950s and 1960s. If the example provided by *Bakalar v. Vavra* is representative, which I believe it is, Kallir never provided any information about provenance to the customer. Kallir did not inform Bakalar that the drawing was once in the collection of Fritz Grünbaum. Indeed, he said nothing about previous owners. Rudolf Leopold, who bought *Dead City III* from Kallir, also claims that he was told nothing of the provenance and bought the painting in good faith.<sup>77</sup>

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<sup>75</sup> Note that Kallir and August Klipstein were well acquainted: in 1955, for example, they cooperated in producing the catalogue raisonné for Käthe Kollwitz, a volume published by Gutekunst & Klipstein in German and by the Galerie St. Etienne in English. See August Klipstein, *The Graphic Work of Käthe Kollwitz* (New York: Galerie St. Etienne, 1955).

<sup>76</sup> Sophie Lillie, "Die tote Stadt. Das ungeklärte Schicksal der Kunstsammlung Fritz Grünbaum," in Marie-Theres Arnbrom and Christoph Wagner-Trenkowitz, eds., "Grüss mich Gott!" *Fritz Grünbaum. 1880-1941. Eine Biographie* (Vienna: Verlag Christian Brandstätter, 2005), 155.

<sup>77</sup> Gert Kerschbaumer, "Gutgläubiger Erwerb oder institutionelle Habgier?" in Gabriele Anderl and Alexandra Caruso, eds. *NS-Kunstraub in Österreich und die Folgen* (Innsbruck: Studienverlag, 2005), 167.

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Considering that Kallir knew of the fate of his friend and valued client and considering he knew that so many of those who had collected works by Egon Schiele had been persecuted by the Nazis and lost their art in the process (as more recently documented by Sophie Lillie), this failure to disclose the artworks' provenance is particularly problematic.<sup>78</sup> Indeed, Kallir had written to dealer J.B. Neumann in a 3 March 1948 letter where he acknowledged that the Nazis had looted many objects that were being transported to the United States, and he assured his counterpart that the Schiele works in question came from perfectly reliable sources and had been in possession of the previous owners since before the war.<sup>79</sup> But Kallir, to say the least, failed to notify many buyers about the provenance of the works he sold them in the years that followed; and he also failed to make formal inquiries into the provenance of works that he acquired.<sup>80</sup>

It is important to keep in mind that Otto Kallir was being praised and honored in various ways at the same time he was not disclosing the provenance of these problematic works. He was recognized by the Republic of Austria with the Grosses Ehrenzeichen in 1960. Later, in 1976, he was awarded the title of Professor in Vienna. Kallir died in New York on 30 November 1978.

#### IV. Conclusions.

Those of us who work on art looting, restitution, and the art market know very well about the problematic “red flag” figures—the Mühlmanns, Haberstocks, and Künsbergs—but we are less aware of the potential problems associated with the émigré dealers.

Many émigré dealers found themselves in a gray zone. There were actually numerous gray zones, and with regard to Valentin and Kallir three stand out.

First, there was the gray zone of business associates: the art business is about relationships, and most ambitious dealers cultivated them assiduously, and with relatively little regard for the ethical qualities of their counterparts. It was rare to find an art dealer who would avoid another because of concerns that someone was ethically compromised.

Second, as noted above, there was the gray zone of art belonging to victims of National Socialism. This included the ethics of trafficking in “Fluchtgüter” and organizing “Emigranten-Auktionen”; the ethics of selling art purged from German state museums

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Kerschbaumer claims that Kallir and Leopold met in Bern at Gutekunst & Klipstein and that Leopold bought *Dead City III* in good faith soon thereafter once he returned to Vienna.

<sup>78</sup> Lillie, “Legacy Forlorn,” 110-39.

<sup>79</sup> Kallir to Neumann, 3 March 1948 (letter in Neue Galerie files in the Österreichische Galerie), produced as evidence in *Bakalar v. Vavra* (U.S. District Court, Southern District of New York, 05 CV 3037), 15 July 2008, (Southern District Reporters), 328-35.

<sup>80</sup> Jane Kallir, Transcript of trial for David Bakalar v. Milos Vavra, et. al. (United States District Court, Southern District of New York, 05 CV 3037), 15 July 2008, (Southern District Reporters), 333.

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(many of which had been nationalized in contravention of the Weimar constitution, which was still in place). This was the cultural patrimony of the German people, and the proceeds were going to the Nazi regime, which was spending unprecedented resources on rearmament.

Third, there was the gray zone of covering up the past. As the saying goes, sometimes the cover-up is worse than the crime. I am not saying that Kallir and Valentin committed crimes, but their lack of transparency in their postwar dealings is in itself problematic. How could they not provide the provenance of artworks, when they knew that previous owners had been victims of Nazi persecution? Indeed, I am more critical of their behavior in the postwar era, when they knew that they were trafficking in artworks with problematic provenances.

Clearly they were not alone in this regard, and that's just the point. Valentin and Kallir were representative in so many respects. Up until now, there has been a sense that the émigré dealers were themselves victims, and that they enriched the cultural life of their new homelands, and that is largely true. But, as I have tried to argue here, that is not the entire story.

Finally, in closing, I would underscore that it is important to understand that there is a lot more research to be done from the U.S. end and that my approach is not to keep simply blaming Austrians and other Europeans, but also to be unsparing in assessing activities in the U.S. This was the goal of the Presidential Advisory Commission on Holocaust Assets, where I worked for two years. We emphasized in our report that there was much more research to be done.

The Presidential Commission also emphasized that the United States government and the country's museums have good reason to be self-critical. We know that the Nazis directly advertised to the British and Americans at the 1938 auction of Heinrich Stinnes' art in Berlin that they would get a 33% discount if they purchased through the FIDES Treuhand in Switzerland.<sup>81</sup> The Reich Propaganda Ministry also marketed the purged "degenerate" art to U.S. citizens and turned to the U.S. Embassy in Berlin for assistance in this regard. Rich Americans appeared to think this was all great sport.

One might also consider that the Carnegie Institute employed Charlotte Weidler in Berlin in 1939 to scoop up bargains directly from the Nazis. This, I think, says as much about the Carnegie, as it does about Weidler, who like Curt Valentin, ended up being a middleman. American museum officials, like Alfred Barr, knew the background of these works: Barr would have known perfectly well who Walter Benjamin was, and that Klee's pre-War dealer was Alfred Flechtheim, who had suffered persecution at the hands of the Nazis.

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<sup>81</sup> Joseph Jung, *Die Banken der Credit Suisse Group im Zweiten Weltkrieg: Ein Überblick* (Zurich: Neue Zürcher Zeitung, 2001); more specifically, see the chapters, "Mandate der Fides Treuhand-Vereinigung 1934-1942: Sperrmarkliquidation, Hotelsanierung, Kunstgeschäfte" (331-70), and "Kunst aus Nazi-Deutschland in der Schweiz" (371-428).

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This paper, as noted above, is not about destroying the reputations of Curt Valentin and Otto Kallir: it is about understanding the forces that led these talented and important art dealers into the multiple gray zones that cast shadows over their careers.