EUROPE NEWS

Cache of Nazi-Seized Art Discovered in Munich Apartment

Works by Artists Including Matisse, Picasso Estimated to Be Worth About $1.35 Billion

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A trove of about 1,500 artworks confiscated by the Nazis was unearthed in the trash-filled apartment of an elderly Munich man, German authorities confirmed Monday, a spectacular find of lost treasure that reverberated across the art world.

The works, by artists including Picasso, Matisse and Chagall, are estimated to be worth about €1 billion ($1.35 billion), according to a preliminary analysis for authorities undertaken by an expert at Berlin's Free University. German authorities made the discovery more than two years ago but kept the finding a secret, they say, pending the completion of their investigation.

Details of the discovered artwork remain unclear, but art historians said initial descriptions suggest the cache is one of the most significant collections of prewar European art in the world. Determining the rightful owners of the works decades after they were either sold under duress or seized could take years.
The collection is thought to have been amassed in the 1930s and 1940s by Hildebrand Gurlitt, the father of the Munich man in whose home the works were discovered. The senior Mr. Gurlitt was known as a museum curator-turned-art dealer who, despite having a Jewish mother, was one of a handful of art dealers commissioned by Joseph Goebbels's Nazi propaganda ministry to rid German museums and galleries of "degenerate" art.

"These are major artists who were all very well-known at the time Hitler put works of theirs in his 'degenerate' art exhibition, and it's certainly a large number of works, but it remains to be seen what the quality of the works is," said Olivier Berggruen, a New-York based art historian whose Jewish father, Heinz Berggruen, left Germany to become one of the world's most prestigious dealers of Matisses and Picassos after the war.

In the art market, the implications for the recovered trove could be significant. The few top works lost or sold in desperation during the Nazi era that have been restored to their rightful owners and subsequently auctioned off have consistently seen major—often record-breaking—success. In 2008, amid an otherwise crashing art market, "Suprematist Composition," a restituted 1916 work by Russian avant-garde painter Kazimir Malevich, was sold for $60 million at Sotheby's, setting a world record for Russian art.

Mr. Gurlitt's 80-year-old son, Cornelius Gurlitt stored the collection of works in his Munich apartment for decades, according to German weekly Focus, which reported the discovery Sunday. German customs officials unearthed the works in the spring of 2011 and have been trying to determine their provenance and value since.

Though German authorities seized the art, Mr. Gurlitt managed to sell one work at auction in December 2011, after the discovery, according to the Cologne-based boutique auction house Lempertz, which managed the sale.

The auction house said Mr. Gurlitt approached Lempertz with the "Lion Tamer," a work by the German Expressionist artist Max Beckmann.

"He said his mother had given him the work," said Carsten Felgner, the provenance researcher at Lempertz who worked on the sale.

As is common in potentially thorny cases involving work acquired during World War II, Mr. Felgner contacted the family of Alfred Flechtheim, the work's original owner who had been a prominent collector.

Given the uncertainty over who had a legal claim to the work, the auction house reached a deal to split the profits of the €864,000 Beckmann work between the Flechtheim family, Mr. Gurlitt and the auction house itself, according to Mr. Felgner.

A person who coordinated with Mr. Gurlitt on the sale at Lempertz described him as "friendly and charming" and said no one at the auction house "suspected a thing." An employee who visited Mr. Gurlitt's house said nothing out of the ordinary was seen at his residence.

Because of Hildebrand Gurlitt's contacts abroad, the Nazis allowed him to sell the "degenerate" art overseas to raise money for the Reich. The elder Gurlitt's personal collection was thought to have been
destroyed along with his house during a World War II bomb attack on Dresden, and he died in a car crash in 1956.

German customs officials stumbled onto the matter by chance in 2010, following a routine check of the junior Mr. Gurlitt's belongings on a train from Switzerland to Munich, according to Focus. During the check, they found €9,000 in cash. The sum was below the €10,000 threshold that travelers are required to declare, but the discovery prompted the custom authorities to investigate Mr. Gurlitt further. Months later, in the spring of 2011, authorities discovered the lost works in his Munich apartment, the magazine said.

Mr. Gurlitt is under investigation for allegations of tax evasion, officials said. He couldn't be reached for comment. A spokesman for the prosecutor's office in Augsburg, which is handling the probe, declined to say whether Mr. Gurlitt has been charged with a crime. Customs officials in Munich also declined to comment.

Auction managers said they were surprised to learn from news reports that Mr. Gurlitt was under investigation.

"No one from the government ever came to us or alerted us about him. What does it say about the federal prosecutors that they didn't feel the need to alert the auction houses?" Mr. Felgner said.

Observers both in and outside the art world criticized the German government for remaining silent about the discovery for so long, given the historic ramifications of such a revelation.

Rüdiger Mahlo, German representative for the Conference on Jewish Material Claims Against Germany—which seeks compensation and restitution for survivors of the Holocaust—said the two-year silence about the trove "underscores [the fact that] a lack of transparency often accompanies the restitution of art and cultural treasures."

A person familiar with the investigation said the secrecy surrounding the probe and its discovery was necessary because it involved allegations of tax evasion. Under Germany's strict privacy laws, authorities are prohibited from disclosing the details of such investigations.

Chancellor Angela Merkel's office was informed of the case months ago and has been assisting investigators in finding experts to evaluate the works, her spokesman said. Berlin's Free University, which is assisting in evaluating the art, acknowledged its role but said it couldn't comment further.

Meike Hoffmann, a Free University specialist in Nazi-condemned art who is the lead researcher involved in evaluating the trove, has for months been using the Art Loss Register, an international database used to track stolen and missing art, to begin the lengthy process of determining ownership of the works, according to a person familiar with the matter. Ms. Hoffmann didn't respond to requests to comment.

A complete catalog of the works in the trove hasn't been disclosed. But they included works by Picasso, Matisse and Chagall—artists whose works Hitler, who was an amateur artist in his youth, derided.

"Artworks that cannot be understood in and of themselves—but first require a user's manual in order to finally find those intimidated people who patiently accept such stupid and impudent nonsense—will no longer find their way to the German people," Hitler said of the term "degenerate," though even his own art historians had difficulty deciding what art to ban.

Such work was collected by German museums and prominent collectors in the 1920s and 1930s, Mr. Berggruen said.

"The vagaries of the war were such that a lot of Picassos, Matisses and Klees, too, changed hands many times," including some that also were looted by Russians, Mr. Berggruen said.
Restitution could be a lengthy and ambiguous process. Last year Munich's Neue Pinakothek held an exhibition of 16 sculptures of "degenerate" art unearthed by construction workers digging near Berlin's Rathaus, or city hall. Those works are now property of the German state, the conclusion to a "relatively quick" investigation by art historians, said Matthias Wemhoff, who directed the excavation and restoration of the works.

But those works had been presumed lost but had been well-documented, which doesn't seem to be the case for the newly discovered trove, he said. It could take Free University historians years to determine their rightful owners, he added.

"It is so unclear who has the rights to these works," Mr. Wemhoff said.

Many of the works are most likely editions of prints or works on paper, which will make determining their values even more difficult, experts say.

Because of their popularity even before the war, most masterpieces by Picasso and Matisse are accounted for, Mr. Berggruen said.

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