

“Raoul Wallenberg’s Lost Inheritance”

November 11, 2008 – Courtesy of Susanne Berger

There has long been speculation about what Raoul Wallenberg inherited from the estates of his paternal grandparents, Gustaf and Annie Wallenberg. Gustaf died in 1937, Annie in 1952. New documents discovered in Stockholm Stadsarkiv (City Archive) [1] and described here for the first time, show that had Raoul returned from his imprisonment in the Soviet Union, he would have been quite well off. Raoul's disappearance in 1945, however, ultimately led to forfeiture of his share of Annie Wallenberg's fortune. In late 1972, the government decided against a request from Raoul's stepfather, Fredrik von Dardel, to extend the so-called "statute of limitations" (preskriptionstid), the time proscribed by law during which a lawful heir had to lay claim to his inheritance. Annie Wallenberg's other heirs did, however, sign a formal agreement in 1973 which promised to provide Raoul Wallenberg with his legal share should he ever return home alive. In 1973, this sum amounted to SEK 1,700,000. Adjusted for inflation, this would be correspond to about SEK, 10,588,000 or \$1,3 million today.

Raoul should, of course, already have inherited part of his grandfather Gustaf Wallenberg's estate. Gustaf Wallenberg was by all accounts a very capable and enterprising businessman. As head of the Wallenberg Rederi in the late 1890s, he had been instrumental in instituting the Sassnitz-Trelleborg ferry line. He later played a key role in the development of Saltsjöbaden, a resort and conference center outside of Stockholm. Despite reported financial troubles in the 1930s, Gustaf left a sizable estate, valued at about SEK 1,100,000. According to Swedish Riksbank data, this sum equals an estimated \$3,6 million today.

In his will Gustaf stipulated that some money be set aside for certain persons in his household and then added: "All my other belongings, with the exception of my daughters' and grandson's lawful share, shall become property, with full ownership rights, of my wife Annie Wallenberg, born Adelsköld." This meant that Annie would receive about 75% of the total estate, while Raoul and Gustaf's daughters, Nita Wallenberg and Karin Falkman, together could claim 25%. In the will, Raoul Wallenberg took the place of his father, Raoul Oscar, Gustaf and Annie's son, who had died in 1912.

The main repository of Gustaf's wealth lay in an impressive stock portfolio. Its core consisted of 90 shares of Stockholms Enskilda Bank, valued together at SEK 396,000. (His father, A.O. Wallenberg was founder of the bank) Gustaf also had significant holdings in other Wallenberg blue chip companies, like Skandia, L.M. Ericsson, SKF, NK and Investor. Altogether, they were assessed at about SEK 900,000. In addition, he left valuable real estate and a beautiful collection of Asian artifacts, acquired during his time as Swedish Ambassador to Japan and China. His official estate inventory seriously underestimates the value of these items, plus it lists only a surprisingly small amount of cash - 2869 SEK. Most interesting for his heirs, however, the estate was almost entirely free of debt.

Gustaf stipulated that his daughter Nita should receive a sum of SEK 40,000 beyond her lawful share of his estate as compensation for the cost of the education he had afforded his grandson Raoul Wallenberg. Gustaf and Annie's other daughter, Karin Falkman, received a valuable set of Meissen porcelain.

In 1937, inheritance tax would have been progressive but fairly low. Raoul should therefore have claimed a sizable sum from his grandfather's will, amounting to at least SEK 70,000 (about \$230,000 today). It is not clear how much he actually received from this inheritance, especially since the estate showed very little liquidity. Raoul appears as signatory to the will and should have been aware of the official inventory list. It is known that Raoul inherited at least part of his grandfather's wine cellar, valued at about 2000 SEK and some of his furniture.[2]

When Raoul disappeared in 1945, he left at least SEK 75,000 in private assets, about (\$170,000 today).

[3] This made him far from rich, but certainly comfortable and not nearly as wanting for money as it has sometimes been portrayed. The sum included his furnishings (SEK 10,000), a few back salary payments from the Swedish Foreign Ministry and a set of printing machines valued at about SEK 20,000, which were part of a small printing shop he had purchased in 1943. It is not known how much Raoul earned in his job as director of the export-import firm Mellaneuropeiska, but he had joined the firm only in 1941. Before that he had spent weeks, often months at a time in military service.

There is no evidence that Raoul received any part of his grandfather's share portfolio. According to various experts, Gustaf's shares could have been split up and divided among the respective heirs. An article in "Affärsvärlden" from 2004 describes a stock portfolio currently held in Raoul Wallenberg's name. It was then valued at SEK 2,316,000 (\$301,000 in 2008 figures). Fredrik von Dardel - in his role as Raoul's official legal representative - had established a stock portfolio in 1951, as a way to secure his son's assets. It had an original value of SEK 80,000 (\$140,000 today). It is not possible to determine whether the current portfolio includes any shares from either Gustaf or Annie's estates or possibly Raoul's own share purchases, or which assets flowed in or out of it.

When Gustaf's wife Annie Wallenberg died in 1952, Raoul had already been missing in the Soviet Union for seven years. Her estate was formally valued at SEK 940,000 (about \$1,600,000 today) In 1947, Nita Wallenberg's children (Annie's grandchildren) had received a SEK 180,000 advance on their inheritance. Annie's will clearly states that this sum should be subtracted from Nita's share of Annie's estate. The only other two heirs were Karin Falkman - who forfeited her rights of inheritance to her own children and grandchildren (with the exception of SEK 90,000) - and Raoul Wallenberg.

Like her husband Gustaf, Annie owned an impressive stock portfolio, valuable jewelry and Far Eastern art. Raoul's share of her estate should have been around SEK 400,000 (worth around \$650,000 today.) Invested over a period of fifty-six years, such a sum would be worth in 2008 at least \$5 million today. Annie's will made no mention of Raoul's special circumstances after 1945.

[4]

The haggling over the will caused considerable tensions between the von Dardels and Annie Wallenberg's family, although there were strenuous efforts from both sides to remain on a cordial footing. Annie's family offered to set aside some of the income generated by Annie's estate for at least a time of five years to help with expenses in the search for Raoul - if the settlement of the will was allowed to proceed. The family assured Fredrik that Raoul would receive his rightful share if he did in fact return.

As time went on, the main question centered on whether or not Raoul should be declared dead. In a formal statement to Södertörns Domsagas Håradsrätt in 1968, Annie's heirs stressed that it was certainly their concern as well to ensure that "future information about Raoul Wallenberg's fate should not be jeopardized for economic reasons". Still, Fredrik von Dardel and Raoul's mother, Maj, faced a very difficult situation. If Raoul were to have been formally declared dead, it could have indirectly preserved his claim to his grandmother's estate. Annie's family considered this a preferable solution, because - as they saw it - if Raoul came back, a false declaration of death could be overturned and any share of his inheritance would have to be returned by the other heirs.

Fredrik, on the other hand, argued that even more was at stake: As he outlined in several letters, if one followed the time proscribed by Swedish law necessary before a person could be declared dead, this would push the official date of such a declaration in Raoul's case to 1955 - three years after Annie Wallenberg's death in 1952. Under Swedish law, Fredrik concluded, Raoul's share of his grandmother's estate should not fall to Annie's family, but to Raoul or his own heirs, provided the declaration of death was executed. If, on the other hand, the 'preskriptionstid' simply ran out, Raoul would forfeit his claim altogether.

For Fredrik and Maj, a formal declaration of death was absolutely out of the question -- the symbolic weight of such a step would have undercut any ongoing efforts to establish their son's fate. From the von Dardels' perspective, everything therefore hinged on the good will of Annie's heirs. Fredrik succeeded in having the 'preskriptionstid' extended again and again until 1972, when the courts and ultimately the government (Swedish Justice Department) finally ruled against his appeals.

In Fredrik's eyes, the government's failure to extend the 'preskriptionstid' amounted to a formal betrayal of his son, since it constituted official confirmation by the Swedish government that it believed the chances of Raoul Wallenberg's survival to be slim to none. Fredrik, a trained lawyer, felt strongly that in 1972 the indications that Raoul could still be alive in the Soviet Union were at least as strong as the Soviet government's assertion that he had died in 1947. Regardless of how this question would ultimately be settled, when in doubt, it was the law's obligation to protect those who cannot do so themselves. As Fredrik noted in his diary on November 7, he asked the head of the Swedish Justice Department's Legal Office, Ulf Nordenson, if "he and his colleagues were not ashamed, to which Nordenson would not reply."

The 1970s were undoubtedly one of the most difficult periods in the case. These years fell into the "dead period," the time between 1965 and 1979, when the Raoul Wallenberg question was essentially

off the Swedish government's formal agenda. It only picked up again with new witness testimonies in 1979.

In accordance with the law, Raoul's family did not receive any share of Annie's estate (aside from some loose property items). Annie's family, however, promised to give Raoul Wallenberg at least part of his grandmother's inheritance should he ever return home. [5] On April 7, 1973 they signed a formal agreement to this effect, which was notarized and carried the signatures of all of Annie's main heirs. [6] They also stipulated that SEK 1000 a month should be aside for researcher Rudolph Philipp through his lifetime. It does not appear that they provided any additional financial assistance to Fredrik and Maj von Dardel. Raoul Wallenberg's parents also apparently never received any financial help with defraying the cost of the search for Raoul from other members of the Wallenberg family. Raoul's private funds were available to cover some research expenses, but all transactions had to be approved by the legal authority overseeing his interests, the "Överförmyndare", (trustee) a very tedious and time consuming process. Plus, only certain types of costs could be offset.

By 1974, the von Dardels, Maj at 83 and Fredrik at 89, saw no other options but to apply for funds from the official Wallenberg Family foundation, Knut & Alice Wallenberg Stiftelse, in order to continue the search for their son.[7] After years of bureaucratic wrangling to meet the complicated application requirements, they received a modest grant.

NOTES

[1] Thank you to Dagmar Thullberg and her staff at Stockholm Stadsarkiv for obtaining the records

[2] The document showing how exactly Gustaf's will was divided, the so-called "Arvskifte", was apparently not finalized until early January 1947. This is not unusual. Heirs have great discretion in the division of the inheritance. The "Arvskifte" must be on file with both the executors of the will (SEB Notariatavdelning) and the respective heirs. In Raoul Wallenberg's case, if the 'Arvskifte' was not formalised until 1947, Fredrik von Dardel as "godman" would have received a copy. Release of the documentation today requires the consent of the next-of-kin. A formal request for the papers is currently pending.

[3] Raoul also left official funds from his mission to Budapest, in both Sweden and Switzerland. (This included in January 1945 SEK 63,287 in S.E.B. and Sfr 107,239.53 in Schweizerischer Bankverein) Much of this money was later used to settle claims from individuals who had aided Wallenberg in his humanitarian activities, other parts helped with early expenses of the search for him. The sums are distinctly separate from his private assets.

[4] The document of "Arvskifte" for Annie Wallenberg's estate was not formalized until June 1957

[5] There does exist a purely academic question of what would happen if Raoul Wallenberg were formally declared dead today, i.e. whether this would - according to Fredrik von Dardel's reasoning - at least in theory maintain Raoul Wallenberg's claim to his share of Annie Wallenberg's estate or whether the fact of the expired 'preskriptionstid' would trump all such considerations.

[6] Raoul's share at the time was valued at SEK 1,767,000. In 1973, this was equal to roughly \$200,000; equivalent to about \$1,2 million today).

[7] They were assisted in this effort by Otto Danielsson, retired Chief Inspector with the Swedish Security Police (SÄPO) and Carl-Fredrik Palmstierna, the former Private Secretary to the King of Sweden.

(All figures according to: www.historia.se [prisomräknare] and Yahoo!Currency Converter, December 1, 2008; legal consultants: Advokatfirman Sjölund AB, Lund and Aldéns Advokatbyrå AB, Jönköping)