

# Introduction

The issue of material compensation from Germany was raised on the Jewish agenda immediately after the outbreak of World War II and became a focal point of deliberations in the following years.<sup>1</sup> During the first three and a half years of the war, discourse focused on the right of Jews who lived under Nazi rule to claim the restitution of their usurped property or receive compensation for property destroyed or badly damaged as a result of German actions. Beginning in the spring of 1943, as reports of the scope of the Nazi assault against the Jews began to accumulate, two additional kinds of claims emerged. The first was for indemnification to be paid to individuals for one or more of the following types of damages incurred at the hands of the Nazi regime: injury to health, loss of freedom, economic damage, or death of an immediate family member. The second was for collective (or war) reparations (for the most part referred to henceforth as “reparations”) to be given to a representative Jewish body for the “criminal act” committed against the Jewish people.

The call for material compensation from Germany was first brought to the public’s attention by the German-Jewish functionary Shalom Adler-Rudel. For many years Adler-Rudel had assisted Jewish refugees from Eastern Europe who came to Germany in the first third of the twentieth century. In 1939, he was the director of the Central British Fund for World Jewish Relief, established to aid Jewish refugees who had fled Nazi Germany. On October 10, 1939, Adler-Rudel wrote a memorandum formulating proposals for the restitution of usurped Jewish property or payment of compensation to Jews whose property had been ravaged. The memorandum was sent to key individuals in Britain and the USA, some of them influential Jews. Most of the recipients rejected the idea contained in the memorandum, but the president of the World Zionist Organization Chaim Weizmann agreed with the principle of material compensation and invited Adler-Rudel to meet with him. Weizmann promised Adler-Rudel that he would raise the issue in his upcoming conversations with leaders of American Jewish organizations. However, Weizmann’s attempts to rally interest in the issue failed. Adler-Rudel’s efforts to advance the idea in talks he conducted with various Jewish figures were equally unsuccessful.<sup>2</sup>

In mid-1940, there was a shift in attitude among Jewish organizations in the West, primarily in the USA, regarding the issue of restitution. It is hard to ascertain

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1 The term “compensation” encompassed three categories: restitution of property, indemnification, and reparations.

2 Sagi, *German Reparations*, 14–15.

whether this was the product of Adler-Rudel's lobbying efforts. Nevertheless, in late spring, the American Jewish Committee appointed a committee to examine the situation of the Jews in Europe and to consider ways of protecting their rights, including property rights, among others.<sup>3</sup> At the same time, the Jewish Labor Committee was establishing a similar body with parallel objectives.<sup>4</sup> At the outset of 1941, the World Jewish Congress also began to look into the issue, resulting in the foundation of the Institute of Jewish Affairs in March of that year. This organization was charged with, among other things, ensuring that after Germany's defeat, Jewish property looted by the Nazis would be returned to its rightful owners or their successors.<sup>5</sup> In November 1941, at the Inter-American Jewish Conference held in Baltimore, the head of the World Jewish Congress's executive committee, Nachum Goldmann, declared that European Jewry had a right to the restitution of their pillaged property.<sup>6</sup> A similar call was published in the Hebrew press in Mandatory Palestine.<sup>7</sup>

The claim for the restitution of property looted during armed conflict was clear-cut and founded both on international and domestic law. It rested on a long series of historical precedents, from the Peloponnesian War of the fifth century BCE, through the peace treaties of Westphalia, Nijmegen, and Ryswick in the seventeenth century, to the agreements signed at the end of World War I.<sup>8</sup> Thus, the claim was by no means a political or legal innovation, and consequently its architects in the Jewish camp believed that the prospect of its fulfillment with the defeat of Nazi Germany was reasonably high. Reparations was another matter entirely. According to international legal conventions that dealt with war compensation,<sup>9</sup> only a sovereign nation that had been victorious in a war was entitled to claim reparations from the vanquished side for war damages incurred. The fact that the Jewish people in Europe lacked statehood during World War II meant they were not entitled to this kind of compensation. As for indemnification, these legal conventions indeed permitted submission of individual claims, but many difficulties were raised along the way for a person who would seek to sue a country for damages inflicted on them by its forces in wartime.<sup>10</sup>

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3 Balabkins, *West German Reparations*, 81.

4 Roth, "The Problems of Reparations," 210.

5 Pease, "After the Holocaust," 12.

6 Gilead, "The Reparations Agreement," 80.

7 Sagi, *German Reparations*, 16.

8 Roth, "The Problems of Reparations," 208–209.

9 The Hague Convention of 1907 and the Treaty of Versailles of 1919.

10 Robinson, *Indemnification and Reparations*, 98–112.

And yet, the legal obstacle did not deter various Jewish circles from considering these two types of compensation.

The Association of Central European Immigrants was among the first to take up the gauntlet. This organization was established in 1932 in Mandatory Palestine with the main purpose of assisting Jewish immigrants who came to Palestine from the German-speaking countries of Central Europe. Its interest in the compensation issue was natural: it represented the wealthiest Jewish communities on the European continent, German-speaking Jews, the majority of whom had resided in the first countries to fall to the Nazis: Germany, Austria and Czechoslovakia.<sup>11</sup> Moreover, German-Jewish émigrés had been influenced by the treaties signed after the end of World War I that obliged Germany to pay compensation to the Entente countries,<sup>12</sup> and the Association of Central European Immigrants officials had gained extensive experience saving Jewish property in Europe due to their intensive involvement in the Haavara (“Transfer” in Hebrew) Agreement in the 1930s.<sup>13</sup> The Haavara Agreement, signed in August 1933, had been hammered out between Nazi Germany’s economic authorities, the Zionist Federation of Germany and the Anglo-Palestine Bank over a period of three months. This Agreement enabled the transfer of Jewish capital from Germany to Mandatory Palestine by émigrés or investors in the form of German goods.<sup>14</sup>

On September 24, 1943, Georg Landauer, the head of the Jewish Agency’s<sup>15</sup> Central Bureau for the Settlement of German and Austrian Jews, and board member of the Association of Central European Immigrants, submitted a memorandum to the Jewish Agency regarding the question of compensation. Landauer underscored the need to file a reparations claim against Germany, despite the political difficulties involved. He raised the possibility of receiving compensation in a form similar to the one stipulated in the Haavara Agreement. In his opinion, the Jewish Agency – as the body representing the Zionist interest of state-building – was best suited to be the claimant.<sup>16</sup>

A call in the same vein was voiced by Siegfried Moses, a Jewish economist and jurist from Mandatory Palestine.<sup>17</sup> In September 1944, a pamphlet written by Moses

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11 Robinson, *Indemnification and Reparations*, 83.

12 Hacothen, *From Fantasy to Reality*, 181.

13 Gelber, *New Homeland*, 23–40, 81–85.

14 For an exhaustive examination of this topic, see: Bauer, *Jews for Sale?*, 5–29; Black, *The Transfer Agreement*; Yisraeli, “The Third Reich.”

15 The supreme leadership institution of the Jewish community in Mandatory Palestine. It was established in 1929.

16 Barzel, “The Attitude,” 294.

17 In time, the first state comptroller of the State of Israel.

entitled “Jewish Claims after the War” was published by the Association of Central European Immigrants.<sup>18</sup> The document stated that in light of the unprecedented nature of the criminal act committed by the Nazis against the Jews, the international community was morally obligated to support Jewish claims to compensation, both individual and collective. Namely, the nations of the world had to agree to amend existing international law on the matter of compensation so as to grant the Jewish people the opportunity to claim damages from Germany, just as the sovereign nations that participated in the war against Nazi Germany could. The crux of Moses’s treatise lay in its discussion of the collective claim.<sup>19</sup> In his estimation, the Jewish community of Mandatory Palestine, represented by the Jewish Agency, needed to lead a reparations claim against Germany.

In late October 1944, the Association of Central European Immigrants passed a resolution in the spirit of Landauer’s and Moses’s recommendations, stating that the reparations the Jewish people would claim from Germany must go “first and foremost toward building the Land of Israel [Mandatory Palestine] for the Jewish people.”<sup>20</sup>

The position of the Association of Central European Immigrants on the question of compensation from Germany was in essence thoroughly nationalist. Thus, the matter of reparations was to be handled by the Zionist movement, as opposed to a non-Zionist Jewish organization, with the objective of promoting particular Zionist interests. In other words, reparations funds were to be channeled primarily toward the realization of the supreme Zionist goal – the establishment of a Jewish national home in Mandatory Palestine – not toward the restoration of the Jewish communities laid waste in Europe or rehabilitation of victims of Nazism who resettled in countries in the Diaspora. The same was to apply vis-à-vis restitution claims; this question was viewed as a natural continuation of the Haavara Agreement – that is, the salvage of German-Jewish property and its utilization to ensure an optimal absorption in Mandatory Palestine of the Jewish owner – and, as a byproduct of that, the strengthening of the Zionist enterprise in Palestine.<sup>21</sup>

This nationalist outlook was particularly enunciated in discussions held by Jewish Agency leadership on material compensation from Germany beginning in the Spring of 1943. Deliberations focused on reparations, and the primary demand was that the money be devoted to advancing the national end objective.<sup>22</sup> Here

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<sup>18</sup> Moses, *Jewish Post-War Claims*.

<sup>19</sup> OHD, 2(81), Interview with Siegfried Moses, January 31, 1971.

<sup>20</sup> Barzel, “The Attitude,” 294.

<sup>21</sup> Gelber, *New Homeland*, 568.

<sup>22</sup> CZA, S53/1777, Meeting of the Planning Committee, October 29, 1944; Sagi, *German Reparations*, 26–27; Jelinek, “Vaadat Tichon,” 278–285.

one can observe the beginnings of an institutionalized “Palestinocentric approach” regarding the material compensation, one that placed the Jewish national objective at the top of the agenda, far above any other goal, making it the sole goal de facto. In the assessment of Jewish Agency leadership, the Zionist vision would profit in a number of ways from appropriating reparations claims into Zionist movement hands. First of all, as the heads of German-Jewish immigration underscored, huge sums would flow into the project of building the Jewish national homeland. Secondly, standing as a claimant in the name of the Jewish people as a whole would bolster the political perception of Zionism that emphasized the centrality of Mandatory Palestine and the Zionist movement in the Jewish world. Lastly, if the Allies were willing to recognize this claim, presented to them by the Jewish Agency, they would, in practice, be granting legitimacy to the idea of Jewish statehood, since only polities can claim war reparations.<sup>23</sup> An official seal of approval of this nature would come at a propitious point in time from a Zionist perspective: After passage of the Biltmore Program (in May 1942), where Zionist leadership officially and publicly declared – for the first time since the British occupied the Holy Land – that the Zionist movement’s aim was establishment of a Jewish state in Mandatory Palestine without delay.<sup>24</sup>

On September 20, 1945, Chaim Weizmann sent a memorandum on behalf of the Jewish Agency to the governments of the four occupying powers in Germany – the USA, the USSR, Britain, and France – about the question of material compensation for the Jewish people. This was the first formal and public appeal of the Zionist movement to an international entity of any kind on the matter of compensation from Germany. Moses’s pamphlet was an influential component in Weizmann’s decision to take this step.<sup>25</sup> The memorandum anchored the nationalist outlook on compensation solidified by the heads of the Zionist movement over the previous two and a half years. At the beginning of the document, Weizmann raised the issue of Jewish property, the value of which was estimated at eight billion USD, and hinted that most of the heirless property should be turned over to the Jewish Agency. As for reparations, Germany, he argued, should be made to pay such collective compensation due to the horrific criminal act it perpetrated against European Jewry. In this case as well, the majority of the sum was to be handed over to the Jewish Agency.

Weizmann knew that there was no basis in international law for these claims. Therefore he sought to establish them on a moral foundation. His argument implied

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<sup>23</sup> Zweig, “German Reparations and Israel-Diaspora Relations,” 232.

<sup>24</sup> Gutman, *Encyclopedia of the Holocaust*, “Biltmore Resolution,” 216–217.

<sup>25</sup> OHD, 8(81), Interview with Gershon Avner, September 30, 1971.

that the unique, shocking and unprecedented nature of the Holocaust of European Jewry constituted a moral imperative for the Allies to fundamentally change international law so as to enable the Jewish people to claim material compensation from Germany, in the form of collective reparations first and foremost.<sup>26</sup>

Moses, as noted, had broached the moral grounds argument in the booklet he had penned. Policy-makers in the Zionist movement followed suit. Thus, Dov Yosef (Bernard Joseph), legal counsel to the Jewish Agency Executive, stated in a memorandum he composed in the spring of 1945 that the basis for claiming Jewish compensation was that what had happened to European Jewry was “something unique.”<sup>27</sup> David Ben-Gurion, chair of the Executive, declared in late 1944 that “the whole world will know after this war that the gravest losses were suffered by the Jewish people,” and therefore “justice [in regard to compensation] is on our side,” even if “the [international] law is against us.”<sup>28</sup>

The decision of the Jewish Agency’s leadership to focus on reparations above all else was unacceptable to leading Jewish organizations around the world. They recognized the importance of reparations for building the Jewish homeland, and therefore even supported allocating most of the reparations to the Zionist goal. Yet, from their perspective, the personal indemnification of survivors and the restitution of their property, as a vehicle for their rehabilitation, both financially and in terms of their well-being, were no less important.

In November 1944, Institute of Jewish Affairs official Nehemiah Robinson published a large, in-depth study of the compensation issue. A significant portion of the treatise was devoted to the question of indemnification.<sup>29</sup> Within this framework, he categorized the types of damages suffered by Jews and examined the amendments to international law necessary to allow survivors of Nazi persecution to claim indemnification. Robinson also devoted considerable attention to the question of restitution. He estimated that the value of the assets of Jews residing in Nazi Germany and the seventeen European countries that had been subjected to Nazi rule or which were allied with the Nazis (with the exception of the

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26 AIG, Document 1, Letter of 20 September, 1945 From Dr. Chaim Weizmann on behalf of the Jewish Agency for Palestine to the Governments of the United Kingdom, United States, U.S.S.R. and France Concerning Restitution, Indemnification and Reparation.

27 Sagi, *German Reparations*, 27.

28 CZA, S53/1777, Meeting of the Planning Committee, October 29, 1944.

29 Siegfried Moses argued that “there are many interesting things in Robinson’s book, but not in regard to this question [of collective compensation].” OHD, 2(81), Interview with Siegfried Moses, January 31, 1971.

Soviet Union and Luxembourg)<sup>30</sup> on the eve of the Nazi campaign against the Jews stood somewhere between 6 billion and 8.2–8.6 billion USD.<sup>31</sup> One can assume that the estimate in Chaim Weizmann's memorandum was based on Robinson's data.

Toward the end of November, the World Jewish Congress held a conference in Atlantic City, attended by Jewish organizations from across the globe, including representatives of European Jewry, to discuss how the Jewish people should prepare for the post-war era. Among the topics examined was compensation from Germany. By the end of the gathering, several resolutions had been passed, two of them on the compensation issue: the first, to seek indemnification for survivors and restitution of property for the remnants of Jewish communities; the second, to seek recognition of the right of the Jewish people to collective reparations.<sup>32</sup> The presence of the issues of indemnification and restitution on the conference's agenda did not prevent Siegfried Moses from echoing the Jewish Agency's stance that reparations should be given precedence and most of the funds earmarked for building the Jewish national homeland.<sup>33</sup>

While Weizmann's memorandum, as well as other opinions and deliberations over compensation, placed the burden of compensation on the shoulders of Germany, the "address" to which Jewish claims were to be directed was the four powers occupying Germany. The Jewish organizations hoped the major powers could coerce the Germans to acquiesce to the Jewish demands for compensation. The Jews refrained from presenting the issue to the Germans themselves for a number of reasons. First of all, the Jewish leadership, and certainly the Jewish public, were not emotionally prepared to enter into negotiation with Germans, not to mention negotiations with a price tag attached, so soon after the Holocaust. Secondly, prevailing opinion among Jewish leadership was that the Germans were not willing to pay compensation for their transgressions. Thirdly, at this point of time, at the end of the war and in the immediate post-war period, there was no centralized political entity in Germany with whom one could negotiate an agreement.

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<sup>30</sup> The countries were: Poland, Romania, Hungary, France, Czechoslovakia, Austria, Lithuania, Latvia, Estonia, the Netherlands, Belgium, Yugoslavia, Greece, Bulgaria, Italy, Denmark and Norway.

<sup>31</sup> Robinson, *Indemnification and Reparations*, 83.

<sup>32</sup> Goldmann, *The Autobiography*, 250–251.

<sup>33</sup> Balabkins, *West German Reparations*, 83. See also: Teitelbaum, *The Biological Solution*, 61–62.

The first significant move regarding compensation that the Allies made after the end of the war took place in December 1945.<sup>34</sup> On the initiative of the three Western powers (the US, Britain and France), foreign ministers of 18 Allied countries (except for those of the USSR and Poland) convened in Paris to discuss the material compensation that Germany would have to pay to the countries that had suffered at the hands of the Nazi regime during the war. At the end of the meeting, it was decided, under American pressure, to allot a sum of 25 million USD – to be taken from German assets held in neutral countries (Switzerland, Sweden, Spain and Portugal), and another five million USD from Germany proper – for the rehabilitation of non-repatriable victims of Nazism, the overwhelming majority of whom (as it was assessed) were Jews. In June 1946, a subsequent convention was held in Paris with the participation of the three Western powers, as well as Czechoslovakia and Yugoslavia. It was decided there that the financial aid destined for the Jewish survivors would be placed in the hands of two Jewish organizations – the American Jewish Joint Distribution Committee (“the Joint”) and the Jewish Agency, and they would underwrite rehabilitation projects with this money.<sup>35</sup> Their operations would be conducted under the supervision of the International Refugee Organization – IRO.<sup>36</sup>

As one can see, the Jewish-Zionist hope of driving the four occupying powers to take action on the issue of compensation was partially fulfilled: the three Western powers, and primarily the US, did just that. The USSR, for its part, ignored the issue almost completely. This negative attitude displayed by the Soviets would become prominent in the years to come.

From the Jews’ perspective, the Paris convention in the summer of 1946 set two important precedents. The first was the recognition of organizations, as opposed to just polities, as legitimate recipients of war compensation from the aggressor party. Secondly, it allowed for an agent acting on behalf of the Jewish people (in this case, the Joint and the Jewish Agency) to represent the interests of the Jewish collective decimated at the hands of the Nazis.<sup>37</sup> At the same time, the amounts allocated by the Allies were laughable at best in light of the colossal size

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<sup>34</sup> The Allies had addressed the question of compensation already during the war. On January 5, 1943 they issued a declaration that negated the actions taken by the Axis powers to seize the property of oppressed populations. Pease, “After the Holocaust,” 17.

<sup>35</sup> Zweig, *German Reparations and the Jewish World*, 3–4; Sagi, *German Reparations*, 33–36.

<sup>36</sup> The International Refugee Organization was founded by the United Nations in late 1946 with the aim of assisting the rehabilitation of millions of people in Europe who had become refugees in the wake of World War II.

<sup>37</sup> ISA, MFA 2417/1, Restitution of Jewish Property and Reparations for the Jewish People, January 16, 1950. See in this connection: Buxbaum, “A Legal History.”



of the Jewish survivor population – some two million European Jews had survived the Nazi persecution campaign between 1933–1945.<sup>38</sup> Many of them were left destitute and broken, both physically and emotionally. Massive sums would be needed to put their lives back on track. Within this enormous population of Nazi victims, the most conspicuous plight was that of some 200,000 Jewish displaced persons who had survived the forced labor camps, the concentration and extermination camps, and the death marches. Their health and economic situations were particularly precarious and required immediate attention.<sup>39</sup>

The large Jewish organizations in the West (as well as the Jewish Agency) believed it was possible to obtain the huge sums needed to rehabilitate the masses of survivors if Germany were forced to respond positively to one or more of the three claims: personal indemnification, collective reparations, and restitution of property. At the same time it was clear to them that in regard to indemnification or reparations, there was a need to overcome the high and imminent legal-political obstacle each of them faced (particularly the last). This was liable to take a very long time, and time, in light of the wretched state of countless survivors, was in short supply. Therefore, it was decided to focus on the restitution claim. The organizations requested that Jewish property in Germany, which, according to Robinson's data, was mammoth in scope (an estimated two billion USD worth),<sup>40</sup> be returned to the Jewish people via two parallel channels: property whose owners or whose owners' kin had survived would be restored to their possession; property without successors would be transferred to a Jewish "successor organization" that would be established to handle this matter. This organization would sell the Jewish-German property transferred into its possession and use the proceeds to finance rehabilitation programs for survivors. The second channel, however, was a precedent in international law. The notion of a "successor organization" was not recognized by international jurisprudence in the context of war compensation.<sup>41</sup> Nevertheless, the Jewish organizations decided to proceed in this channel. It appears that they did so estimating that the legal-political hurdle standing in the way of setting up and operating a "successor organization" was not insurmountable and was certainly smaller compared to the impediments blocking individual and collective compensation claims. Consequently, there was a chance the Western powers

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38 About half of them were directly under the heel of Nazi Germany at one time or another. Dawidowicz, *The War against the Jews*, 357–403; Gilbert, *The Routledge Atlas of the Holocaust*; Gutman, *Encyclopedia of the Holocaust*, multiple entries on countries occupied by the Nazis, Vols. 1–4.

39 Gutman, *Encyclopedia of the Holocaust*, "Displaced Persons, Jewish," 377.

40 Robinson, *Indemnification and Reparations*, 63–65, 83.

41 Henry, *The Restitution*, 11.

would agree to sanction the concept. In their view, the precedent-setting resolution the Paris conference adopted concerning the involvement of non-governmental bodies also paved the way for the recognition of a “successor organization.”

In October 1945, five leading Jewish organizations in the world (the Joint, the World Jewish Congress, the Jewish Agency, the American Jewish Committee and the American Jewish Conference) established a joint committee whose role was to look into the various aspects of the restitution of Jewish property and propose to the three Western powers legislation on this matter within their respective occupation zones.

The committee found a receptive audience, primarily on the American side.<sup>42</sup> Washington had begun addressing the issue prior to the end of the war, and in the fall of 1946 experts were already at work in the State and War Departments, preparing legislation for the restitution of property to be put in place in the American occupation zone. At the same time, the joint committee of the Jewish organizations transmitted its own conclusions on the matter to the State Department. The conclusions were examined and some of them, including the unprecedented motion to establish a “successor organization,” were adopted into the Americans’ legislative proposal.<sup>43</sup> One of the key factors that prompted Washington to examine and subsequently legislate this law was the understanding that it would significantly reduce the American taxpayer’s part in underwriting rehabilitation plans for tens of thousands of Jewish DPs who had found themselves in the American occupation zone in Germany.<sup>44</sup> Britain and France, which also had in their occupied areas in Germany large concentrations of Jewish DPs, also took action to legislate a restitution law, but did so with some apprehensions. Considering that both, in contrast to America, emerged from the war badly wounded, economically and physically, it was important to Britain and France to exact maximum compensation from Germany, and they feared the issue of restitution could interfere with the swift and full satisfaction of their own particular claims. Beyond this, Britain worried about the possibility that proceeds from Jewish-German property would strengthen the Zionist endeavor in Mandatory Palestine, undermining Britain’s own status in the region, which was already rather shaky.<sup>45</sup>

On the eve of the enactment of the restitution law in the American zone, in May 1947, the five leading Jewish organizations established the Jewish Restitution Commission. It defined itself as the successor to Jewish individuals and communities

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<sup>42</sup> Smith, “A View,” 250.

<sup>43</sup> Sagi, *German Reparations*, 32–33, 39; Goldmann, *Community of Fate*, 72.

<sup>44</sup> Takei, “The ‘Gemeinde Problem,’” 271.

<sup>45</sup> Goschler, “German Compensation,” 379; Ludi, *Reparations*, 87; Hockerts, “Wiedergutmachung,” 327.

who had perished in the Holocaust. Six months later, on November 10, 1947, Military Government Law #59 was passed in the American occupation zone. According to the new law, Jewish survivors whose property in Germany had been plundered during the Third Reich, or their kin, were entitled to submit a claim for restitution or demand compensation if the property had been badly damaged. The law also enabled a Jewish successor organization to claim recognized Jewish property of individuals and communities whose owners (or their relatives, in the case of individuals) could not be found.<sup>46</sup> With the promulgation of Military Government Law #59, the Jewish Restitution Commission decided to expand the scope of its membership to include additional Jewish organizations. Within a short time, another seven organizations from Britain, France, and Germany joined in. Now encompassing a dozen Jewish entities, the Commission changed its name to the Jewish Restitution Successor Organization – JRSO. The American military government appointed JRSO to be the sole beneficiary for Jewish heirless property in the American occupation zone. In the summer of 1948, after a number of months of preparations, the new organization set to work.<sup>47</sup>

In the British occupation zone, a law for restitution of property was passed in May 1949, and a year later, a Jewish successor organization in this sector – the Jewish Trust Corporation for Germany (JTC) – began its operations.<sup>48</sup> The French legislated a restitution law in their occupation zone (Decree #120) on the same day that the American law was enacted. However, it was only in March 1952 that a Jewish successor organization – the so-called Branche Française, the French branch of the Jewish Trust Corporation – was authorized to start claiming and receiving restitution.<sup>49</sup>

The two most important organizations in the JRSO were the Jewish Agency and the Joint, a status derived from the role they were granted in the Paris convention in summer 1946 regarding the distribution of financial aid to Jewish Holocaust survivors.<sup>50</sup> In keeping with its “Palestinocentric approach,” the Jewish Agency demanded that as much as possible from the funds made from the sale of Jewish-German property be funneled toward the realization of the Zionist objective:

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<sup>46</sup> The new law did not refer exclusively to Jewish victims of the Nazi regime, but Jews were its primary beneficiaries. Hockerts, “Wiedergutmachung,” 326.

<sup>47</sup> Takei, “The ‘Gemeinde Problem’,” 269–271. The JRSO operated at an impressive pace, and by the end of 1948 it had already logged some 163,000 claims for the restitution of Jewish property. Ludi, *Reparations*, 90.

<sup>48</sup> Schreiber, “New Jewish Communities,” 169; Kapralik, *Reclaiming the Nazi Loot*.

<sup>49</sup> Blumenthal, *Right of Reparations*, 30.

<sup>50</sup> The Jewish Agency was the most active and influential organization in the field of restitution of Jewish property in Germany. Katz, “The Role,” 21, 27, 70.

the establishment of a Jewish state. The tiny Jewish community that remained in Germany after the war (some 15,000 people, a third of whom were in the American zone) held a completely different view. It asserted that it was the *de facto* successor to the large Jewish community in Germany that had been destroyed in the Holocaust, and was therefore entitled to receive most of the property left without owners. This property, the community's spokespersons argued, was needed to maintain and rehabilitate the German Jewish community, many of whose members were old, sick, and poor.<sup>51</sup> The JRSO took issue with this claim. As far as its leadership was concerned, there was no justification for turning over such large sums to such a small community, one that was most likely destined to disappear either way as a result of assimilation, emigration, and the age factor. For representatives of the Jewish Agency in the JRSO, the Zionist argument alone provided sufficient reason to reject the position of the Jewish community in Germany hands down.<sup>52</sup> This stance triumphed, and under pressure from the Jewish Agency, in the coming years, the JRSO allocated the lion's share of proceeds from the sale of heirless Jewish-German property to the State of Israel.<sup>53</sup> In a similar fashion, the other two successor organizations operating in the British and French zones allocated a substantial cut of the proceeds they received to the benefit of the Jewish state.<sup>54</sup> This Palestinocentric outlook on the issue of restitution found itself neatly represented in the Israeli leadership's position on the matter of collective reparations from Germany toward the close of 1950.

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51 The Jewish community in Germany's western occupation zones did not rest at verbal opposition. It submitted claims in local courts against the takeover of heirless Jewish property by the successor organizations. Brenner, "After the Holocaust," 63–65.

52 Takei, "The 'Gemeinde Problem'," 271–281; Lustig, "Who are to be," 529–545. On Israel's attitude toward renewal of Jewish life in Germany after the war, see: Gottwald, "Jews in Germany"; Barzel, "Jews in Postwar Germany?."

53 Schreiber, "New Jewish Communities," 170.

54 OHD, 8(2), Interview with Nahum Goldmann, November 14, 1961.