

# Chapter 4

## From Bonn to Jerusalem and Back, March–July 1951

The Israeli diplomatic missive on the subject of reparations dramatically propelled this issue forward, yet not in the destinations of the communiqué – Washington, London, Paris and Moscow – but in Bonn, of all places. On March 12, the day the note was sent to the four powers, the Associated Press published a synopsis of its content. The FRG's Minister of Justice, Thomas Dehler, immediately contacted Karl Marx, the editor-in-chief of the bulletin of the Jewish community in West Germany, who had good connections in high places in Jerusalem and in Bonn, to ask for his opinion on the Israeli maneuver. Dehler surmised that the Bonn government would address the momentous news in its weekly cabinet meeting, scheduled to take place two days later. A few hours later, Marx sent Dehler a written message with a recommendation that the West German government respond positively to the Israeli claim.

On the eve of March 14, Dehler contacted Marx and informed him that the cabinet had discussed the diplomatic note and decided to accept the claim of reparations as a basis for Israeli-German negotiations. The Israeli demand that the Jewish state be viewed as the only representative of the Jewish people when it came to reparations was acceptable to the German government. Bonn had feared the possibility of arriving at a compensation settlement with Jerusalem only to face additional reparations claims from Jewish organizations around the world. This concern was not unfounded. The IMFA had received various reports that representatives of Jewish organizations had begun approaching officials in the West German administration requesting to discuss the question of reparations.<sup>1</sup> Bonn proposed, in this context, that some sort of Jewish claims conference, similar to the JRSO, be established, with Israel at the helm.<sup>2</sup> At the end of the conversation, Dehler reported to Marx that Chancellor Adenauer was prepared to meet with a formal Israeli envoy, from the end of March forward, with the objective of discussing all aspects of the negotiations.<sup>3</sup>

Marx immediately updated the IMFA of this unexpected development.<sup>4</sup> Confirmation of the German initiative also arrived from Consul Livneh. In a conversation

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1 ISA, MFA 1812/12, L. Cohen to M. Fischer, April 6, 1951.

2 ISA, MFA 2417/2, Note on a Conversation with Mr. Karl Marx, March 20, 1951.

3 ISA, MFA 2543/4, [Without Title], April 4, 1951.

4 CZA, S43/240, Re: Our Claim for Shilumim toward Germany, March 18, 1951.

that took place on March 14, Jakob Altmaier, a Jewish member of the Bundestag, told Livneh that Chancellor Adenauer had approached him earlier that day and requested that he arrange a meeting with a senior representative of the Israeli government for a preliminary inquiry into the Israeli reparations claim.<sup>5</sup>

On April 6, the IMFA's West European Division director, Gershon Avner, sent a confidential message to Israel's minister to Paris, Maurice Fischer, saying that "the government [in Jerusalem] has decided to accept the secret initiative of the Bonn government."<sup>6</sup> The use of the word "government" here was erroneous. Protocols of the Israeli cabinet meetings that took place between March 14 and April 6 reveal that the German initiative was not even discussed. It appears that the two men in charge – Prime Minister Ben-Gurion and Minister of Foreign Affairs Sharett – made the decision to respond positively to the Chancellor's invitation on their own; the other ministers were not party to this dramatic decision.<sup>7</sup>

It is understandable, from the perspective of the two leaders, why they should choose to keep the rest of the cabinet in the dark. Only three months earlier, the cabinet, by a majority vote, had thwarted the IMFA's proposal to send an Israeli delegation to Bonn with the aim of discussing the compensation issue with the German government. One can safely assume that the same majority would have opposed the Chancellor's invitation as well. Moreover, such a drastic step – an official meeting between a senior representative of the Israeli government and a German head of state – required utmost confidentiality.<sup>8</sup> Sharing this information with a wider circle, even with those who supported such a meeting, was liable to lead to its leaking out, which would undoubtedly generate a full-blown storm in the political system and among the public. In this scenario, the diplomatic initiative would be nipped in the bud, before there was even a chance to determine whether it held any substance. Besides, with elections looming on the horizon, a scandal of this magnitude was hardly in the interest of the ruling Mapai party.

As already noted, the majority of the cabinet was of the opinion that material compensation, including reparations, should be obtained solely through a written appeal to the major powers. This position had been imposed on Ben-Gurion and Sharett, leading to the diplomatic letters of January 16 and March 12. This time, however, the two leaders decided to ignore the cabinet's position and pursue the course of action they favored from the start – direct contact between Jerusalem and Bonn.

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<sup>5</sup> ISA, MFA 2543/2, E. Livneh to West European Division, March 14, 1951.

<sup>6</sup> DEPI, Vol. 6, Document 109, G. Avner to M. Fischer, April 6, 1951.

<sup>7</sup> Fischer claimed that Minister of Finance Kaplan was also party to the secret. Horowitz, *In the Heart of Events*, 86.

<sup>8</sup> In his April 6 letter to Fischer, Avner underscored repeatedly that the move taking form must be kept absolutely "confidential."

What motivated them to do so? The answer resides in the unique diplomatic conjuncture that emerged in the context of the material compensation question. In keeping with the assessment already established by the IMFA, Ben-Gurion and Sharett found it hard to believe that the Western powers would take steps to promote the compensation issue, certainly not with the full clout at their disposal. Between January and April 1951, a series of indications emerged that corroborated this estimate. To Ben-Gurion and Sharett, therefore, the position of their cabinet colleagues in favor of relying on the major powers seemed, more than ever, entirely at odds with reality. At the same time, the two statesmen would not have dared to pursue the German route without receiving a genuine and clear signal from the Chancellor attesting to his intention of advancing the compensation issue. Such a signal came in mid-March. These two developments closed the diplomatic circuit and enticed the Prime Minister and the Minister of Foreign Affairs to reply to Chancellor Adenauer's invitation in the affirmative.

The refusal of the Western powers to intervene in the compensation issue and shepherd it forward was apparent in their response to the Israeli diplomatic note of January 16. Already in the course of a conversation following the submission of the note by the Israeli ambassador, the director of the Bureau of German Affairs in the State Department, Henry Byroade, signaled that most of the Israeli demands in the note just hand-delivered by Eban were in for a cold reception. The Western powers, he told the Israeli envoy, would find it difficult to continue to hold juridical authority over the compensation issue in their hands; the idea of the Haavarah was not feasible; and restitution of property was proceeding well in the American zone and thus there was absolutely no need to accelerate it.<sup>9</sup> Other American officials reiterated the last argument in talks they had with Eban during the month of February.<sup>10</sup> To further clarify his message, in his discussion with the Israeli Ambassador, Byroade had said that “it would appear that only direct [Israeli] contact in Germany can help.” In other words, Israel should not anticipate assistance from the major Western powers on the matter of compensation.<sup>11</sup> Considering this attitude, it is not surprising that the British Embassy in Washington reported to the Foreign Office in London that the Americans would reply positively only to a small portion of the Israeli demands listed in the compensation note.<sup>12</sup>

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<sup>9</sup> USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/1-1651, Israel's Claims against Germany, January 16, 1951.

<sup>10</sup> USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/2-2851, Restitution and Reparations Claims of Israel, February 28, 1951.

<sup>11</sup> DEPI, Vol. 6, Editorial Note, Transmission of Reparations Note to the Four Powers, 35.

<sup>12</sup> UKNA, FO 371/93514, J. H. Penson to A. H. Lincoln, February 1, 1951.

The official replies of the three Western powers arrived at the end of March: Britain submitted its response letter on March 20,<sup>13</sup> the United States on March 21,<sup>14</sup> and France on March 24.<sup>15</sup> The three missives presented an identical stance, and one can assume the answers were pre-coordinated. All five claims were rejected, one after the other. The replies caused much frustration in Jerusalem. One IMFA official lamented over the huge disparity between the positions of Jerusalem and Washington on the subject of restitution.<sup>16</sup> Another said the attitude of the Western powers regarding compensation was “particularly disappointing.”<sup>17</sup> It should be noted parenthetically, for the record, that the reply of the major powers set in motion a short diplomatic exchange between them and Israel on the issues of restitution and indemnification, which ended up going nowhere.<sup>18</sup>

From late March, signs began to emerge indicating that the negative attitude the powers had displayed with regard to the first compensation note of January 16 also applied to the second diplomatic note of March 12 on the reparations issue. Three weeks after submission of this note, when Israeli envoys in Washington attempted to query State Department officials on whether Washington had begun to formulate its position on the matter, they encountered evasive answers. The Israelis, who had hoped to glean hints of encouragement, were sorely disappointed.<sup>19</sup> At the same time, Jerusalem received a report that one of Secretary of State Dean

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<sup>13</sup> AIG, Document 7, United Kingdom Note of 20 March 1951 in Reply to Israel Note of 16 January 1951 Concerning Restitution and Indemnification.

<sup>14</sup> AIG, Document 8, United States Note of 21 March 1951 in Reply to Israel Note of 16 January 1951 Concerning Restitution and Indemnification.

<sup>15</sup> AIG, Document 9, Note from France of 24 March 1951 in Reply to Israel Note of 16 January 1951 Concerning Restitution and Indemnification.

<sup>16</sup> ISA, MFA 2417/2, M. Comay to E. Elath, April 3, 1951.

<sup>17</sup> ISA, MFA 1850/3, Guidelines for a Reply Note to the Notes of the Three Western Powers Regarding Israeli Inhabitants' Claims against Germany, Without Date.

<sup>18</sup> See: AIG, Document 26, Israel Note in Reply to United Kingdom Note of 20 March 1951, and Notes from the United States and France of 21 March 1951, Concerning Restitution and Indemnification, in view of the Replacement of the Occupation Statute by Contractual Arrangements; AIG, Document 33, United Kingdom Note of 9 April 1952 in Reply to Israel Note of 5 March 1951, Concerning Restitution and Indemnification, in view of the Replacement of the Occupation Statute by Contractual Arrangements; AIG, Document 34, United States Note of 10 April 1952 in Reply to Israel Note of 25 March 1951, Concerning Restitution and Indemnification, in view of the Replacement of the Occupation Statute by Contractual Arrangements; AIG, Document 35, France Note of 10 April 1952 in Reply to Israel Note of 17 March 1951, Concerning Restitution and Indemnification, in view of the Replacement of the Occupation Statute by Contractual Arrangements; ISA, MFA 358/18, E. Livneh to J. McCloy, May 7, 1952.

<sup>19</sup> ISA, MFA 2417/2, E. Herlitz to the Ministry of Foreign Affairs, March 30, 1951; FRUS, Vol. V, 627, Memorandum of Conversation, by the Assistant Secretary of State for Near Eastern, South Asian and African Affairs, April 6, 1951.

Acheson's advisors had declared that "there is no desire on the part of anyone in Washington to reopen the whole reparations issue," in reference to war reparations from Germany.<sup>20</sup> Other reports indicated that the three Western powers planned to coordinate their answers to the Israeli diplomatic note. "That would be very bad, for the lowest common denominator of the three is obviously a big NO," said Leo Cohen. The attitude of the British and the Americans toward the reparations claim, added Cohen, with noticeable discouragement, "is not particularly helpful."<sup>21</sup> Gershon Avner expressed a similar opinion when he wrote to Livneh that the three powers believed the implementation of the Israeli reparations claim was most likely unfeasible.<sup>22</sup>

This Israeli premonition, taking shape during March–April, that the Western powers were negatively disposed to the reparations claim was anchored in reality. Prevailing opinion in Washington and in London at the time was that they should refrain from intervening on behalf of Israel when it came to the matter of reparations. The Jewish state, stated a British official in conversation with the British Under-Secretary of State for Foreign Affairs, Lord William Henderson, could not claim reparations from the FRG, since Israel was not yet in existence during World War II. And it certainly could not speak on behalf of all the Jews in the world, who were citizens of various different countries.<sup>23</sup> Another British official claimed the West German economy was not in a position that would allow it to satisfy a large compensation claim, now or in the foreseeable future.<sup>24</sup> In Washington, a senior official in the State Department dealing with German affairs stated that, in his opinion, the chances that the three major powers would support an Israeli reparations claim were slim.<sup>25</sup> Byroade's deputy, Jeffrey Lewis, said in a March 24 meeting with diplomats from the British Embassy in Washington that the United States' reply to the Israeli reparations letter would be "sympathetic but negative."<sup>26</sup> This meeting took place a week before Lewis would tell an Israeli diplomat that Washington had not yet contacted London or Paris regarding the reparations claim.<sup>27</sup>

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<sup>20</sup> ISA, MFA 2417/2, The Israel Consulate in Munich to the Ministry of Foreign Affairs, April 18, 1951.

<sup>21</sup> ISA, MFA 1812/12, L. Cohen to M. Fischer, April 6, 1951 (emphasis in the original).

<sup>22</sup> ISA, MFA 2543/4, G. Avner to E. Livneh, April 15, 1951.

<sup>23</sup> UKNA, FO 371/93515, W. D. Allen to Lord Henderson, March 10, 1951.

<sup>24</sup> UKNA, FO 371/93515, R. S. Crawford to J. L. Simpson, April 9, 1951.

<sup>25</sup> USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/3-1951, Israeli Note Concerning Reparations Claims against Germany, March 19, 1951.

<sup>26</sup> UKNA, FO 371/93515, I. F. Porter to W. D. Allen, March 26, 1951.

<sup>27</sup> ISA, MFA 2417/2, E. Herlitz to the Ministry of Foreign Affairs, March 30, 1951.

Meanwhile, Israel was looking to promote the various compensation claims at a summit meeting of the four major powers, where they were scheduled to discuss the future of Germany. Eban wrote to Byroade in early March that Israel hoped the issues of restitution, indemnification, and reparations would be included in the summit's agenda.<sup>28</sup> Byroade replied only in late March, saying this would not be possible, among other reasons, because the major powers planned to discuss only general matters concerning Germany's future.<sup>29</sup> As far as Israel was concerned, this response constituted yet another stinging indication of the Western powers' lack of desire to acquiesce to Israel's requests regarding the compensation issue.

This state of affairs led Sharett to conclude that "in light of the lack of any assurance of a positive response by the major powers [to the reparations claim], we thought it inadvisable to reject Bonn should it approach us."<sup>30</sup> And it was thus that the diplomatic circumstances – the Western powers' negative stance coupled with Adenauer's overture – led Israel's two leading statesmen to respond positively to the German initiative.

At the same time, there were two background factors that contributed to this decision. The first and most important of the two was the catastrophic state of the Israeli economy, which urgently required a substantial influx of capital (in the form of reparations). The second factor was the rehabilitation process. Reports of the rapid pace of West Germany's rehabilitation were virtually pouring into Jerusalem. In a discussion held by World Jewish Congress official Alexander Easterman with Lord Henderson on January 11, 1951, the latter surmised that the Western powers were "at the penultimate stage" of fully recognizing West Germany as an independent and sovereign state.<sup>31</sup> Gideon Rafael, the Israeli delegation's advisor at the United Nations, warned Eban of Washington's overly positive attitude toward "the revival of [West] Germany," concluding that "on the subject of [West] Germany, Israel's political position is diametrically opposed to the United States' inclinations."<sup>32</sup>

The German rehabilitation campaign reached a significant milestone on March 6, 1951, when the HICOG announced changes in the occupation statute. This was a genuine revolution in the status of West Germany: the FRG was granted almost complete

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<sup>28</sup> USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/3-651, H. Byroade to the Secretary, March 16, 1951.

<sup>29</sup> USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/3-651, H. Byroade to A. Eban, March 26, 1951.

<sup>30</sup> DEPI, Vol. 6, Document 114, M. Sharett to the Israel Embassy in Washington, April 8, 1951.

<sup>31</sup> BGA, GCD, Report of Conversation between Lord Henderson and Alexander Easterman, January 11, 1951.

<sup>32</sup> ISA, MFA 344/17, G. Rafael to A. Eban, February 19, 1951.

independence when it came to internal affairs and, in terms of foreign affairs, the change likewise signaled the lifting of multiple limitations – among other things, West Germany was permitted to establish a foreign ministry headed by Chancellor Adenauer (which it did on March 15).<sup>33</sup> Parallel to these steps, and in direct correlation with them, the FRG was invited to join five other Western European countries to form a new and highly influential economic-political organization – the European Coal and Steel Community.<sup>34</sup> The only bright spot from an Israeli-Jewish perspective was the powers' decision to continue to hold, for the time being, supreme judicial authority over the issue of restitution.<sup>35</sup>

The “rehabilitation train” continued to barrel down the tracks at full throttle even after modification of the occupation statute. Back in December 1950, the three Western powers had decided to start searching for an alternative footing on which to base relations between themselves and the FRG, one that would replace the occupation statute. In essence, they were seeking to complete the process of restoring West Germany's independence. An intergovernmental study group, made up of representatives from the three Western powers, was formed in London with the aim of drawing up proposals for a Contractual Agreement between the Western powers and the FRG. In May 1951 the study group submitted its conclusions to the three governments,<sup>36</sup> conclusions that would then serve as the foundation for discussions between them and the Bonn government. The Jewish world followed these developments with trepidation, and in April senior officials in the JRSO rushed to Washington to learn about the recommendations of the study group.<sup>37</sup>

In the meantime, the campaign to rehabilitate the FRG transgressed the confines of the western arena. In the spring-summer of 1951, West Germany was accepted as a member of a string of international institutions, including the World Health Organization, the International Labor Organization, and UNESCO.<sup>38</sup>

It appeared that there was no longer any place for “Germany's rehabilitation” to be a factor within the framework of Israel's considerations. The process of the FRG's full return to the family of nations, first and foremost as a legitimate member of the Western bloc, seemed literally on the cusp of consummation. Bonn did not have to make any gestures to the Jews (in terms of material compensation) to pave its way toward political independence. Despite this, Foreign Minister Sharett believed that Bonn would still be interested in placating the Jews, particularly at

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<sup>33</sup> Grosser, *Germany in Our Time*, 294.

<sup>34</sup> Schumacher, “From Occupation to Alliance,” 91.

<sup>35</sup> ISA, MFA 43/10, Re: Germany – Compensation, November 28, 1951.

<sup>36</sup> ISA, MFA 181/1, E. Nathan to Israel Legation in Paris, November 25, 1951.

<sup>37</sup> ISA, MFA 2543/4, E. Livneh to the Ministry of Foreign Affairs, May 9, 1951.

<sup>38</sup> ISA, MFA 1809/4, Jewry and Germany: A Survey of Developments, 1949–1952, March 1952.

this juncture, with its rehabilitation almost complete, in order to remove any possible impediment that might stand in its path.<sup>39</sup> Sharett's theory, however, seemed somewhat out of touch with reality. It was plain there was nothing stopping or even slowing down the rehabilitation process. Nevertheless, Jerusalem continued to take the rehabilitation factor into account, even though its weight in the sum total of factors influencing Israel's position on the question of compensation had narrowed to the point of disappearing almost entirely over the following months.

The refusal of the Western powers to intervene on Israel's behalf on the matter of reparations stemmed from a number of factors, some of which came to light in the course of March–July in talks Israel's representatives conducted with their Western counterparts. During these discussions, it was the American emissaries who demonstrated the most negative attitude to the issue. For Israel this was a cardinal stumbling block, since Washington's position was of pivotal importance. The US was the leading power in the world – certainly in the Western camp – and the magnitude of the economic, military, and political support it supplied to Bonn was unrivaled among the nations.

The main factor in the Western powers' decision not to get engaged in the reparations issue was political and inextricably linked with the Cold War. In their view, the West German economy was not strong enough to pay the sum stipulated in the Israeli reparations missive.<sup>40</sup> Imposing such a fiscal drain on the FRG would be a blow to its economy and weaken the German state. Such a development was absolutely contrary to the strategic interests of the West, since an economically-weakened West Germany would be in no position to meaningfully contribute to the Western bloc's military-economic efforts to counter the growing Soviet threat.<sup>41</sup>

The second factor, emanating from the first, was economic in essence. The major powers argued that if they were to impose a reparations agreement on West Germany, they themselves would be forced to bear the burden of payment – either directly or indirectly, in part or entirely, since they did not want the German economy undermined. The United States, the primary source of any such future aid, was quick to clarify to Israel that it should not expect the American taxpayer to foot the bill for compensation funds.<sup>42</sup>

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<sup>39</sup> ISA, MFA 2417/6, Israel's Claim for Reparations from Germany, April 17, 1951.

<sup>40</sup> KA, Meeting of the Finance Committee, May 14, 1951, 12–13.

<sup>41</sup> FRUS, Vol. V, 631, Memorandum of Conversation, by Alexander F. Kiefer of the office of German Economic Affairs, April 10, 1951; BGA, GCD,A. L. Easterman to E. Elath, April 12, 1951; ISA, Meeting of the Cabinet, May 2, 1951, 7–9.

<sup>42</sup> ISA, MFA 344/15, M. Keren to B. Browdy, June 12, 1951; ISA, Meeting of the Cabinet, May 2, 1951, 7; FRUS, Vol. V, 667–669, Memorandum of Conversation, by the Secretary of State, May 8, 1951; FRUS, Vol. V, 725, The Secretary of State to the U.S. Representatives on the P.C.C., June 19, 1951.

The third factor, also an economic one, regarded the matter of the FRG's external debts.<sup>43</sup> The Western powers promoted a move designed to reach an agreement regarding [West] Germany's external debts accumulated prior to and after the war. These debts stood at billions of Ameriacn dollars, and the primary creditors were countries in the West, above all the three major Western powers. Simple math showed that if Bonn accepted the Israeli claim for reparations, there was a risk that the FRG would not be able to financially guarantee its debt payments to the Western powers and their allies.<sup>44</sup>

The fourth factor related to public opinion in West Germany. The major powers feared that imposing a large compensation claim on Bonn was liable to alienate the German public from the Western camp. The powers were not eager to allow this to happen at a time when they were laboring strenuously to integrate the FRG into the Western bloc.

Finally, the fifth and last factor concerned the Middle Eastern arena. In their efforts to prevent Soviet penetration into the region, Washington and London were investigating the possibility of establishing an anti-Soviet defense alliance with countries in the Middle East. Naturally, Arab countries – and primarily Egypt, the most powerful among them – occupied a key place in such a military alliance.<sup>45</sup> Consequently, the Western powers felt they could not intercede on behalf of Israel in such a weighty economic issue as reparations from Germany. Any intervention of this kind was liable to provoke the ire of Israel's neighboring foes, and it was unlikely that the Arab states would respond affirmatively to a call to join a regional defense pact following such a move.<sup>46</sup>

As noted, Adenauer's initiative to arrange an Israeli-German meeting with the aim of discussing the reparations claim was received positively in Jerusalem. All that remained was to pen the official Israeli reply to the invitation and, no less importantly, to decide what position would be presented by Israel's envoys. Due to the secrecy shrouding this diplomatic move, only about half a dozen people, most of them from the IMFA, were involved in preparing the response to Adenauer's invitation and the meeting itself. A key figure among them was Consul Livneh. He

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43 See Chapter 9.

44 BGA, GCD, M. Perlzweig to A. L. Easterman, June 26, 1951; ISA, MFA 2417/2, Germany's Response to the Claim of Compensation by Israel, June 5, 1951; Lavy, *Germany and Israel*, 10.

45 Onozawa, "Formation."

46 Walichnowski, *Israel*, 32; Lavy, *Germany and Israel*, 10.

prepared position papers prior to the meeting, and the recommendations they contained regarding the line Israel should adopt were, for the most part, endorsed by Sharett.<sup>47</sup>

The Israeli plan of action was laid out in the letter sent by Avner to Maurice Fischer on April 6. He was informed that it had been decided to send a missive to Adenauer (through Altmaier) proposing a meeting between the Chancellor and minister Fischer in Paris “to conduct a secret and preliminary discussion” on the reparations issue. Fischer was instructed to use this meeting to try and achieve a number of objectives regarding the reparations question. The most cardinal of them was “to convince the Chancellor that before it was possible to conduct official negotiations, we [the Israeli government] must receive from the government in Bonn a general [public] declaration” that would include: 1. the acknowledgement that a horrific crime had been committed by the German people against the Jewish people during the period of the Third Reich, as well as an expression of horror and revulsion with regard to this crime; 2. a vow that it was “the everlasting duty of the German people to ensure that no German government could ever again perpetrate similar crimes against humanity”; 3. the recognition of the duty of the German people and their government to rectify the terrible injustice done to the Jewish people, as much as possible, by giving them reparations, as well as speeding up processes in the areas of restitution of property and indemnification.

The German declaration was designed to pave the way for direct, official and public negotiations between the State of Israel and the Federal Republic. In other words, it was meant to legitimize, in the eyes of Israeli-Jewish public opinion, a step that stood in blatant contradiction to the sacred principle of boycotting Germany and its people for eternity. “To conduct negotiations with the Germans without prior receipt of a declaration from them of a profoundly moral nature,” Avner clarified to Fischer, “is paramount to placing a red-hot iron on this wound and provoking terrible emotional turmoil among the Jewish people throughout the world.”

It is unclear to what an extent Ben-Gurion, Sharett and the IMFA officials put their faith in the power of one German declaration, even if penned appropriately, to cause a genuine metamorphosis in the Israeli-Jewish outlook vis-à-vis Germany so as to allow for open negotiations. It would seem that they were merely cautiously hopeful in this regard for, at the end of the day, as Avner wrote, “the murder of 6 million Jews [...] is an element etched deeply into the Jewish consciousness.”<sup>48</sup>

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<sup>47</sup> ISA, MFA 2543/3, E. Livneh to G. Avner, March 23, 1951; ISA, MFA 2543/4, [Without Title], April 4, 1951.

<sup>48</sup> DEPI, Vol. 6, Document 109, G. Avner to M. Fischer, April 6, 1951.

At any rate, the importance of the declaration was so great in the eyes of those at the helm that Leo Cohen rushed to send Fischer an additional letter that same day (April 6), where he underscored just how essential it was to obtain in his meeting with Adenauer “an impressive declaration” that could sway Israeli public opinion.<sup>49</sup>

The notion of a “German declaration” was not one hatched on the eve of the historic meeting. It had been raised repeatedly over the preceding six months by IMFA officials favoring direct Israeli-German contact,<sup>50</sup> and by Jewish functionaries, such as Noach Barou, who were involved in the compensation issue.<sup>51</sup> Egged on by officials in his office, Foreign Minister Sharett asserted in the cabinet meeting of February 8, 1951 that “it is clear that the German government must issue [.] a declaration of conciliation.” Only then could Jerusalem begin to speak to Bonn on the matter of reparations.<sup>52</sup>

Livneh, who was requested to word Israel’s reply to the Chancellor’s invitation, did so and submitted the letter to Altmaier, who then passed it on to Adenauer. The Chancellor expressed satisfaction with the missive’s content.<sup>53</sup> In the course of the following days, Fischer made contact with the West German minister in Paris, and they agreed to conduct the meeting on the afternoon of April 19 in the Hôtel de Crillon in Paris, where Chancellor Adenauer would be staying.<sup>54</sup> In Jerusalem in the meantime it had been decided that the director-general of the Ministry of Finance, David Horowitz, would speak on Israel’s behalf, with Fischer there to accompany him. This choice was almost a given, considering that it was Horowitz, together with Leo Cohen, who had written the Israeli diplomatic note on reparations.

On the appointed day, the two Israeli envoys arrived at Adenauer’s hotel suite. Present in the room was also Herbert Blankenhorn, the Chancellor’s political advisor and director of the Political Department in the German Ministry of Foreign Affairs in Bonn. In the conversation, which was conducted in German, Horowitz spoke at length about the matter of Germany’s declaration. “What is required,” he asserted, “is a public statement of guilt as a formal ceremonial act.” As for the claim itself, he clarified that the sum demanded by Israel in its March 12 missive

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<sup>49</sup> ISA, MFA 1812/12, L. Cohen to M. Fischer, April 6, 1951.

<sup>50</sup> ISA, MFA 2539/1, M. Amir to the Ministry of Foreign Affairs, November 13, 1950; ISA, MFA 2417/1, G. Avner to M. Sharett, February 26, 1951.

<sup>51</sup> Gilead, “The Reparations Agreement,” 104; Sagi, *German Reparations*, 69.

<sup>52</sup> ISA, Meeting of the Cabinet, February 8, 1951, 31.

<sup>53</sup> ISA, MFA 2543/4, E. Doron to G. Avner, April 8, 1951; ISA, MFA 2543/4, E. Livneh to the Ministry of Foreign Affairs, April 10, 1951.

<sup>54</sup> The German leader had come to Paris to carry out diplomatic talks with the French leadership.

represented but a small portion of the huge scope of assets lost to the Jews of Europe, and that it would be designated for the rehabilitation (in Israel) of survivors of Nazi persecution.<sup>55</sup>

According to a report that reached the IMFA, the Chancellor had refrained from responding when the declaration issue was raised. On the other hand, he “did not see any problem” in accepting the Israeli claim for reparations as a basis for negotiations.<sup>56</sup> Horowitz claimed in his memoirs that the Chancellor was attentive to both issues and responded to them positively.<sup>57</sup> Similarly, Horowitz told the Israeli cabinet in its meeting at the beginning of May that “we are receiving information from very reliable sources in [West] Germany through unofficial channels,” indicating “that they [the West Germans] are taking our claim seriously.” It never occurred to the ministers that the aforementioned “sources” were the German Chancellor himself.<sup>58</sup>

Israel’s activity via the German channel did not mean that they had given up on the Western channel. On the contrary, despite the cold shoulder with which the US, Great Britain and France met Israel’s claims, Jerusalem was determined to continue its attempts to move them to take action on the question of reparations. Their involvement was important even if the German channel continued to operate (that is, the continuation of behind-the-scenes contact between representatives of Bonn and Jerusalem), and all the more so if it turned out to be a dead end. In the first case, the powers’ role would be to convince the Germans to open formal negotiations with the Israelis and to spur Bonn into adopting an obliging and positive attitude in these future negotiations. As Ambassador Eban told Byroade a number of days before the Israeli-German meeting in Paris, there was “evidence” that Bonn was willing to go forward on the reparations question and that western pressure on Germany would transform German “willingness” into “concrete action.”<sup>59</sup> About a month after the meeting in Paris, Sharett instructed Eban to inform Secretary of State Acheson of the unfolding events and to point out that Washington could “solidify” the emerging German track by telling the Germans that they must pay and that settlement of the reparations matter was a vital conditional for any progress in the rehabilitation of West Germany.<sup>60</sup>

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55 Horowitz, *In the Heart of Events*, 87–88.

56 DEPI, Vol. 6, Document 171, M. Sharett to A. Eban, May 13, 1951.

57 Horowitz, *In the Heart of Events*, 87–88.

58 ISA, Meeting of the Cabinet, May 2, 1951, 11.

59 FRUS, Vol. V, 630, Memorandum of Conversation, by Alexander F. Kiefer of the office of German Economic Affairs, April 10, 1951.

60 DEPI, Vol. 6, Document 171, M. Sharett to A. Eban, May 13, 1951.

The powers' involvement would be all the more critical in the event that the German route failed to deliver. Israel knew such a possibility existed. At this stage it was impossible to know whether Bonn was serious in its intention to proceed on the long and rocky road toward the payment of reparations. Chancellor Adenauer's initiative was merely a harbinger, but it did not necessarily herald the arrival of spring. And even if the FRG demonstrated genuine willingness to move forward on the issue, the German channel could still prove fruitless due to internal Jewish discord: namely, the Israeli-Jewish public's opposition to any contact between Jerusalem and Bonn.

The main maneuver that Israel employed to convince the Western powers, first and foremost the US, to take action on the reparations question was linked to the economic domain. In essence, Jerusalem sought to thoroughly refute the central argument of the powers – that the West German economy did not have the fiscal means to bear the burden of reparations payments. In the estimation of Israeli officials, voiced since mid-1950, the FRG's economy was recovering rapidly.<sup>61</sup> These assessments became more and more frequent in the course of 1951.<sup>62</sup>

In early May, the IMFA approached Livneh to update him about the upcoming campaign to convince the Western powers to come on board and to request that, as Israel's envoy in Munich, he provide statistical data on the West German economy.<sup>63</sup> Livneh fulfilled the request,<sup>64</sup> and, at the end of the month, the data he provided was sent by the IMFA to the Israeli embassy in Washington. The IMFA hoped the materials provided would aid embassy staff in their endeavors to demonstrate to the American administration the robustness of the West German economy and its capability “to take on this burden [of reparations].”<sup>65</sup> The embassy found the data insufficient, and in consultation with the IMFA, raised the suggestion that Livneh spend several weeks in Washington in order to assist embassy staff in the campaign to convince the Americans. The IMFA updated Livneh

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61 ISA, MFA 1783/9, E. Livneh to the Ministry of Foreign Affairs, August 29, 1951; BGA, BGD, February 5, 1951.

62 The roots of West Germany's 'economic miracle', as it was oft labeled around the world, lay in the monetary reform introduced in June 1948. In the years 1950–1951 its first harbingers had appeared. Plumpe, "Opting for the Structural Break."

63 Already in the course of April, Israeli officials had been telling the Americans that West Germany was capable of paying reparations; however, this assertion was not backed by economic research at that point. FRUS, Vol. V, 630, Memorandum of Conversation, by Alexander F. Kiefer of the office of German Economic Affairs, April 10, 1951.

64 ISA, MFA 534/1, E. Livneh to the Ministry of Foreign Affairs, May 17, 1951.

65 ISA, MFA 2417/2, G. Avner to the Israel Embassy in Washington, May 30, 1951.

of the plan, and requested that he “begin immediately [ . . . ] to collect reports, statistical material and so forth” on the West German economy.<sup>66</sup>

At the same time, Horowitz was busy preparing a brief memorandum on “The economic Conditions in Germany and the Payment of Reparations to Israel.”<sup>67</sup> The five page memorandum, based on an abundance of data, demonstrated that the West German economy was in the midst of a tremendous growth spurt: exports had spiraled and the deficit in balance of payments had fallen. The conclusion drawn from the data was clear: the reparations claim was not such a burden as “to affect the economic future of that country [the FRG] to a fundamental degree.”<sup>68</sup> The memorandum was disseminated amongst Israeli diplomatic missions in the West, first and foremost in the capitals of the Western powers, in order to allow them “to use the arguments, figures and facts for [the purpose of] diplomatic propaganda regarding reparations.”<sup>69</sup> Israel’s representatives abroad did indeed make use of this economic survey. The envoys in Washington went so far as to employ the data in every meeting they had with American officials concerning the reparations issue.

Nevertheless, the memorandum prepared by Horowitz was found lacking by the Minister of Foreign Affairs and his staff. They wanted a far more comprehensive survey. Sharett and his people were eager to prove to the Western powers that the German economy was indeed capable of bearing the yoke of reparations, and therefore they sought to produce a broad study proving this fact. This time, the IMFA’s Economic Research Department was recruited for the task.<sup>70</sup> After weeks of intense research, the Department produced a booklet over eighty pages long titled “Israel’s Claims against Germany: The German Economic Background,” which addressed a broad spectrum of topics relating to the FRG’s economy, including the state of agriculture and industry, the state of the foreign currency, as well as the balance of payments and foreign trade. This survey too showed that the economic status of West Germany was improving at an astonishing rate and therefore that it had the capability to satisfy the Israeli claim.<sup>71</sup> Similar to Horowitz’s memorandum, widespread use of the booklet was made for the purposes of Israel’s publicity blitz.

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<sup>66</sup> ISA, MFA 2543/5, The Ministry of Foreign Affairs to E. Livneh, June 7, 1951.

<sup>67</sup> ISA, MFA 2417/2, Information for Israeli Missions Abroad: Reparations from Germany, June 17, 1951.

<sup>68</sup> DEPI, Vol. 6, Document 243, Aide-Memoire from the Government of Israel to the Government of the United States, June 29, 1951.

<sup>69</sup> ISA, MFA 2417/2, D. Horowitz to M. Sharett, May 14, 1951.

<sup>70</sup> ISA, MFA 2543/5, The Ministry of Foreign Affairs to E. Livneh, June 7, 1951.

<sup>71</sup> ISA, MFA 344/21, Israel’s Claims against Germany: The German Economic Background, July 1951.

However, there were those in the IMFA who thought even this would not suffice. Fischer and Livneh felt there was still uncharted territory to cover and proposed that a private economist be hired to fill in the blanks. Livneh surmised that the completion of such a task would cost a thousand USD, and he turned to Horowitz to request that the Ministry of Finance allocate the sum.<sup>72</sup> Finance Minister Kaplan was inclined to approve the expenditure,<sup>73</sup> and an Israeli economist named Zvi Weizmann, who had business ties in West Germany, was charged with executing the study.<sup>74</sup> Gershon Avner rushed to instruct Weizmann to go over Horowitz's memorandum and the Economic Research Department's booklet so that his work would not deal with matters that had already been covered. In Avner's opinion, Weizmann would be best advised to limit his research to the possible means of transferring reparations funds to Israel.<sup>75</sup>

Certain officials at the IMFA thought that it was a mistake to hire Weizmann. They feared that the findings of an Israeli or Jewish economist, however competent he might be, would not be acceptable to the Western powers. They doubted the research objectivity of such an economist. In the opinion of these officials, it would have been appropriate to hire a “non-Jewish [and] independent economist,”<sup>76</sup> a “world renowned” person and above all an American who would be acceptable to the State Department. Its cost, one of the officials estimated, would be about 20,000 USD.<sup>77</sup> The offer was accepted and the search for an economist with these qualities began. However, the searchers failed to achieve their goal. “It turned out to our surprise,” wrote Moshe Keren, a counselor at the Israeli embassy in Washington, to Horowitz, “that it is not at all easy to find here a person of a high caliber who is willing to take on such a task.”<sup>78</sup> It is interesting to note that Israel's representatives in the American capital made sure to inform the State Department that they intended to hire a “reputable” economist to examine the state of the West German economy. There was a clear attempt here to signal to Washington, and through it to its two allies, that Israel was determined to prove to them that their economic argument was without any basis.<sup>79</sup>

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72 ISA, MFA 2543/5, G. Avner to D. Horowitz, July 11, 1951.

73 ISA, MFA 2543/6, E. Livneh to G. Avner, August 21, 1951.

74 ISA, MFA 181/1, An Inquiry Program to Establish our Claims from Germany, July 19, 1951.

75 ISA, MFA 2543/6, Re: The German Economic Inquiry, August 12, 1951.

76 ISA, MFA 344/15, Reparations, September 13, 1951.

77 ISA, MFA 2417/3, S. Rosenne to W. Eytan, August 20, 1951.

78 ISA, MFA 344/15, M. Keren to D. Horowitz, August 10, 1951; ISA, MFA 2543/6, M. Keren to G. Avner, September 7, 1951.

79 ISA, MFA 344/15, M. Keren to the Ministry of Foreign Affairs, July 3, 1951.

Efforts to convince the Western powers that the FRG's economy was strengthening remarkably slowly died down after July 5, when the powers had issued their response to the Israeli diplomatic note on reparations.<sup>80</sup> The replies testified, as could have been expected, that Washington, London, and Paris were adamant in their refusal to intervene on Israel's behalf when it came to the reparations issue. This negative response took the wind out of the sails of the lobbying campaign. The prevailing feeling was that no economic rationale, even if backed up with compelling evidence, could move the major powers from their recalcitrant position. Moreover, the entire effort suddenly seemed pointless. "It is entirely bizarre," stated one official in the IMFA, "that we have to prepare such [economic] material for the Americans."<sup>81</sup> His colleague joined him in adding that "it is obvious that the Americans have much more [economic] information than we do."<sup>82</sup> In a similar vein, Horowitz wrote to Sharett succinctly that "the fiscal state of [West] Germany is well known to the occupying authorities."<sup>83</sup>

The problem was, certainly, not a lack of information (the major power had an abundance of data) but rather a failure to conclude from it that the German economy was strong enough to handle compensation. As far as Horowitz was concerned, the fact that the German economy was stronger than its Israeli counterpart was reason enough for Bonn to pay reparations. After all, it was out of the question, he stated, that the country that had perpetrated the Holocaust be in better shape economically than the country that had absorbed so many Holocaust victims.<sup>84</sup>

The responses of the three Western powers were identical, having been coordinated in advance.<sup>85</sup> The diplomatic notes opened with an expression of abhorrence at "the monstrous crime" committed by the Third Reich against the Jewish people, a

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<sup>80</sup> AIG, Document 10, United States Note of 5 July 1951 in Reply to Israel Note of 12 March 1951 Concerning Reparations; AIG, Document 11, United Kingdom Note of 5 July 1951 in Reply to Israel Note of 12 March 1951 Concerning Reparations; AIG, Document 12, Note from France of 5 July 1951 in Reply to Israel Note of 11 March 1951 Concerning Reparations.

<sup>81</sup> ISA, MFA 344/15, Reparations, September 13, 1951.

<sup>82</sup> ISA, MFA 2417/3, S. Rosenne to W. Eytan, August 20, 1951.

<sup>83</sup> ISA, MFA 2417/2, D. Horowitz to M. Sharett, July 27, 1951.

<sup>84</sup> ISA, MFA 344/15, M. Keren to the Ministry of Foreign Affairs, July 3, 1951.

<sup>85</sup> A British official admitted that "it was agreed that the three governments [of the three Western powers] should reply on broadly similar lines." UKNA, FO 371/93516, R. B. Stevens to Lord Henderson, June 25, 1951. Coordination of the answers is evidenced in a host of documents in Department of State files. See, for example: USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/5-1551, Israeli Reparation Claim against Germany, May 15, 1951; USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/5-1751, Israeli Reparation Claim against Germany, May 17, 1951; USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/6-2951, Transmitting Revised British Draft of Reply to Israeli Note, June 29, 1951; USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/7-551, Israeli Note of March 12 1951 Regarding Reparations, July 5, 1951.

crime unparalleled in centuries of human history. However, the singular horror of the Nazis' crime did not move them to assist the Jewish state in its struggle for reparations. Just the opposite: the powers announced explicitly that they had no intention of intervening in the issue. When it came to justifying this position, the three powers refrained from using the economic argument, a line of reasoning their representatives had often employed in talks with Israeli diplomats carried out over the preceding four months. Rather, they decided to base their position on a specific judicial-political rationale. This argument was tied to the reparations agreements signed immediately after the close of World War II. At the Potsdam Conference in July–August 1945, it was agreed that the three Western powers, along with additional Allied countries,<sup>86</sup> would extract war reparations from the Western occupation zone in Germany.<sup>87</sup> In December of that same year, at the initiative of the three Western powers, eighteen Allied countries who were entitled to war reparations from the western part of Germany convened in Paris.<sup>88</sup> The participants decided that, due to Germany's economic state at the time, the sum of reparations that would actually be paid would be limited in scope and that the eighteen nations would not present additional claims for war reparations until a final peace treaty between Germany and the Allies was signed.<sup>89</sup> Thus, the Paris Conference "tied the hands" of the Western powers from a legal-political standpoint. It prevented them from presenting any new claims for war reparations in the foreseeable future, in their names or in the names of any other country. This state of affairs was clarified to Israel in all three diplomatic notes. The major powers expressed their deep sorrow for their inability to take action on the issue.<sup>90</sup>

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<sup>86</sup> Not including the USSR and Poland.

<sup>87</sup> Edmonds, "Yalta and Potsdam," 212.

<sup>88</sup> See the Introduction.

<sup>89</sup> Fisch, "From Weakening an Enemy," 273.

<sup>90</sup> In the following months, Israel formulated its reply to the diplomatic notes of July 5, and on November 30, 1951, the Israeli reply was submitted to the three Western powers. Israel argued that the reparations claim was not a regular claim seeking compensation for damages caused as a result of a war. The Israeli claim was unique since it rested on the unprecedented onslaught the Third Reich had carried out against the Jewish people, a campaign that exceeded in its scope, its intensity and its duration those the Third Reich had conducted against any of the other Peoples in Europe, and therefore it was right that it should be satisfied. AIG, Document 16, Israel Note of 30 November 1951 in Reply to United States Note of 5 July 1951 Concerning Reparations; AIG, Document 17, Israel Note of 30 November 1951 in Reply to United Kingdom Note of 5 July 1951 Concerning Reparations; AIG, Document 18, Israel Note of 30 November 1951 in Reply to the Note from France of 5 July 1951 Concerning Reparations. The reply from the Western powers arrived in January 1952 when Israel and the FRG were already on the brink of opening reparation negotiations between them. The powers felt their intervention was no longer required and notified Israel that they would await the outcome of the talks with "sympathetic interest."

The powers' decision to base their rejection of Israel's request to intervene in the reparations issue on legal-political rather than economic grounds remains unexplained in the documents at our disposal. One can surmise that there were two main reasons for this decision. First of all, it is possible that the Israeli publicity blitz regarding the FRG's recovering economy forced the Western powers to admit among themselves that the economic argument did not hold water. That is, one could not argue that the FRG was unable to bear *any* reparations claim, whatever the scope, when all the economic parameters attested to a dramatic and sustained improvement in its economy. Secondly, it could be that the three powers understood that from the perspective of public opinion at home it was preferable to reject the Israeli claim, one that they had already recognized as a morally just claim,<sup>91</sup> on a pretext in the realm of international law, rather than clothing it as an economic-utilitarian issue.

The major powers' negative reply was accompanied by a piece of diplomatic advice of great significance: to create a direct communication channel between Jerusalem and Bonn on the reparations question. Lord Henderson had raised this option in a discussion he conducted with Alexander Easterman from the World Jewish Congress, two weeks prior to the arrival of the powers' diplomatic notes.<sup>92</sup> A week later, on June 29, Ambassador Eban met with Byroade to discuss the reparations issue. The State Department official clarified to his guest that the replies of the three Western powers were almost ready, but that they would not be to Israel's liking. Nevertheless, he suggested that the contents of the diplomatic notes remain confidential, so as not to create the mistaken impression in Bonn that the Western powers rejected the idea of reparations hands down. In other words, the reparations question could still be solved via direct Israeli-German contact.<sup>93</sup> Secretary of State Acheson lent his support to the idea of keeping the notes' content under wraps,<sup>94</sup>

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AIG, Document 23, United Kingdom Note of 10 January 1952 in Reply to Israel Note of 30 November 1951 Concerning Reparations; AIG, Document 24, United States Note of 24 January 1952 in Reply to Israel Note of 30 November 1951 Concerning Reparations. The reply of the three powers was coordinated among them, as had been the case with their other replies. USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/12-2851, British Reply to Israeli Note on Claims against Germany, December 28, 1951.

<sup>91</sup> ISA, Meeting of the Cabinet, May 2, 1951, 9; ISA, MFA 355/15, S. Bendor to the Embassy in Washington, May 24, 1951; ISA, MFA 344/15, M. Keren to B. Browdy, June 12, 1951; BGA, GCD, A. L. Easterman to E. Elath, April 12, 1951.

<sup>92</sup> BGA, GCD, A. L. Easterman to M. L. Perlzweig, June 21, 1951.

<sup>93</sup> ISA, MFA 344/15, M. Keren to the Ministry of Foreign Affairs, July 3, 1951; USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/6-2951, Israeli Claims against Germany, June 29, 1951.

<sup>94</sup> FRUS, Vol. V, 741–742, The Secretary of State to the Embassy in the United Kingdom, July 3, 1951.

and George McGhee from the State Department confirmed as much in a discussion he held with Teddy Kollek, Israel's minister to Washington, where the American response letter was officially presented. In order not to jeopardize the possibility of direct negotiation between Jerusalem and Bonn, he informed his guest, the three powers had decided not to make the contents of the diplomatic notes public.<sup>95</sup> In the days that followed, officials in the State Department continued to emphasize their support for direct Israeli-German negotiations on the reparations question in addressing the Israeli diplomats.<sup>96</sup>

This was brought to the attention of the government in Jerusalem in a July 18 cabinet meeting. Minister of Foreign Affairs Sharett told his colleagues about the negative content of the powers' diplomatic notes and the "oral messages" to the Israeli envoys in London and Washington suggesting "we communicate with [West] Germany directly." In light of this stance, Sharett felt that "it is possible we shall have to discuss making direct contact with [West] Germany." He proposed, however, to examine this matter after the Knesset elections (being held on July 30), with a new government in place. The Minister of Foreign Affairs' dramatic suggestion did not evoke even the slightest protest among those present, a striking change from the stormy reaction the idea of sending an Israeli delegation to the FRG had received in the cabinet meeting of December 27, 1950, when it was raised by IMFA officials. It would seem that opponents of direct negotiations had begun to recognize that their previously staunch position was no longer practical. Two factors contributed to this realization. First, there was the adamant refusal of the Western powers to get involved, as expressed in their diplomatic notes, which closed the door on channels other than direct contact. And secondly, the state of the Israeli economy continued to deteriorate and was in dire need of a significant source of incoming capital.<sup>97</sup>

The powers' recommendation to create a direct communication channel with Bonn carried their implicit accord that the FRG should pay reparations to Israel. This was a sensational change considering that in the months preceding the submission of the reply missives one could deduce that the Western powers opposed the very idea of reparations for the Jewish state in any shape or form. What had led to this sudden change of heart? It is possible that Israel's intensive campaign to demonstrate the robust state of the West German economy had persuaded them to reexamine their appraisal of the negative impact of the reparations claim

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<sup>95</sup> FRUS, Vol. V, 751, Memorandum of Conversation by the Assistant Secretary of State for Near Eastern, South Asian and African Affairs, July 5, 1951.

<sup>96</sup> ISA, MFA 2543/5, G. Avner to E. Livneh, July 9, 1951; DEPI, Vol. 6, Document 265, M. Keren to the United States Division, July 12, 1951.

<sup>97</sup> ISA, Meeting of the Cabinet, July 18, 1951, 8–12.

on the FRG. While they certainly did not share Israel's outlook vis-à-vis the strength of the German economy, policy-makers in Washington, London and Paris knew this economy was on an upward trajectory, which enabled the FRG to pay reparations. In addition, their willingness to accept the possibility of Bonn paying reparations did not amount to a green light for the West German polity to pay any sum demanded of it. They were prepared (as would be confirmed later during the Israeli-German negotiations) for the Germans to pay a significantly smaller sum than that demanded by Israel. The sum was also supposed to be spread out over a relatively lengthy period of time. Both the scope of the payment and its disbursement over time were designed to minimize the blow to the FRG's economy. Finally, Chancellor Adenauer's initiative, backed by several German cabinet ministers, to promote Israeli-German negotiations forced the Western powers to consent to the possibility that the treasury in Bonn would be paying material compensation to the State of Israel out of its coffers.<sup>98</sup>

Yet, in light of the powers' acceptance of Germany's payment of reparations to Israel, even if limited in scope, we might ask why they refused to assume the role of a mediator-facilitator, as Israel had requested from the beginning of March. There were several reasons for that. First of all, as the powers had clarified in their official response letters, this was impossible from a legal and political perspective. Secondly, their involvement was liable to alienate public opinion in two camps: in West Germany and in the Arab world. But it seems that the *core* reason for their decision was the desire to bring Jews and Germans together for all the world to witness. Leadership in the three Western capitals was keen to see this dramatic and unprecedented spectacle – a Jewish-German gathering – take place before the eyes of their astonished citizenry. Such a display would transmit to public opinion in the US, Britain and France, as well as other western countries, a message of rapprochement between the most bitter of enemies – victim and victimizer. This would go a long way toward improving the problematic image of the Germans and it would ease the task of the Western powers' leadership in moving the FRG's rehabilitation process forward (in essence to complete it).<sup>99</sup>

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<sup>98</sup> From late June 1951, the Americans began to hint to Israeli diplomats that they were willing to accept the possibility of Bonn paying reparations. ISA, MFA 2543/5, G. Avner to E. Livneh, July 7, 1951; DEPI, Vol. 6, Document 292, Meeting: E. Herlitz, M. Keren – G. Lewis, July 26, 1951; FRUS, Vol. V, 751, Memorandum of Conversation by the Assistant Secretary of State for Near Eastern, South Asian and African Affairs, July 5, 1951.

<sup>99</sup> In light of this, one can understand the American call to Israel to establish diplomatic ties with Bonn and thus ease the solution of the reparations question. USNA, DoS, RG 59, CDF (1950–1954), 262.84A41/11-151, Compensation from Germany, November 1, 1951.

And what was the fate of the Israeli reparations note to the Soviet Union?<sup>100</sup> Israeli officials did not hang much hope on the success of the reparations claim in the USSR and its East German satellite. This was chiefly due to the fact that Moscow and Berlin had already demonstrated a hostile attitude to the two other categories of compensation: restitution of property and indemnification. In the course of 1947–1949 the Russians and the East Germans exhibited a certain degree of willingness to make progress on compensation to survivors of Nazi persecution, including Jews. East German personalities made declarations sympathetic to the right of survivors to compensation and a number of laws in the realm of restitution of property were enacted in the GDR. However, such declarations were sporadic and lacking any genuine foundation and accordingly, the legislation ensured that, in practice, the majority of property looted during the Nazi period (including Jewish property) would remain in the hands of the regime.<sup>101</sup> From the second half of 1949, and all the more so in the following year, it became increasingly evident that the seeming willingness of Moscow and Berlin to make progress on the compensation issue had vanished into thin air. As already noted, Mendelsohn's mission in the spring of 1950 to Berlin had achieved nothing.<sup>102</sup> The diplomatic note to Moscow on restitution and indemnification, sent on January 16, 1951,<sup>103</sup> met a similar fate; that is to say, the Kremlin ignored it entirely. And as if that were not enough, the East German parliament passed an outrageous piece of legislation in the fall of 1951 stipulating that the property of survivors of Nazi persecution living outside the country would be passed on to the government.<sup>104</sup>

This same categorical hostility applied to reparations as well. Moscow's reply to the Israeli diplomatic note on reparations arrived only in late March 1952, more than a year after it had been sent, and was essentially negative.<sup>105</sup>

Moscow's position toward the issue of compensation was based, among other things, on cold, hard economic considerations. The Russians feared that if Berlin paid any substantial compensation sum – whether in restitution, indemnification, or reparations – to the Jews and to Israel (as well as to other parties, persons and polities injured by the Nazis), the treasury in Berlin would be emptied and

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<sup>100</sup> On the issue of reparations from the GDR, see: Jelinek, "East Germany"; Pinkus, 'Special Relations', 377–380; Timm, *Jewish Claims against East Germany*, 81–86; Tovy, "All Quiet on the Eastern Front"; Trimbur, "L'attitude de la RDA."

<sup>101</sup> Lorenzini, "Reparations Measures," 98–113; Maser, "Juden und Jüdische," 407–409; Timm, *Jewish Claims against East Germany*, 27–29, 68–72.

<sup>102</sup> See Chapter 2.

<sup>103</sup> See Chapter 3.

<sup>104</sup> Tovy, "All Quiet on the Eastern Front," 81. See in this context: Goschler, *Schuld und Schulden*, 369.

<sup>105</sup> Pinkus, 'Special Relations', 379.

Moscow would be unable to extract compensation from the GDR for itself. The USSR believed that, more than any other entity, it was entitled to material compensation considering that it had suffered the most severe losses among all the Allied nations in the course of the Second World War. Beyond this, Moscow's attitude to reparations was also motivated by political factors. After a short honeymoon between the Soviet Union and Israel in the years 1948–1949, relations between the two cooled considerably, driven first and foremost by Israel's steadily increasing closeness with the Western bloc, led by the United States. Moscow began to exhibit a negative stance toward the Jewish state, which manifested itself in a variety of forms, one of them its position on the matter of reparations. Publicly, Moscow and Berlin argued vehemently and vociferously that the GDR was not heir to the Third Reich, since politically and ideologically the anti-fascist Communist regime was the diametric opposite of the Nazi regime. Berlin, therefore, had no obligation to take upon itself the moral or financial responsibility for the criminal acts of the Third Reich.<sup>106</sup>

Thus, the negative response from Moscow to Israel's reparations note came as no surprise. At the same time, a consensus formed in the IMFA that it would be best for Israel to tread lightly on the reparations question with the USSR-GDR while the West German channel was taking shape. Their main apprehension was that Moscow and Berlin's negativity could rub off on Bonn.<sup>107</sup> Consequently, up until the fall of 1952, when the Reparations Agreement was signed between Israel and the FRG, Jerusalem allowed the reparations issue to stagnate in Moscow and Berlin. Afterwards, political activity renewed with vigor, however, to no avail.<sup>108</sup> The GDR never paid reparations to Israel.<sup>109</sup>

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<sup>106</sup> Tovy, "All Quiet on the Eastern Front," 78–79.

<sup>107</sup> Tovy, "All Quiet on the Eastern Front," 83.

<sup>108</sup> Tovy, "All Quiet on the Eastern Front," 87–96.

<sup>109</sup> Trimbur, "L'attitude de la RDA," 605–607.