

Preface

On September 10, 1952, the “Agreement between the State of Israel and the Federal Republic of Germany” was signed in Luxembourg. In this agreement, which would come to be known as the “Reparations Agreement,”¹ West Germany committed to paying Israel close to three-quarters of a billion USD (in goods and services) over a period of 12 years for the rehabilitation of the half a million survivors of Nazi persecution who had settled in the Jewish state.

The present book looks at the issue of reparations from an Israeli-Jewish perspective. There are a number of reasons for this approach. The first and most important is that the Reparations Agreement is considered an event of paramount significance in the history of the State of Israel due to its dramatic and far-reaching implications across multiple spheres. From an economic standpoint, the enormous material compensation helped rescue the local economy, which was on the verge of total collapse. From a diplomatic angle, the agreement paved the way for a normalization of relations between Israel and Germany. On the internal Jewish front, the agreement (as well as the political events that preceded it) assisted in establishing the State of Israel as the dominant center of the Jewish world. The issue is also remembered due to the political-public facet that accompanied it. Israel witnessed an internal struggle between those who supported Israeli-German negotiations and those who repudiated them – a level of turmoil unprecedented in magnitude, the likes of which Israeli society had not experienced until then. In fact, viewed comprehensively, the public-political campaign regarding the issue of reparations remains to this day one of the fiercest ever seen in the State of Israel. From this emerges a second reason for the present book’s approach: the Israeli-Jewish side of the reparations affair abounded with different points of view – political, social, economic and diplomatic. Israeli archives, libraries, newspapers and websites contain an astounding variety of historical materials, enabling researchers to examine these diverse perspectives. Given the immense challenge of examining the Israeli-Jewish side of this issue, and in light of the broad scope of the present work’s contents, it is necessary to define and confine the study of reparations here. Finally, a careful review of the relevant research literature will reveal that there is not one study – in English, the international academic language, or in any other² – that both examines in depth the various aspects of the Israeli-Jewish party and is based on the extensive range of extant primary sources. In comparison to Israel, the effects of the reparations affair

1 Sometimes called the “Luxembourg Agreement.”

2 Studies in Hebrew, German, and French are also included in this statement.

on West Germany were quite minor; the West Germans did not experience a tremendous storm in the public sphere and/or in the political realm, the local economy did not deteriorate or soar as a result of the agreement, and Bonn's relations with nations in the international arena did not undergo a fundamental change in the aftermath of the agreement with Jerusalem. In direct connection to this, the German side of the equation is neither rich in point-of-view nor loaded with primary sources like the Israeli-Jewish side. Considering this state of affairs, one can understand the logic behind an approach that seeks to focus on the Israeli-Jewish side of the reparations issue in the present work.

The Israeli historical perspective is here examined in three distinct contexts: the internal-domestic Israeli context; the overall Jewish context, pertaining to the relations between Israel and Diaspora Jewry; and the international context, which contain Israel's actions vis-à-vis the FRG, the Western powers, and the Arab League states. Within this framework, I describe the first, hesitant steps taken by the Israeli leadership on the question of compensation from Germany; address the crystallization of the reparations claim and the decision of the government to adopt it as Israel's only claim; examine the negotiations between Israel and West Germany on the subject of reparations that took place in Wassenaar (March–September 1952) and the subsequent efforts to ratify the Agreement in Bonn in the face of the vigorous Arab campaign to prevent it from materializing (September 1952–March 1953); delve into the fierce public-political melee that ensued in Israel over the question of Israeli-German talks; and discuss the complex relationship that evolved between Israel and world Jewry (primarily the American Jewish community) regarding this issue.

The departure point of this book is chronologically situated in the summer of 1949. The first Arab-Israeli war³ had ended several months earlier and armistice agreements had been signed between the belligerent parties. Under conditions of relative calm in the political-security arena, the Israeli leadership could, for the first time, turn its attention to the question of compensation from Germany. This work ends in the spring of 1953, following the ratification of the Reparations Agreement by the two sides – Israel and West Germany – and the beginnings of its implementation.

The research rests on a broad spectrum of archival sources, chief among them the Israel State Archives in Jerusalem. In the closing decade of the twentieth century, the State Archives began to declassify and make public a host of documents, namely protocols from meetings of the cabinet and the Knesset's Foreign Affairs and Defense Committee, as well as classified government resolutions. The

3 Israel's War of Independence, 1947–1949.

importance of these materials for a full comprehension of historical issues is indisputable. The book at hand makes extensive use of these documents (as well as other documents in the State Archives, in particular the Ministry of Foreign Affairs papers), and is the only work to do so with respect to the reparations issue. Special attention is also given to the Israeli press in both Hebrew and European languages, including party organs and unaffiliated independent newspapers. Essentially, this is the first research on the subject of reparations that utilizes this media source from the period under study in a close, systematic manner. Journalistic sources are particularly critical to our subject of inquiry since they assist us in observing the positions of the political system and public opinion in Israel on the question of reparations first-hand. In certain cases, it is the only tool by which we can extract this information.⁴

As noted above, there is no single study that appropriately examines the Israeli-Jewish aspect of the reparations case. However, it also transpires that there is generally an absence of thorough in-depth research into the issue of reparations, especially examinations relying on the wealth of existing primary resources. Much of the literature dealing with the issue of reparations was written between the early 1950s and the early 1980s,⁵ and therefore contains no references to archival sources (which were still classified at the time).⁶ As a result, its findings are lacking, and far worse, misleading at many junctures. From the mid-1980s, a number of studies were published on the reparations affair that utilized archival sources, among others. While some of these works sought to offer an overall perspective, they actually devote only several dozens of pages to the issue, and the archival material employed is relatively scant.⁷ Other treatises published at the time deal only with specific aspects of the issue and fails to provide a sufficiently broad outlook.⁸

4 For example, in the cases of the ultra-orthodox parties – Poalei Agudat Israel and Agudat Israel – and the center-right General Zionists party.

5 See for example: Brecher, “Images”; Balabkins, *West German Reparations*; Deutschkron, *Bonn and Jerusalem*; Feldman, *Special Relationship*; Grossmann, *Germany’s Moral Debt*; Honig, “The Reparations Agreement.”

6 An exception is Nana Sagi’s book, *German Reparations*, which uses an abundance of archival documents from the Claims Conference. However, it too falls short of providing a full and accurate historical account. The most significant documents for doing so – from the archives in Israel and other countries – were inaccessible at the time.

7 See for example: De Vita, *Israelpolitik*; Goshler, *Wiedergutmachung*; Jena, “Versöhnung Mit Israel?”; Lavy, *Germany and Israel*; Segev, *The Seventh Million*; Teitelbaum, *The Biological Solution*; Trimbur, *De la Shoah à la Réconciliation?*; Wolffsohn, “Das Deutsch-Israelische Wiedergutmachungsabkommen.”

8 See for example: Auerbach, “Ben-Gurion”; Barzel, “Dignity”; Litvak and Webman, *From Empathy to Denial*; Weitz, “The Herut Movement”; Weitz, “Moshe Sharett”; Zweig, *German Reparations and the Jewish World*.

By the outset of the first decade of the twenty-first century, two books had been published on Israeli-German relations from the end of World War II up to the mid-1960s that paid significant attention to the question of reparations: Niels Hansen, *Aus dem Schatten der Katastrophe: Die Deutsch-Israelischen Beziehungen in der Ära Konrad Adenauer und David Ben Gurion* (2002) and Yeshayahu A. Jelinek's *Deutschland und Israel, 1945–1965: Ein Neurotisches Verhältnis* (2004). The most comprehensive of the two is Jelinek's, which discusses the reparations question at length and is based on an impressive array of documents. Nevertheless, the picture it draws is incomplete in many respects: the materials from the Israeli archives do not include sources vital for understanding the issue;⁹ there is no substantial deliberation of a central ingredient in the reparations affair – Israeli public opinion; the examination of the economic situation in Israel and its close connection to the reparations issue is superficial at best; and the essay does not discuss in-depth Israel's relationship with Diaspora Jewry – particularly Israel's relationship with the Claims Conference regarding the issue of compensation from Germany. With such significant drawbacks, it is impossible to claim that Jelinek explores the reparations issue fully, in all its complexity. The book by Hansen, former ambassador of the FRG to Israel,¹⁰ while also based on abundant archival sources, contains all the same shortcomings cited in regard to Jelinek's work, in addition to a number of even more problematic ones. The most glaring of these is that Hansen's primary sources comprise mostly German documents. There are no sources in Hebrew, which, of course, prevents the author from presenting an accurate and complete account of the Israeli side of the issue.

Thus, it is quite evident that the present book fills a conspicuous lacuna in the existing research literature. It is the first study ever to delve comprehensively into the question of reparations from its core aspect, the Israeli-Jewish one, making meticulous and exhaustive usage of primary materials. In doing so, it sheds light on one of the most significant and fascinating episodes in the history of the State of Israel and the Jewish people, while also contributing to the research on the post-Holocaust era by investigating an important byproduct of this cataclysmic historical event.

⁹ For example, protocols from meetings of the cabinet and the Knesset's Foreign Affairs and Defense Committee.

¹⁰ Between the years 1981–1985.