The United States and Wiedergutmachung for Victims of Nazi Persecution: From Leadership to Disengagement*

by Constantin Goschler

The overall political and moral importance of the Luxembourg Agreements between the Federal Republic of Germany and the State of Israel on the one hand and the Jewish Claims Conference on the other has led them to be frequently identified with so-called German Wiedergutmachung in general. Both public interest and historical research have focused primarily on these agreements. One should not infer too much, however, from the special case of the Luxembourg Agreements on Wiedergutmachung as a whole. This essay will therefore analyze not only the history of these agreements but also the context of the development of German Wiedergutmachung in the early 1950s, with occasional reference to the late 1940s.

Wiedergutmachung, i.e. reparation, restitution, and indemnification for victims of Nazi persecution, was interwoven in both domestic and external policy. This paper will concentrate particularly on the role of the U.S. administration, the U.S. Office of Military Government, and, later, the U.S. High Commission for Germany and will address the critical question debated since the beginning of the deliberations in Wassenaar: What was the American impact on the Luxembourg Agreements? And, in addition, what did this impact mean for long-term U.S. policy on German Wiedergutmachung? The first question is inseparably linked to the German government’s attitude, especially to German Chancellor Konrad Adenauer’s ambiguous position toward the Wassenaar deliberations.

At the end of the war, the United States was the only one of the Allies with some definite ideas on righting at least some of the wrongs inflicted by the Nazis on Jews and other groups. Since the United States—in contrast to the Soviet Union, Great Britain, and France—had no war damages on its own territory, it could afford to consider measures to aid persecuted people who were not represented by any state. Thus, after the defeat of the Reich, the United States took a leading role in the development of measures to restore part

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of the losses of victims of Nazi persecution. In November 1945, representatives of eighteen allied governments met in Paris to discuss how reparations from Germany should be shared. U.S. delegates pressed for a share for non-repatriable victims of Nazi Germany, most of whom were Jewish.1 Though they finally succeeded in obtaining a portion of these reparations, the sum was very modest.2 Moreover, its main purpose was to deal with the refugee problem, not to restore rights of victims of Nazi persecution.

There were wider implications in this treaty for future efforts to get some compensation for Nazi victims, Jewish or otherwise. For the first time, the principle of a collective payment for victims of Nazi persecution was established in accordance with the wishes of Jewish organizations which had already pressed for this kind of payment during the war.3 Nevertheless, the Paris agreements primarily resulted from the Allies’ wish to save money, not from the efforts of Jewish organizations. It was considered more effective to give those modest sums to Jewish welfare organizations rather than to individual non-repatriable victims. Moreover, the Paris reparation deliberations would be the last opportunity for a long time to make demands on Germany as a whole. In the years to come, emphasis would shift to the Allied zones of occupation, which could achieve only a minor degree of coordination.

The United States made additional efforts in its zone of occupation. In the summer of 1946, the U.S. Office of Military Government for Germany (OMGUS) was informed that the State Department felt “it would be helpful to U.S. good will if U.S. zone could soon take leadership in making compensation . . . for injuries


to personal rights as well as property rights.\textsuperscript{4} The most important result of this policy was Military Law No. 59, which was promulgated by the U.S. Military Government in November 1947\textsuperscript{5} to restore any property that had been seized on racial, political, or religious grounds. This law was enacted mainly due to the efforts of the U.S. Military Governor, General Lucius D. Clay, who had to resist strong opposition from other Allied military governments, the Germans, and his own Military Government administration.\textsuperscript{6} The major point of dispute was heirless property, and Clay came to defend this basic principle of restitution\textsuperscript{7} partly because of the success of a group of four American Jewish organizations.\textsuperscript{8}

Another important precept was the Indemnification Law of the U.S. Zone, promulgated in the summer of 1949 and intended to give financial indemnification to victims of Nazi persecution.\textsuperscript{9} Though this law was clearly of German origin, U.S. High Commissioner designate John J. McCloy—who succeeded Clay—was responsible for its enactment. The U.S. Military Government did not intend to approve it, since both the Military Government and the State Department doubted German ability to finance such an obligation. Furthermore, they were apprehensive of a law of such importance being promulgated only in the U.S. Zone shortly before the Federal

\textsuperscript{4} War Department to OMGUS, July 18, 1946, Archiv des Instituts für Zeitgeschichte [IfZ Archives], MF 260, OMGUS, CAD 3/159-3/19.


\textsuperscript{6} See, for example, memo, OMGUS Finance Division, Sept. 12, 1947, IfZ Archives, MF 260, OMGUS, POLAD 768/2.

\textsuperscript{7} See, for example, W. C. Haraldson to Riddleberger and Chase, Feb. 10, 1948, ibid., OMGUS, POLAD 793/46.

\textsuperscript{8} These organizations were the World Jewish Congress (WJC), the American Joint Distribution Committee (AJDC), the Jewish Agency for Palestine, and the American Jewish Committee (AJC); initially the American Jewish Conference also participated.

\textsuperscript{9} This law (\textit{Gesetz zur Wiedergutmachung nationalsozialistischen Unrechts or Entschädigungsgesetz}) was promulgated in Bavaria on August 12; in Bremen on August 16; in Hesse on August 10; and in Württemberg-Baden on August 16, 1949. See Gesetzes- und Verordnungsblatt Bayern (1949): 193; Gesetzesblatt der Freien Hansestadt Bremen (1949): 159; Gesetzes- und Verordnungsblatt Hessen (1949): 101; Regierungsblatt Württemberg-Baden (1949): 187.
Republic of Germany was to be founded.\textsuperscript{10} In addition, the British objected very strongly to an indemnification law of this kind.\textsuperscript{11} Nevertheless, one of McCloy’s first actions after his arrival in Germany was to approve this law. He wished to press the future Federal Republic on this matter and declared in a telegram to the Department of the Army: “Taking action now in U.S. Zone will force consideration by other Länder and eventually by Federal Government of this issue.”\textsuperscript{12}

In sum, the U.S. Military Government and the U.S. administration played a decisive role in the development of these important first steps in favor of the victims of Nazi persecution. Well before the Federal Republic was founded in the summer of 1949, the U.S. government took leadership in this matter to help resolve the vast post-war refugee problem, to facilitate claims by former property holders who later became naturalized Americans, and, of course, to press the Germans to atone for part of their crimes.

The foundation of the Federal Republic of Germany brought on a new era in the field of Wiedergutmachung. The U.S. High Commission, which succeeded the Military Government in the summer of 1949, rarely interfered in matters of indemnification, but kept tight control of restitution. McCloy was ordered to finish the restitution program by the end of 1951.\textsuperscript{13} He was hampered by strong resistance in German society to the restitution law, since it was regarded as more severe than the laws of the other zones. On various occasions, however, McCloy declared that this restitution program would not be weakened.\textsuperscript{14}

\textsuperscript{10} Frederick A. Sturm to Secretary General of the Länderrat, June 29, 1949, IfZ Archives, MF 260, OMGUS, AG 1949/10/5.

\textsuperscript{11} Kenneth McLean to G. P. Hays, June 20, 1949, ibid.

\textsuperscript{12} McCloy to Department of the Army, July 20, 1949, ibid.

\textsuperscript{13} See, for example, C. A. McLain, General Counsel to the Office of the U.S. High Commissioner for Germany, to Executive Secretary, probably November/December 1949, ibid., OMGUS, LD 17/200-2/8.

\textsuperscript{14} See HICOG press release, Dec. 12, 1949, NA, RG 59, box 1041; address by McCloy, Stuttgart, Feb. 6, 1950, in Erika J. Fischer and Heinz D. Fischer, eds., John J. McCloys Reden zu Deutschland- und Berlinfragen: Publizistische Aktivitäten und Ansprachen des Amerikanischen Hochkommissars für Deutschland 1949–1952 (Berlin, 1986), 67; address by McCloy, Hanover, May 22, 1950, ibid., 89f.; “Minutes of Meeting Held on November 7, 1950, Headquarters Building, Frankfurt, between the U.S. High Commissioner and the Ministers-president of the Four Länder in the U.S. Zone,” Washington National Record Center [WNRC], RG 466, McCloy papers, box 21; McCloy to the ministers-president of
Because of great difficulties in implementing this program within the short period ending in 1951, Edward M. Warburg and Nahum Goldmann met McCloy in New York in February 1950 and proposed that the proceeds of restitution from the Jewish Restitution Successor Organization (JRSO) be assigned to the Länder of the former U.S. Zone in exchange for the payment of a lump sum. McCloy was very pleased with this idea, probably because it would help him resolve two opposing aims of his policy: speedy implementation of the restitution program on the one hand and stabilization of German domestic and foreign policy on the other. During deliberations with the governments of the four Länder of the U.S. Zone, lasting from 1950 to 1952, McCloy gave as much help to these initiatives as he could; he continually pressed the ministers-president to do something about this matter, sometimes treating them like schoolboys who had not properly done their homework. As a result, JRSO received about fifty million D-marks.

The case of JRSO is a yardstick not only for what American pressure on Germany in the field of Wiedergutmachung could be at that time, but also for its efficacy. While there is hardly a similar example of such explicit American intervention, the agreements of JRSO with the Länder of the former U.S. Zone also demonstrate the limits of U.S. power in this area after the Federal Republic had been founded. The Occupation Statute gave the Allies some control over Wiedergutmachung, especially in the implementation of existing Allied restitution laws. Perhaps even more important was the renewed bargaining power which resulted from a new set of restrictions contained in the Occupation Statute. This statute, however, foresaw general relinquishment of Allied control as the Germans

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15 I.e. Bavaria, Hesse, Wurttemberg-Baden, and Bremen.

16 Warburg and Goldmann to McCloy, Mar. 20, 1950, enclosed memo, "The overall settlement of JRSO restitution claims in the American Zone of Germany," WNRC, RG 466, McCloy papers, box 7.

17 Minutes of meeting with McCloy held on Apr. 10, 1950, ibid., box 12.

18 McCloy to the ministers-president of the four Länder in the U.S. Zone, May 8, 1950, and August 22, 1950, ibid. boxes 12 and 18; McCloy to George N. Shuster, July 24, 1951, ibid., box 29; McCloy to Bavarian Minister-president Hans Ehard, July 18, 1952, Bayerisches Hauptstaatsarchiv, Munich, MA 114244.

affected certain changes. In 1950, the three Allied powers met in London at the International Study Group (ISG) to explore these questions, and in the talks of this group, the ultimate attitude of the three powers in the field of restitution and indemnification for victims of Nazi persecution crystallized. The Allies soon agreed that the restitution laws would be implemented without fundamental change,\(^{20}\) which was also the goal of those American Jewish organizations that had tried to influence the deliberations.\(^{21}\)

McCloy and representatives of the State Department, furthermore, wanted the Indemnification Law of the U.S. Zone, under which only German victims of Nazi persecution would receive indemnification, to be extended to the entire Federal Republic.\(^{22}\) France and Britain, however, insisted on the inclusion of non-German Nazi victims. There was strong pressure from home on this question. The French government wished to include hundreds of thousands of former French forced laborers, French Jews, and other victims, while the British spoke primarily for Polish emigrants and members of the Polish army-in-exile.\(^{23}\) The United States strongly opposed Franco-British plans to increase German obligations and was concerned that a financially weakened Germany would make the desired German rearmament more difficult.\(^{24}\) Moreover, the U.S. administration wanted to stop the intervention of American Jewish organizations and other outside parties.\(^{25}\)

\(^{20}\) Holmes (Embassy London) to Dean Acheson, Dec. 12, 1950, NA, RG 59, 396.1-ISG/12-1150.

\(^{21}\) See, for example, AJC, AJDC, Jewish Agency, and WJC to McCloy, July 31, 1951, ibid., 262.004/8-251; see also documents in YIVO Archives, RG 347, AJC records, GEN-10, boxes 282 and 291.

\(^{22}\) See, for example, State Department to Embassy London, Aug. 28, 1950, and McCloy to Acheson, Dec. 12, 1950, NA, RG 59, 262.0041/8-2950 and 262.0041/12-850.

\(^{23}\) Douglas (Embassy London) to Acheson, Aug. 1, 1950, ibid., 396.1-ISG/8-150; Holmes (Embassy London) to Acheson, Sept. 7, 1950, ibid., 396.1-ISG/9-450; Douglas to Acheson, Nov. 11, 1950, ibid., 396.1-ISG/11-1350; Frederick A. O. Schwarz (General Counsel/HICOG) to State Department, Sept. 24, 1950, ibid., 262.0041/9-2453.


\(^{25}\) Acheson to HICOG Bonn, Jan. 24, 1952, ibid., 262.0041/1-2552.
The allied delegations in London were unable to reconcile the French, British, and American views, and it was left to the three foreign ministers to solve the problem. In September 1951, at a conference in Washington, they formulated a plan based on the U.S. proposal, according to which the High Commissioners should inform the Federal Chancellor and other appropriate German leaders that, in the view of the three Foreign Ministers, the failure of the Federal Republic thus far to provide any significant measure of compensation to victims of Nazi persecution, including those resident abroad, constitutes a major obstacle to the acceptance of the German people by the free peoples of the world as equal partners in their activities.26

The plan made clear, however, that the Allied governments would not force explicit obligations on Germany, as Britain and France would have preferred. Thus, U.S. diplomacy had achieved its original aim: a strong moral obligation, but one without explicit demands concerning indemnification for the victims of Nazi persecution.

This was the situation in 1951, when Israel began its efforts to obtain reparations from Germany. This was a significant change, and the formerly exclusive predominance of American Jewish organizations in representing Jewish interests in matters of restitution and indemnification came to an end—in fact, these organizations were irritated when Israel made its own demands. In the summer of 1949, representatives of the United Restitution Organization were already troubled by rumors that the State of Israel intended to claim restitution of destroyed, seized, or heirless properties; they feared that this would lead to competition among the various Jewish groups seeking reparations from Germany.27

Since the beginning of the 1950s, Israel—driven by enormous economic problems—made several attempts to get payments from Germany on behalf of formerly persecuted Jews. Direct contacts with Germany were, however, severely hampered by the fact that they aroused furious protests inside Israel. Largely for this reason, the Israeli government presented two notes to the four Allied powers in


27 United Restitution Organization (URO)/Hanover to URO/London, June 7, 1949, Archives of the Leo Baeck Institute [LBI Archives], Council of Jews from Germany, AR 5890/16.
the early months of 1951. The second note, dated March 12, 1951, is the more interesting in this context. Israel demanded reparations from Germany for the losses of the Jewish people and for the costs resulting from the integration of 500,000 immigrants into Israeli society from countries which had been occupied by Germany during the war. Israel calculated these costs at three thousand dollars per person, and therefore claimed a total of 1.5 billion dollars.\(^\text{28}\)

While the Soviet Union did not answer this note, as it had the first, the aforementioned International Study Group of the western Allies discussed it in London. The group agreed that the Israeli government's claim was dubious under international law, and that the demand resulted from the unsatisfactory share of reparations earmarked for Israel in the Paris reparation agreement. They also noted that all states concerned would receive only a fraction of their actual losses. The delegates pointed to extensive Allied measures in the fields of restitution and indemnification, as well as reparations for non-repatriable refugees, and stated that further steps would be possible only within the framework of a peace treaty.\(^\text{29}\)

The western Allies did not differentiate between Israel's and their own reparation claims (at that time the expression reparation was used both by the Allies and by Israel). As has already been mentioned, the United States urged Great Britain and France to set aside plans to expand the scope of indemnification for victims of Nazi persecution. In this light, it is not surprising that the Allies were not ready to support the Israeli demand; in their coordinated replies of May 5, the western Allies declared that they were unable to impose new reparation payments on Germany.\(^\text{30}\) Consequently, the Israeli government had to approach Germany directly. To ease that step, the Allied notes were kept secret from the West German government.\(^\text{31}\)


\(^{29}\) Gifford (Embassy London) to Acheson, Apr. 19, NA, RG 59, 396.1-ISG/4-1951.


\(^{31}\) Acheson to Israeli Embassy in Washington, FRUS 1951, 5:742.
Jewish organizations in the United States were initially very critical of these Israeli efforts. The American Jewish Committee spoke for many critics of the second Israeli note, which contained the reparation claim, when it stated that the document offered “many openings for critical attack” that might “seriously affect the issue itself.” Furthermore, the Committee feared that the Israeli claim would jeopardize efforts to complete the restitution program. At that time, American Jewish organizations preferred to concentrate on completing existing programs rather than creating incalculable risks with new demands.

In the spring of 1951 Nahum Goldmann, President of the Jewish Agency, discussed with the Israeli government how tasks should be divided between Israel and the American Jewish organizations. It was agreed that the Israeli government should restrict its activities to reparations and would not speak for all Jews, but only for those who had found refuge within Israel’s boundaries. Based on this agreement, the American Jewish organizations supported the Israeli reparation claim. In the summer of 1951, Goldmann began to organize a coalition of Jewish organizations from all over the world. At that time, at McCloy’s request, the use of the expression “reparations” in this context was dropped.

It is clear that initially neither the United States nor the American Jewish organizations reacted very favorably to the Israeli notes. The Allied reaction stemmed from the incompatibility of the Israeli demands with the planned withdrawal from responsibility for matters of indemnification and reparation. The Jewish organizations naturally had different concerns: they feared that the Israeli claim would jeopardize their exclusive position. Furthermore, Israeli


33 Notes on the meeting of the four organizations (Jewish Agency, AJDC, AJC, WJC) on March 28, 1951, ibid., box 291.

34 Simon Segal (AJC) to John Slawson (AJC), May 8, 1951, report of meeting at the Jewish Agency on April 26, 1951, ibid., box 282; Jacob Blaustein to Acheson, June 5, 1951, ibid.

35 See Nahum Goldmann, Staatsmann ohne Staat: Autobiographie (Cologne and Berlin, 1970), 313f.

36 Blaustein to Eban, July 23, 1951, YIVO Archives, RG 347, AJC records, GEN-10, box 282.
reparation claims competed with the structures of Wiedergutmachung, which aimed at individual indemnification and restitution.

Surprisingly enough, the first reactions from the Federal Republic seemed to be favorable. After preliminary contacts, particularly encouraged by Adenauer intimate Herbert Blankenhorn, the Chancellor himself sought a chance to speak with the Israeli government. On April 19, 1951, he met in Paris with David Horowitz of the Israeli Treasury and the Israeli Ambassador, Maurice Fischer. Before official talks between Germany and Israel could begin, however, the Israelis expected Adenauer to declare publicly that the new democratic Germany would assume responsibility for the crimes of the Nazis and invite Israel and the Jewish organizations to begin deliberations. McCloy, together with some groups in German society, endorsed the Israeli point of view. German and Israeli representatives discussed the text of the declaration for months, with the American Jewish organizations and

37 Notes on the meeting of the four organizations on March 28, 1951, ibid., box 291; Segal to Slawson, May 8, 1951, ibid., box 282; see also Willy Albrecht, "Ein Wegbereiter: Jakob Altmaier und das Luxemburger Abkommen," in Ludolf Herbst and Constantin Goschler, eds., Wiedergutmachung in der Bundesrepublik Deutschland (Munich, 1989), 208; Yeshayahu A. Jelinek, "Political Acumen, Altruism, Foreign Pressure or Moral Debt: Konrad Adenauer and the 'Shilumim,'" in Tel Avivier Jahrbuch für deutsche Geschichte 19 (1990):85f.

38 Felix E. Shinnar, Bericht eines Beauftragten: Die deutsch-israelischen Beziehungen 1951–1966 (Tübingen, 1967), 219; Moshe Keren, report on a meeting with Byroade and Baker on June 29, 1951, WNRC, RG 466, McCloy papers, box 28; Acheson to Embassy London, July 3, 1952, in FRUS 1951, 5:742. See also Michael Brecher, Decisions in Israel's Foreign Policy (London etc., 1974), 78, and Lily Gardner Feldman, The Special Relationship between West Germany and Israel (London and Sydney, 1984), 55. Based on statements by Horowitz, both authors argue that in fact the U.S. government arranged the Paris meeting. Records on Horowitz' talks with State Department officials, however, show that these officials' inclination toward the Israeli cause was rather limited. See, for example, memo of conversation, Abba Eban, Horowitz, Byroade, and Kiefer, Apr. 10, 1951, in FRUS 1951, 5:630f., and Acheson's telegram of April 12, 1951, in which he informed the London Embassy that "Byroade expressed sympathy for logic of Israeli position, stated claim would be getting serious consideration but [was] otherwise non-committal." NA, RG 59, 396.1–ISG/4–1151.


40 Jacob Blaustein to John J. McCloy, Aug. 24, 1965, AJC Archives, JSX, Subject Restitution 65–6; see also Rudolf Huhn, "Die Wiedergutmachungsverhandlungen in Wassenaar," in Herbst and Goschler, eds., Wiedergutmachung in der Bundesrepublik Deutschland, 140; Albrecht, "Ein Wegbereiter," 210f.
the U.S. High Commission also participating. Finally, on September 27, 1951, Adenauer solemnly declared before the Bundestag that the federal government was willing to explore Wiedergutmachung with Jewish organizations and the State of Israel.

As McCloy wrote to Jacob Blaustein, the problem at this point was getting the federal government to put into effect the principles of the declaration which the Bundestag had accepted. For this reason, the Jewish Conference on Material Claims Against Germany was founded at the Waldorf Astoria Hotel in New York some weeks later. On October 26, the new Claims Conference passed a resolution supporting the Israeli collective claim. The resolution also required that all other Jewish claims against Germany be satisfied, for example those resulting from existing restitution and indemnification laws. In addition, it called for immediate steps to improve and extend existing indemnification and restitution legislation. Thus, the Claims Conference avoided mere endorsement of the Israeli claim.

A comparison of the American and German reactions to the demands of the Claims Conference shows significant differences. The State Department, whose support Goldmann had requested, would have liked the German government to make a generous offer; however, it anticipated the necessity of long-term U.S. financial aid to Germany. It was also aware of the additional burden of defense expenditures on the German budget in the near future. Geoffrey W. Lewis of the German Division declared that it was out of the question to order McCloy to influence the amount of German payments or to press Adenauer to speed deliberations with the


43 McCloy to Secretary of State (for Blaustein), Oct. 2, 1951, WNRC, RG 466, McCloy papers, box 32.

44 Resolution of the Conference on Jewish Material Claims Against Germany, New York, N.Y., Oct. 10, 1951, in Documents Relating to the Agreement, 46; see also Zweig, German Reparations and the Jewish World, 15-18.
Jewish organizations. All the Israeli government and the Claims Conference could expect from the United States at this time was a degree of good will, particularly from McCloy.

In contrast, Goldmann’s often-described meeting with Adenauer at the Claridge Hotel in London on December 6, 1951, resulted in what was probably the most decisive breakthrough yet. Adenauer showed his readiness to begin deliberations with Israel and the Claims Conference and promised reparations to Israel in the form of goods. Furthermore, without consulting his cabinet, and to the complete surprise of all participants, Adenauer accepted the Israeli note of March 12 as a basis for negotiations. Later developments showed that Adenauer was not fully aware of the financial consequences of this promise, which he had recorded in a letter to Goldmann. The results of the meeting in London formed the basis of the following German-Israeli-Jewish talks.

In Israel, after a dramatic session accompanied by violent demonstrations, the Knesset decided on January 9, 1952, to accept Adenauer’s offer for talks on reparations. On this basis, the Israeli government and the Claims Conference coordinated their aims: Israel demanded a collective payment of one billion dollars, and the Claims Conference decided upon a claim of 500 million dollars; in addition, the Claims Conference called for several improvements in German restitution and indemnification legislation. When Adenauer and Goldmann met again in London on February 17, they decided to begin talks one month later at Wassenaar, a small city in the Netherlands.

At that time, the hesitant American attitude gradually gave way to a more supportive position. On January 24, 1952, Secretary of State Dean Acheson wrote the Israeli government: “The United States will await with sympathetic interest the outcome of the

45 Lewis to Webb, Nov. 11, 1951, NA, RG 59, 262.0041/11-651.


47 See Sagi, Wiedergutmachung für Israel, 88-98; Zweig, German Reparations and the Jewish World, 57f.

This meant that, while the United States would not participate directly in the German-Israeli-Jewish talks, it supported an outcome favorable to both sides, but without assuming direct responsibility. Thus "friendly interventions" on behalf of the Israeli-Jewish cause would be possible without jeopardizing the desired shift of responsibility in matters of _Wiedergutmachung_ to the German side.

The attitude of the U.S. administration also played an important role in developing the strategy of the Claims Conference. Senior Vice President Jacob Blaustein relied primarily on his excellent contacts in the Truman administration, including the President, and preferred the American government to determine the amount Germany would pay. However, Claims Conference President Nahum Goldmann resisted, later telling an interviewer: "Over my dead body. I'll get much more than the State Department would ever suggest." Goldmann relied principally on his close personal relations with Adenauer, on his own proficiency in German, and his ability to engage Adenauer in conversations "on Goethe and on Bach, and God knows." Clearly he did not expect much support from the United States; he did not even urge McCloy to advance certain Jewish claims or name amounts. Instead, he asked McCloy to support the general principles underlying the demands of the Claims Conference.

The Wassenaar talks finally began on March 21, 1952. According to German strategy, only Jewish and Israeli claims were to be heard in the first round. Only after the obligations resulting from the London Debt Conference were known would the actual amount of the German payments be discussed in a second round. (The London Debt Conference dealt with the German pre- and postwar commercial debts and took place at the same time as the Wassenaar talks). The Israeli delegation was not quite ready to accept this and

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49 Note of the United States to Israel, Jan. 10, 1952, in _Documents Relating to the Agreement_, 47-50.

50 Interview with Nahum Goldmann, Nov. 24, 1971, Wiener OHL.

51 Zachariah Shuster to John Slawson, Dec. 10, 1951 (report on Goldmann's conversation with McCloy on December 7, 1951), YIVO Archives, RG 347, AJC records, GEN-10, box 275.

52 See also the declaration of the German delegation at the opening of the deliberations in Wassenaar on March 21, 1952, in _Documents Relating to the Agreement_, 79.
demanded a definite German offer before the end of the first round.\textsuperscript{53} This caused a crisis which interrupted the conference from April 7 to June 24, since the Germans insisted on waiting for the outcome of the London talks.\textsuperscript{54}

McCloy had intervened with Adenauer on behalf of Dean Acheson shortly before the Wassenaar talks went into recess.\textsuperscript{55} The Secretary of State had strongly urged a compromise tolerable to both sides. At the same time, he empathized with German financial considerations, which he shared to some degree. He had advised McCloy: “Ger[man]s sh[ould] recognize unfortunate repercussions which w[ould] ensue if they now appear to have been insincere in their offer to negotiate. U[nnited] S[ates] sh[ould] not of course attempt tell Ger[man]s what sh[ould] be magnitude or type of their offer to Israeli and Jewish org[anization]s.”\textsuperscript{56} Again it appears that the United States greatly wished for the success of the negotiations but believed that the dilemma between economic and moral necessity should be solved by the Germans themselves.\textsuperscript{57}

Adenauer’s reaction to McCloy’s approach demonstrates his perception of the ambiguity of the American intervention. The Chancellor reported to the heads of the German delegation that the United States was obviously concerned about the possible fall of the Israeli government should the Wassenaar talks show no positive results. He concluded, however, that if the United States had such a strong interest in a successful outcome, it should help the Germans,\textsuperscript{58} or, in other words, finance the agreement. This idea was repeatedly broached with the United States, but certainly without success.

\textsuperscript{53} Küster diary, Mar. 27, 28, and Apr. 3, 1952, Archiv für Christlich-Demokratische Politik [ACDP], NL Küster, (I-084–001 A); Böhm’s report on the deliberations with Israel, Apr. 1, 1952, BA, NL Blankenhorn, 351/17.


\textsuperscript{55} Minutes of Adenauer’s meeting with the Allied High Commissioners on April 4, 1952, in Adenauer und die Hohen Kommissare 1952, ed. by Hans-Peter Schwarz in connection with Reiner Pommerin (Munich, 1990), 37.


\textsuperscript{57} Acheson to McCloy, Apr. 22, 1952, ibid., 919f.

\textsuperscript{58} Minutes of Adenauer’s meeting with Böhm, Küster, and others on Apr. 5, 1952, BA, NL Blankenhorn, 351/17.
For his part, Jacob Blaustein tried to use his personal relations with President Truman to foster the Jewish cause. Blaustein asked Truman to declare his personal interest in the success of the Wassenaar talks during one of his upcoming press conferences. Though Truman was so inclined, he asked Acheson for advice; the Secretary of State, however, warned him against making such a public statement, fearing that German hopes for financial aid would be encouraged. Acheson instead proposed that McCloy should personally remind Adenauer of the continued interest of the United States in a successful outcome of the Wassenaar talks. This was what happened in the end.

Goldmann, who until then had deliberately not participated personally in the negotiations, tried to end the impasse through a meeting with Adenauer. According to Goldmann, Jewish claims in Wassenaar should have had precedence over the commercial claims discussed in London. Adenauer, however, understanding the close link between economic and moral aspects of the German recovery, was hoping for success both in Wassenaar and London. The Chancellor declared to Joseph Abs, the banker who headed the German delegation in London: “I believe if we succeed in reconciling with the Jews or least their leading men, we can count much more on economic aid than if harsh differences should continue.”

Within the federal government, however, a strong opposition existed to the Israeli and Jewish claims. Its spokesmen were Joseph Abs and Finanzminister Fritz Schäffer, whose resistance was primarily based on financial concerns. Abs managed to get approval from Adenauer for a counterproposal whereby Germany would offer 100 million D-marks instead of the one billion dollars claimed. When Abs presented this offer to the Israeli representatives Felix Shinnar

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59 Blaustein to Truman, Apr. 11 and 18, 1952, YIVO Archives, RG 347, AJC records, GEN–10, box 276; Truman to Blaustein, Apr. 30, 1952, ibid.


62 Memo of conversation between Adenauer and Goldmann on Wiedergutmachung on April 19, 1952, BA, NL Blankenhorn, 351/11; see also Goldmann, Mein Leben als deutscher Jude, 392.

63 Adenauer to Abs, Apr. 8, 1952, in Adenauer: Briefe, 4:198f.

and Moshe Keren in London, they strongly rejected it. So did the leaders of the German delegation in Wassenaar, Otto Küster and Franz Böhm, who resigned in protest.

Adenauer, impressed by numerous interventions, now recognized the seriousness of the situation. A few days later, he agreed to an idea presented by Franz Böhm, who tried to reconcile the German and Israeli standpoints. It was based on a total of three billion D-marks for Israel, to be paid in the form of goods delivered over a period of eight to twelve years. When Böhm explained his plan some days later to representatives of the Claims Conference and the Israeli delegation, Goldmann agreed that these were reasonable offers. Nevertheless, no binding German commitment yet existed in this matter.

At this point, Acheson decided on the most far-reaching intervention to date. When he met Adenauer in Bonn on May 25 at the signing of the Convention on Relations Between the Three Powers and the Federal Republic and the European Defense Community Treaty, he made it perfectly clear that the United States was interested in a solution to German-Israeli deliberations which would be “satisfactory to both sides.” Acheson was especially upset about reports that the Germans were waiting for U.S. aid to finance such an agreement.

This intervention was not without results. On June 10, the final decision was made in Adenauer’s presence during a meeting of the heads of the German and Jewish delegations. The Chancellor

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65 See Abs’ and Wolff’s notes on their discussion with Keren and Shinnar on Apr. 19, 1952, BA, NL Blankenhorn, 351/16; Shinnar, Bericht eines Beauftragten, 40f.


67 See Adenauer, Erinnerungen, 3:145; Jelinek, ”Krise der Shilumim/Wieder-gutmachungsverhandlungen,” 130–32.

68 See Adenauer’s report at the special cabinet meeting on May 23, 1952, in Kabinetsprotokolle, 5:353f.; Böhm, ”Das deutsch-israelische Abkommen,” 460f.

69 Goldmann, Mein Leben als deutscher Jude, 397.

70 McCloy to State Department, May 25, 1952, in FRUS 1952–1954, 9,1:938.

71 Minutes of meeting of Goldmann, Shinnar, Adenauer, Hallstein, Böhm, Frowein, and Abs on June 10, 1952, PA AA, II 244–13, Bd. 2; Goldmann, Mein Leben als deutscher Jude, 398–403; Böhm, ”Das deutsch-israelische Ab-kommen,”
subsequently overrode strong resistance, posed mainly by Schäffer, who protested that no money was available for such purposes. Adenauer, however, stressed

the paramount importance of the matter for the relationship to the entire Western world, especially to the United States. A breakdown of deliberations with Israel would give rise to the gravest political and economic dangers to the Federal Republic; therefore even considerable financial sacrifices must be accepted to reach a settlement with Israel.

Thus, on June 24, it was possible to recommence the deliberations in Wassenaar. While the Israeli claims were recognized, at least in principle, the issues of the Claims Conference were more critical in the second round: the same opponents and the same arguments. Finanzminister Schäffer was opposed to the amounts claimed, because he was convinced that they exceeded Germany’s capability. The financial concerns of the German opponents to these agreements should not be easily dismissed. Annual payments of 200 million D-marks were not a petty matter, since at that time the entire budget of the Federal Republic was not more than twenty billion D-marks per year. On the German side, there were two competing ways of looking at the matter. On the one hand, Schäffer was the archetype of a fiscal conservatism that tried to balance income and expenses. On the other hand, Wirtschaftsminister Ludwig Erhard, the so-called “Father of the German Economic Miracle,” had a more “dynamic” view. In April 1952, he had written Adenauer that

we will slight ourselves if we don’t trust in economic expansion . . . In a more dynamic evaluation of developments, especially considering the political aspects, probably a more generous acknowledgement of debt would better serve the German interests, namely to make Germany more credit worthy or possibly even to reconcile Jews all over the world with the German past.

Once again, Adenauer, backed by encouraging remarks from Wirtschaftsminister Erhard and High Commissioner McCloy,
overrode the resistance in the German cabinet. He pointed to the strong interest of the United States and to the “great economic importance of the Jews” throughout the world. It is difficult to say whether the German government was more impressed by the real power of the United States or by the putative power of world Jewry.

Before the agreements could be signed, external disruptions had to be eliminated. The Arab countries protested strongly at the news of planned German deliveries to their enemy,77 and they received a favorable response from some German opponents of the agreements, notably from Fritz Schäffer. In accordance with Adenauer’s urgent request, the State Department issued a statement designed to strengthen the Chancellor, who wanted the agreements to be signed.78 Acheson consented to Adenauer’s making a “statement to [the] effect [that the] U.S. is willing to use its good offices to try to abate Arab pressure and to endeavor to persuade at least some of the Arab states to abandon their threats.”79 With this backing, Adenauer was once more able to override strong resistance in his own cabinet and thereby pave the way for the agreements to be signed.80

On September 10, 1952, Adenauer, Israeli Secretary of State Moshe Sharett, and Goldmann signed the agreements in Luxembourg. In addition to the treaty with Israel, which provided for a total payment of three billion D-marks, there were two agreements with the Claims Conference. Protocol No. 1 provided for improvement in the existing German indemnification and restitution laws, and Protocol No. 2 provided for a total payment of 450 million D-marks to the Claims Conference.81

Arab protests continued to cause much concern. Adenauer again requested United States support to prevent an Arab boycott of German goods; however, U.S. diplomats did not take these protests very seriously. The American Chargé d’Affaires in Lebanon, Lobenstine, showed some foresight when he cabled to the State Department:

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78 Donnelly to State Department, Sept. 6, 1952, in FRUS 1952-1954, 9,1:991.

79 Acheson to Donnelly, Sept. 6, 1952, ibid., 992.

80 Minutes of 245th cabinet meeting, Sept. 8, 1952, in Kabinettsprotokolle, 5:549, 551ff.

81 See Documents Relating to the Agreement, 125-68.
While threat of boycott may be carried out even if only on a token or temporary basis, Embassy’s opinion is that there is so much latent pro-German sympathy in Arab world (on the basis that the enemy of their enemy is their friend) that German interest will not in the long run suffer irreparably because of agreement particularly while the US is such a convenient whipping boy.\textsuperscript{82}

Finally, on March 18, 1953, the German Bundestag ratified the agreements. Only the opposition Social Democratic party voted for them unanimously.\textsuperscript{83} Adenauer could not get enough votes from his own coalition for an acceptance of the agreements, which were of considerable importance to him. Their ratification was a necessary endorsement in view of his forthcoming visit to the United States.\textsuperscript{84}

In conclusion, at the time the Israeli reparation claim was brought before the four Allied powers, the United States was mainly interested in retreating from the direct responsibility for matters of Wiedergutmachung they had previously exerted. Since the beginning of the 1950s, U.S. foreign policy wanted to impose a strong moral obligation on Germany but made no explicit demands. This was also true for U.S. High Commissioner John J. McCloy, whose actions were of considerable importance for the whole matter of Wiedergutmachung. For example, when McCloy supported the efforts of the Jewish Restitution Successor Organization (JRSO) to reach an overall settlement with the Lander of the U.S. Zone, he repeatedly exerted strong and direct pressure on the German governments concerned to speed up and complete the restitution program, since it was already stirring up German society and thus impeding the desired stabilization. When fostering the Israeli-Jewish claims, which meant new financial burdens for Germany, McCloy emphasized the moral obligation of the Federal Republic to act on this matter.

There were many reasons for Adenauer’s decision to enter into deliberations with Israel and world Jewry—personal convictions, pressure from inside and outside Germany, and not least political pragmatism. Apparently, however, the willingness to make the Israeli reparation claim the basis for future talks was Adenauer’s own decision and did not result from American or other foreign pressures. The role of Adenauer’s original motives has often been


\textsuperscript{83} \textit{Verhandlungen des Deutschen Bundestages}, vol. 15 (Bonn, 1953), 12362–66 (255th meeting, March 18, 1953).

\textsuperscript{84} Minutes of 275th cabinet meeting, Feb. 13, 1953, in \textit{Kabinettsprotokolle}, vol. 6, 1953 (Boppard, 1989), 171f.
debated, mostly focusing on the part of morality, but has never been resolved. Yet morality is rarely a sufficient explanation for political decision-making, and certainly not in this case. Adenauer was Chancellor of a defeated nation, not a saint.

Consideration of Germany's total obligations, including those of future rearmament and the German government's refusal to fulfill Franco-British wishes to extend the scope of German indemnification to their nationals, initially made it impossible for the United States to promote the Israeli reparation claim other than by non-committal "moral support." Adenauer's acceptance of direct talks with Israel and representative Jewish organizations, however, altered the picture. After this became an avowedly German-Jewish-Israeli matter without direct American participation, the United States actively supported the success of the Wassenaar deliberations. Thus, Adenauer's decision to commence negotiations with Israel and the Jewish organizations was a necessary prerequisite for a stronger American involvement.

During the Wassenaar talks, the United States repeatedly showed a strong interest in their "successful outcome." According to McCloy, his influence and pressure on Adenauer to hold firmly to the initially broad, generous principles had been an important factor in their success. This was indeed necessary because Adenauer did not always act in accordance with the promises he had made to Goldmann on December 6, 1951. As has been shown, the Chancellor repeatedly hesitated in critical situations. After Adenauer had created great expectations in his declaration before the Bundestag and in his London talk with Goldmann, any unfavorable outcome would have been seen as a break of his promises and could have severely handicapped not only the Federal Republic's integration into the community of free nations, but also its representation as a new democratic Germany. Although the Luxembourg Agreements were not an entre-billet for the Federal Republic to its integration with the West, a failure of the Wassenaar talks would have disturbed this process and was not in the interest of either West Germany or the United States.

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85 On this debate see, for example, Jelinek, "Political Acumen, Altruism, Foreign Pressure or Moral Debt," 77-102; Huhn, "Die Wiedergutmachungsverhandlungen in Wassenaar," 139-60; Michael Wolffsohn, "Globalentschädigung für Israel und die Juden? Adenauer und die Opposition in der Bundesregierung," in Herbst and Goschler, eds., Wiedergutmachung in der Bundesrepublik Deutschland, 161-90.

86 Interview with McCloy, Feb. 23, 1952, Wiener OHL.
At the same time, the United States stood demonstrably aloof from the actual details of the agreement and the amounts involved. Goldmann, for one, was not unhappy about that. He later reported that after the agreements were signed he visited Henry A. Byroade, the head of the German Division at the State Department, and asked him: “Now that I’ve got it signed—eight hundred twenty-three million—suppose I would have come to you, what would you have suggested? . . . He says, ‘. . . I would have said two hundred, two hundred fifty million dollars is enough.’”

Under these circumstances the “moral support” given by the United States was probably of greater value for the Israeli-Jewish cause than any direct U.S. participation would have been.

These conclusions on the nature of American interest in the issues of *Wiedergutmachung* are supported by later events. In 1953, when Britain and France tried to revive Allied aspirations of attaining some far-reaching improvements in the recently adopted Federal Indemnification Law, the United States absolutely refused to cooperate. For the State Department, Geoffrey W. Lewis categorically declared: “From the beginning it has been the view of this Government to compensate victims of Nazi persecution and to avoid getting involved in the details of, and hence in the responsibility for, the precise measures taken by the German authorities to discharge this obligation.” Actually, in the 1950s, there was a strong desire on the part of the United States to disengage from direct responsibility for these matters. The Jewish Claims Conference, and not the United States, played the leading role in the future improvement of German *Wiedergutmachung*, although the Claims Conference often enjoyed “moral support” from the U.S. government.

Nothing demonstrated this changed situation better than McCloy’s new role in the context of the Jewish Claims Conference’s efforts to receive indemnification for former Jewish forced laborers in German wartime industry. Since 1954, two years after his retirement as High Commissioner, McCloy supported the Claims Conference through his private contacts in German industry, namely

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87 Interview with Goldmann, Nov. 24, 1971, ibid.


89 On the policies of the Claims Conference, see Saul Kagan’s contribution to this volume.
with Krupp, and thus worked privately for better relations with Germany. What had been an issue of U.S. policy became a matter of goodwill on the part of this elder statesman.