

ORIGINAL

12/13

INITIALS		
APPR:	RBETTAUER	GR
DRAFT:	EROSAND	
JBINDENAGEL	SEEIZENSTAT	
BSCARLIS	DOGDEN	JWARLICK

8789

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L/CID:EROSAND
12/13/99 202-7768351
L/CID:RBETTAUER



NSC:SBERGER	TREASURY:SEEIZENSTAT	
EUR/OHI:JBINDENAGEL	EUR/AGS:JWARLICK	
EUR/AGS:BSCARLIS	DOJ:DOGDEN	NSC:
S/S:GLBERRY	S/S-O:	

IMMEDIATE BERLIN

E.O. 12958: DECL: 12/13/09

TAGS: KNAR, EFIN, PREL, GM

SUBJECT: CLINTON-SCHROEDER LETTER ON FORCED/SLAVE LABOR NEGOTIATIONS

CLASSIFIED BY L/CID, RON BETTAUER, FOR REASON 1.5 (B) AND (D).

1. (SBU) EMBASSY IS REQUESTED TO DELIVER THE FOLLOWING RESPONSE TO CHANCELLOR SCHROEDER'S DECEMBER 1 LETTER TO PRESIDENT CLINTON AT OPENING OF BUSINESS ON DECEMBER 14.

2. (C) BEGIN TEXT:

DEAR CHANCELLOR SCHROEDER,

THANK YOU FOR YOUR LETTER OF DECEMBER 1 CALLING ON THE TWO OF US TO WORK TOGETHER AND CONCLUDE NEGOTIATIONS CREATING A GERMAN FOUNDATION TO ASSIST FORMER NAZI-ERA SLAVE AND FORCED LABORERS AND OTHERS WHO SUFFERED AT THE HANDS OF GERMAN BANKS, INSURANCE COMPANIES, AND OTHER GERMAN COMPANIES DURING THE NAZI-ERA. I AGREE THAT THE HISTORIC INITIATIVE OF GERMAN COMPANIES MUST BE BROUGHT TO A SUCCESSFUL CONCLUSION BEFORE THE END OF THIS YEAR.

DECLASSIFIED
PER E.O. 12958,
AS AMENDED

Dns 1/22/07
2006-0876-m

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~~DECLASSIFIED
E.O. 12958, As Amended, Sec. 3.5 (b)
White House Guidelines, August 28, 1997
By 703 NARA, Date 1/22/07
2006-0876-m~~

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2

WE HAVE SOUGHT TO FIND SOLUTIONS TO THE REMAINING ISSUES IN ORDER TO ALLOW A SUCCESSFUL AND JUST RESOLUTION FOR FORMER FORCED AND SLAVE LABORERS AND OTHERS WHO SUFFERED AT THE HANDS OF GERMAN BANKS, INSURANCE COMPANIES, AND OTHER GERMAN COMPANIES DURING THE NAZI-ERA THROUGH THE CREATION OF A GERMAN FOUNDATION FOR THEIR BENEFIT. YOUR LEADERSHIP AND COURAGEOUS PERSONAL EFFORT AND THOSE OF COUNT LAMBSDORFF HAVE BROUGHT US TO THE POINT AT WHICH SETTLEMENT IS IMMINENT. DEPUTY SECRETARY EIZENSTAT AND OTHER SENIOR MEMBERS OF MY ADMINISTRATION HAVE WORKED ASSIDUOUSLY TO MOVE THE INITIATIVE FORWARD.

DEPUTY SECRETARY EIZENSTAT WAS INTENSIVELY ENGAGED THIS PAST WEEK WITH THE PLAINTIFFS' ATTORNEYS WITH WHOM HE HAS DEALT TO MOVE THEM CLOSER TO THE GERMAN OFFER. ON SUNDAY, HE REPORTED TO COUNT LAMBSDORFF THAT THEY, THE CONFERENCE FOR JEWISH MATERIAL CLAIMS AGAINST GERMANY, THE CENTRAL AND EASTERN EUROPEAN GOVERNMENTS, AND THE GOVERNMENT OF ISRAEL WOULD AGREE TO SETTLE AT DM 10 BILLION. THIS IS A TREMENDOUS STEP TO FINALLY SETTLE ALL CLAIMS WE HAVE BEEN DISCUSSING. IT WILL ESTABLISH FOR THE FIRST TIME A FLAT SUM AND CEILING AGREED BY ALL PARTICIPANTS IN THIS PROCESS. THIS COUNTEROFFER IS A FIRM COMMITMENT FOR SETTLEMENT OF WHICH WE BOTH COULD BE PROUD, ALLOWING PAYMENTS THAT WOULD REACH SURVIVING FORCED AND SLAVE LABORERS AND OTHERS WHO SUFFERED AT THE HANDS OF GERMAN BANKS, INSURANCE COMPANIES, AND OTHER GERMAN COMPANIES DURING THE NAZI-ERA, AND FULFILL THE MORAL AIMS OF THE GERMAN GOVERNMENT AND COMPANIES.

AS PART OF OUR ONGOING DISCUSSIONS REGARDING THE FOUNDATION, WE HAVE ALSO FOUND A MECHANISM TO PROVIDE THE LEGAL PEACE DESIRED BY THE GERMAN GOVERNMENT AND GERMAN COMPANIES IN THE AMERICAN MARKET. FIRST, THE EXECUTIVE AGREEMENT BETWEEN OUR GOVERNMENTS (PROVIDING THAT THE UNITED STATES WILL FILE STATEMENTS OF INTEREST IN PENDING AND FUTURE SUITS AGAINST GERMAN COMPANIES ON HOLOCAUST CLAIMS) WILL STATE, AS THE GERMAN GOVERNMENT AND COMPANIES HAVE REQUESTED, AMONG OTHER THINGS, THAT THE FOUNDATION SHOULD BE REGARDED AS THE EXCLUSIVE REMEDY FOR ALL CLAIMS AGAINST GERMAN COMPANIES ARISING OUT OF THE NAZI-ERA. IT WILL STATE FURTHER THAT BOTH OUR COUNTRIES DESIRE ALL EMBRACING AND ENDURING LEGAL PEACE TO ADVANCE OUR FOREIGN POLICY INTERESTS. SECOND, ALSO RESPONDING TO GERMAN GOVERNMENT AND COMPANIES' REQUESTS, IN BOTH THE EXECUTIVE AGREEMENT AND OUR STATEMENTS OF INTEREST WE WOULD STATE IN BOTH CONSENSUAL AND NON-CONSENSUAL CASES, ALL OF WHICH TOUCH UPON FOREIGN POLICY INTERESTS OF THE UNITED STATES,

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3

THAT DISMISSAL OF SUCH SUITS WOULD BE IN THE FOREIGN POLICY INTERESTS OF THE UNITED STATES, THOUGH THIS MAY NOT IN AND OF ITSELF CONSTITUTE AN INDEPENDENT LEGAL GROUND FOR DISMISSAL. I KNOW THAT ACHIEVING LEGAL PEACE HAS BEEN A PARAMOUNT CONCERN OF THE GERMAN COMPANIES. THE UNPRECEDENTED STEPS THE UNITED STATES GOVERNMENT IS WILLING TO TAKE UNDERSCORES THE DESIRE BOTH COUNTRIES SHARE IN OBTAINING ALL EMBRACING AND ENDURING LEGAL PEACE.

IT HAS BEEN A LONG, HARD ROAD TO COME AS FAR AS WE HAVE IN THESE NEGOTIATIONS. BOTH OF US HAVE INVESTED SUBSTANTIAL TIME AND ENERGY OF OUR OWN AND THAT OF OUR SENIOR REPRESENTATIVES. BOTH GOVERNMENTS HAVE INVESTED SUBSTANTIAL TIME AND ENERGY. WE HAVE UNDERTAKEN THIS IN RESPONSE TO THE GERMAN COMPANIES AND BECAUSE WE BOTH BELIEVE IN THE HISTORICAL AND MORAL SIGNIFICANCE OF BRINGING A SENSE OF JUSTICE TO FORMER SLAVE AND FORCED LABORERS AND OTHERS WHO SUFFERED AT THE HANDS OF GERMAN BANKS, INSURANCE COMPANIES, AND OTHER GERMAN COMPANIES DURING THE NAZI-ERA. WE CAN HELP RESTORE A MEASURE OF HUMAN DIGNITY TO THOSE WHO SUFFERED AND SURVIVED.

AS A NEXT STEP, I WOULD BE PLEASED TO SEND DEPUTY SECRETARY EIZENSTAT AND THE UNITED STATES TEAM TO GERMANY THIS WEEK TO MEET WITH COUNT LAMBSDORFF AND THE OTHER PARTICIPANTS TO FINALIZE OUR AGREEMENT ON THE SETTLEMENT AMOUNT. WE LOOK FORWARD TO WORKING ON AN EXPEDITED BASIS TO RESOLVE THE REMAINING ISSUES INCLUDING THE SCOPE OF THE FOUNDATION.

GERMAN-AMERICAN RELATIONS ARE BASED ON OUR COMMON COMMITMENT TO HUMAN DIGNITY COMING FROM A SHARED HISTORY OF DEMOCRACY FOR OVER FIFTY YEARS. THIS UNIQUE GERMAN INITIATIVE, REACHING OUT TO THE VICTIMS OF THIS CENTURY'S MOST HORRIBLE TRAGEDY, WILL CONVEY DRAMATICALLY TO THE ENTIRE WORLD YOUR NATION'S COMMITMENT TO JUSTICE AND HUMAN RIGHTS. IT WILL ALLOW OUR COUNTRIES ENTER THE NEW MILLENNIUM TOGETHER DETERMINED TO PROTECT THE INVIOABILITY OF HUMAN DIGNITY.

SINCERELY,

//S//

WILLIAM J. CLINTON

CHANCELLOR GERHARD SCHROEDER
FEDERAL REPUBLIC OF GERMANY
BERLIN, GERMANY

END TEXT. YY

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