

HOW THE ZIONISTS BUSTED THE ANTI-NAZI BOYCOTT AND BUILT THE STATE

By Alexander Zvielli 2012

(March 9) - DEALING WITH THE DEVIL --THE TRANSFER AGREEMENT: The Dynamic Story of the Pact Between the Third Reich and Jewish Palestine by Edwin Black. Massachusetts, Brookline Books. 450 pp. Price \$24.95.

A seemingly insignificant news item appeared in the back pages of *The Palestine Post* on January 13, 1935, reporting that "over 20,000 Jews made their aliya during the past 18 months from Germany, about half of them without means. Twelve thousand more were expected to arrive up to the end of 1935."

The British limited the entry of Jews without means. But how did the other half manage to arrive from Germany with "means"?

This immigration was part of a controversial *ha'avara* scheme, a transfer agreement between the Palestinian Zionist leadership and the Nazis. There were no immigration obstacles for German Jews who could prove they had at least 1,000 pounds sterling. These Jews could access their bank accounts, frozen by the Nazis, so long as the money was spent on the purchase, in Germany, of various goods for export to Palestine. The goods, like coal, chemicals, and light industrial machinery, were later exchanged for cash.

At the time, Jewry was spearheading a worldwide boycott of Nazi Germany. Under these circumstances, how was it possible that Germany, desperately short of foreign currency, agreed to this transfer of money and material? What motivated the Germans to guarantee at least 1,000 sterling, the equivalent of \$5,000, required by the British Palestine government for each "capitalist" immigrant? Was the suspension of the boycott the price for such an operation? This question, during the 1930s, tore the Jewish world apart.

The question of a boycott dominated the thinking of the Zionist leadership in 1933, the year Hitler came to power. In his book, Edwin Black, son of Holocaust survivors, a lecturer and writer on Jewish affairs, and founder of the *Chicago Monthly*, helps us understand just what was at stake.

THE BOYCOTT started as a natural, worldwide Jewish reaction to Nazi atrocities. It was soon accepted and spread by numerous gentile liberal movements and organizations, trade unions, anti-fascists and people of good will, committed to fighting tyranny. Jewish organizations, however, led this movement.

The boycott severely hurt the Nazi regime. German industry lost most of its exports, their huge transatlantic liners lost the majority of their passengers. Within a comparatively short time, Nazi Germany, burdened already with five million unemployed workers, lost almost 50 percent of its foreign trade. German citizens lived under ever more severe austerity programs.

Major Jewish organizations sought ways to turn the spontaneous boycott activities into a single, well-organized campaign. Mass meetings held in New York, Warsaw, Paris and other major Jewish centers demanded a unified front against the Nazi enemy.

It was only natural that the Zionist movement should take the lead. But the 18th Zionist Congress held in Prague on August 23, 1933, condemned the Nazis in general terms only. Yet it failed to provide the boycott movement with the expected central organized body.

The atmosphere at the congress was tense. The elected leadership faced a crucial dilemma: Should they strengthen the boycott or negotiate with Nazis? Negotiation meant, some held, saving the lives and property of tens of thousands of German Jews, and bringing them to Palestine.

To Haim Arlosoroff, David Ben-Gurion and many other Jewish leaders it was obvious that while the boycott might weaken the Nazi regime it was highly unlikely that it could

ever topple the brutal dictatorship. They understood that German Jewry was doomed and that this was the time to act, before it was too late.

They argued that the prospective German aliya would enormously strengthen the Yishuv where 200,000 Jews faced an Arab majority four times stronger.

Arlosoroff and Ben-Gurion had to overcome a number of obstacles. German Jews were ready to leave their country and to emigrate - anywhere but Palestine. Others chose to stay, hoping for a miracle.

There was also opposition within the Zionist movement, led by Ze'ev Jabotinsky. He called the Transfer Agreement "shameful" and its consequences "poisonous."

PROPOSERS NEEDED imagination and determination to set up the respective marketing organizations, and to provide them with necessary banking and economic services. They were negotiating simultaneously with the British and German governments. The late Margarete Katzke, The Jerusalem Post's chief proofreader, worked for the Jewish Agency during the Holocaust. She told me how much courage she had to muster in order to enter the Berlin Gestapo headquarters with some transfer papers for authorization.

But the transfer ultimately brought some 60,000 German Jews and \$100m. into Palestine. It practically changed the face of the country. It facilitated vast land purchases, the setting up of new border settlements; it brought machinery and employment for factories not yet in existence.

With the country's absorption capacity increased, the Palestine government was even forced to issue immigration certificates to tens of thousands of pioneers from Poland and other East European countries. Within a few years the Yishuv doubled and then trebled its population. It linked the sparsely situated settlements with established ones. Those set up in the Negev and Galilee proved their strategic worth during the War of Independence.

The transfer developed the Yishuv's industrial and economic capacity enabling it to serve the Allies during World War II. It helped to establish new banks and the Tel Aviv Stock Exchange. This continuous development ultimately enabled the Yishuv to face the Arab onslaught in 1948 and establish the state.

For years, students of Jewish history tried hard to probe the painful question of who was right in the clash between Labor's Arlosoroff and Ben-Gurion against Jabotinsky's Revisionists.

The argument split the Zionist leadership. But the transfer proved to be a success. It saved lives. It even served as a model, on a much smaller scale, for other countries like Poland. Only the outbreak of World War II ended the Zionist-Nazi deal.

Edwin Black presents a fair and detailed description of the issues. His book also presents us with detailed biographies of the key players, their frustrations and ambitions. Black has authored an exhaustive, compelling, well-written and edited work. It is historical journalism at its best.

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