

The Transfer Agreement and the Boycott Movement: A Jewish Dilemma on the Eve of the Holocaust

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In the summer of 1933, the Jewish Agency for Palestine, the German Zionist Federation, and the German Economics Ministry drafted a plan meant to allow German Jews emigrating to Palestine to retain some of the value of their property in Germany by purchasing German goods for the Yishuv, which would redeem them in Palestine local currency. This scheme, known as the Transfer Agreement or *Ha'avarah*, met the needs of all interested parties: German Jews, the German economy, and the Mandatory Government and the Yishuv in Palestine. The Transfer Agreement has been the subject of ramified research literature.¹ Many Jews were critical of the Agreement from the very outset. The negotiations between the Zionist movement and official representatives of Nazi Germany evoked much wrath. In retrospect, and in view of what we know about the annihilation of European Jewry, these relations between the Zionist movement and Nazi Germany seem especially problematic. Even then, however, the negotiations and the agreement they spawned were profoundly controversial in broad Jewish circles. For this reason, until 1935 the Jewish Agency masked its role in the Agreement and attempted to pass it off as an economic agreement between private parties.

One of the German authorities' principal goals in negotiating with the Zionist movement was to fragment the Jewish boycott of German goods. Although in retrospect we know the boycott had only a marginal effect on German economic

¹ Eliahu Ben-Elissar, *La Diplomatie du IIIe Reich et les Juifs (1933-1939)* (Paris: Julliard, 1969), p. 85-94; Werner Feilchenfeld, Dolf Michaelis, Ludwig Pinner, *Haavara-Transfer nach Palästina und Einwanderung deutscher Juden 1933-1939* (Tübingen: J.C. Mohr, 1972); Avraham Barkai, "German Interests in the Haavara-Transfer Agreement 1933-1939," in *Year Book of the Leo Baeck Institute*, XXXV (1990) pp. 245-266; Edwin Black, *The Transfer Agreement: The Untold Story of the Secret Agreement between the Third Reich and Jewish Palestine*, (New York: Macmillan, 1984); Yehuda Bauer, *Jews for Sale? Nazi-Jewish Negotiations, 1933-1945* (New Haven: Yale University Press, 1994), pp. 5-29 (Bauer, *Jews for Sale?*); Yoav Gelber, "Zionist Policy and the Transfer Agreement 1933-1935" (Hebrew), *Yalkut Moreshet* 17 (February 1974) (Gelber I), pp. 97-152, and 18 (November 1974) (Gelber II), pp. 23-100; David Yisraeli, *The German Reich and Palestine: The Problems of Palestine in German Policy 1889-1945* (Hebrew) (Ramat Gan: Bar-Ilan University, Dept. of General History, 1974), pp. 122-151.

development in the 1930s,² at the time it was perceived as a genuine threat. Correspondence between Heinrich Wolff, the German consul in Palestine, and the German Foreign Ministry shows that shattering the boycott was a key motive for the German authorities in concluding the Transfer Agreement.³ In the absence of precise information concerning the Yishuv's standing in the international boycott movement, some tended to believe that a considerable economic impact could be achieved by concluding a contract with the Palestinian Yishuv. Nobody doubted the moral weight that breaking the boycott in the Yishuv would carry for world Jewry.

The Jewish movement to boycott German goods was foremost among the efforts of international Jewish organizations on behalf of German Jewry, and Jewish communities worldwide, especially in the United States, France, and Great Britain, took part in it. The boycott movement in Poland was particularly strong and became pre-eminent in Jewish actions against Nazi Germany.⁴ In addition to the boycott, Polish Jewry conducted a sweeping press campaign to turn public opinion against Germany and offered active assistance to German Jews who had fled to Poland in search of refuge. German Jews had mixed feelings about these initiatives, lest they anger the German authorities and cause their situation to worsen. The boycott movement was widely perceived as a threat to the interests of German Jews, for it might cause the Germans to toughen their own anti-Jewish economic boycott. It was also considered a potential impediment to the Transfer Agreement, an arrangement that served the basic interests of German Jewry with respect to economics and emigration.⁵

The events of the 1930s in Germany created a strong relationship between German and Polish Jewry, both of which found themselves threatened by Nazi policies. However, while German Jewry had to contend with the end of Jewish emancipation in Germany and the intrusion of the new regime into every aspect of their lives, Polish Jews struggled with the direct and indirect implications of Nazi rule in Germany for the status of European Jewry in general and Polish Jewry in particular. Because they

² Barkai, "German Interests," p. 248.

³ Gelber I, p. 117.

⁴ On the boycott movement in Poland, see Emanuel Meltzer, "The Jewish Anti-German Economic Boycott in Poland, 1933-1934" (Hebrew), *Gal-Ed*, 6 (1983), pp. 149-166 (Meltzer, Jewish Anti-German Boycott").

⁵ Gelber notes that it was decided together with the German Zionist delegation in London in early April 1933 to avoid joining the nascent anti-German boycott movement, in order to be able to continue Zionist activity in Germany. Gelber I, p. 102.

faced different problems, German Jewry and Polish Jewry leaned toward different political solutions. German Jewry had to formulate survival tactics vis-à-vis the Nazi government of their own country, whereas Polish Jews were contending with the anti-Jewish policies of a neighboring country and their indirect influence on Jewish life in Poland. The Transfer Agreement and the boycott movement reflected different and even clashing attitudes toward the appropriate ways to cope with the new realities in post-1933 Germany. Therefore, the controversy among their advocates is a matter of fundamental significance. These were not merely different tactics in pursuit of the same goal but the products of different overall perspectives on the nature of National Socialism, antisemitism in general, and Jewish life in the Diaspora. Consequently, the Transfer Agreement and the boycott mirror the different historical experiences of German and Polish Jewry and represent the different political cultures that coalesced in response to different historical experiences.

The third side of this triangle is the Yishuv in Palestine, which was to be the main beneficiary of the transfer plan. The money that the Transfer Agreement would bring to the Yishuv was needed to help build the economic infrastructure with which the country could absorb the out-flux of Jews from Germany. However, although the Transfer Agreement was predicated on the wish to help German Jews escape, the temporary quiescence and stabilization that ensued in Germany several months later brought the economic considerations of the Yishuv to the fore, and the Yishuv leadership was increasingly preoccupied with the economic advantages that would accrue to this community if the basis of Jewish life in Germany were eliminated. Vacillation between transfer and boycott, from the point of view of the Yishuv's needs, was foremost among similar quandaries that the Yishuv leadership had to confront throughout the Holocaust period. The conflict of interest that erupted between the Yishuv's requirements and the different and sometimes conflicting needs of Diaspora communities presented the Zionist movement with dilemmas that the forebears of Zionism, convinced that the distress of Diaspora Jewry and the well-being that the Zionist solution would provide were two sides of one coin, had not anticipated.

As German Jewry was being destroyed, the Zionist movement and the Yishuv leadership were engaged in an internal political power struggle between the Labor movement and the Revisionists. This struggle embraced all spheres of Jewish life in

Palestine and rested on political power struggles within the Diaspora communities, which gave the central Zionist institutions their contours. Discussion of the two alternatives - boycott or transfer - became part of the struggle between the Revisionists and the Labor movement and clearly mirrored the fundamental attitudes of these two leading Zionist movements toward the substance of Zionist politics.

The transfer and the boycott, major issues in Jewish political life on the eve of the Holocaust, stood at the crossroads of the contrasts between Polish and German Jewry, the Yishuv and the Diaspora, and the Labor and Revisionist movements. The decision in favor of boycott or transfer was the first of many decisions that the Yishuv would have to make in subsequent years in view of the catastrophe that befell European Jewry. This article sketches the web of motives, considerations, contradictions, and conflicts between these two major alternatives, keeping in mind that even at this early stage of the Holocaust the limits of Jewish political activity are identifiable within the maelstrom.

The Boycott and Traditional Jewish Society

Poland's share in German exports was negligible in comparison with the importance of these exports for the Polish economy. In the years preceding the Nazi accession, Germany was a major country of origin for Polish imports because of geographical proximity and the willingness of German merchants to adapt German products to Polish market conditions. According to Polish statistics for 1932, approximately one-fifth of Polish imports originated in Germany. The boycott movement was important in Poland only because of the central role of Jews in trade in Poland. Jewish economic organizations, foremost the association of Jewish merchants, stood behind the initiative to organize the boycott movement in Poland⁶ and mobilized broad sectors of the Jewish community to endorse and join it. Before the boycott, protracted efforts were made to find alternatives to German goods, so as to avoid shortages in the market and encroachment by competitors. In the middle of 1934, the Jewish boycott organizations encompassed some 200 local committees that engaged in anti-German propaganda, regulation of German goods in Poland, and prosecution of boycott

⁶ Alfred Wislicki, "The Jewish Boycott Campaign against Nazi Germany and its Culmination in the Halbersztadt Trial," in Antony Polonsky, Ezra Mendelsohn, and Jerzy Tomaszewski, eds., *Jews in Independent Poland 1918-1938* (London: Littman Library, 1994), pp. 282-289.

violators.⁷ During the boycott years of 1933-1935, German exports to Poland plunged from 173 million zloty in 1932 to 146 million in 1933 and 108 million in 1934,⁸ while total Polish imports increased. The credit for this achievement undoubtedly belongs to the Jewish boycott movement.

The movement in Poland operated alongside the United Jewish Committee for Aid to German Refugees, part of the United Jewish Committee for Struggle against Anti-Jewish Persecution in Germany (*Zjednoczony Komitet Żydowski Niesienia Pomocy Uchodźcom z Niemiec*). The extensive activities of these organizations included committee meetings, papers, solicitation of donations, and dissemination of leaflets.⁹ Practically speaking, their operations fit into the Eastern European tradition of economic warfare as a conventional device in interethnic strife. From the seventeenth century on, Jews and urban Poles had been embroiled in a fierce economic competition in various parts of the country.¹⁰ In the absence of a central nation-state, struggles among various national minorities developed into economic rivalries meant to crush the opponent. Since the nineteenth century, and particularly just before and after World War I, Polish Jews had been the perennial victims of a Polish economic boycott policy.¹¹

Although the boycott was a markedly secular political undertaking, the activities of the boycott committees contained elements peculiar to traditional Judaism and, in particular, Polish traditional Judaism. Thus, for example, the boycott committees held

⁷ The coalescence and modus operandi of the committees are described in a report presented by Wolkowicz (Vereinigtes Comité Warschau) to the World Jewish Congress in Geneva on August 20-23, 1934, Central Zionist Archives (CZA), A127/140.

⁸ Meltzer, *Jewish Anti-German Boycott*, p. 157. Statistics based on data from the Polish Central Bureau of Statistics show that between March and August 1933 German exports to Poland decreased by 2 percent and Germany's share in total exports to Poland declined from 22 percent to 14 percent. See Kopel Liberman, *Le Boycottage Economique de l'Allemagne* (Brussels, 1934), pp. 19, 21, and 22.

⁹ Meltzer, "Jewish Anti-German Boycott", p. 153; Żydowski Instytut Historyczny, Warszawa, *Zjednoczony Komitet Żydowski Niesienia Pomocy Uchodźcom z Niemiec we Lwowie*.

¹⁰ Bernard Weinryb, "Documents on Jewish History in Poland," in Bernard Weinryb, *Studies and Sources on Jewish History in the Modern Era* (Hebrew) (Jerusalem: Makor, 1976), pp. 121-165, especially, pp. 131-152; Meir Balaban, "Jews in Poland in the Sixteenth Century and the First Half of the Seventeenth Century," in Israel Heilprin, ed., *Polish Jewry from its Origins to its Destruction* (Hebrew), vol. 1, (Jerusalem: Youth Department of the World Zionist Organization, 1948), pp. 25-44 (Heilprin, *Polish Jewry from its origins*); and Yitzhak Schiper, "Economic History of Polish and Lithuanian Jewry from their Origins until the Partition," *ibid.*, pp. 155-159.

¹¹ Yisrael Gutman, "Polish Antisemitism Between the Wars: An Overview," in Yisrael Gutman, Ezra Mendelsohn, Jehuda Reinharz, and Chone Shmeruk, eds., *The Jews of Poland Between the Two World Wars* (Hanover, NH: University Press of New England, 1986), pp. 98-99; Frank Golczewski, *Polnisch-jüdische Beziehungen 1881-1922* (Wiesbaden: F. Steiner, 1981), p. 101f.

a large proportion of their meetings in synagogues.¹² They also went to great lengths to enlist the support of rabbis, hoping thereby to exert sweeping influence among Jewry at large in their demand to refrain from purchasing German goods.¹³ The German Foreign Ministry, troubled by the boycott, believed the rabbis to be endowed with an almost magical influence on the boycott movement. The German consulate in Grosswardein (Romania) reported that “Jewish businessmen and factory managers have sworn a secret oath to the local rabbi; its content is unknown, but it almost certainly includes a boycott on German goods and a commitment to employ only Jewish workers and assistants.”¹⁴ These and other reports, and perhaps a preconceived notion about the religious nature of Jewry in Eastern Europe, solidified the German Foreign Ministry’s fundamental perception of the centrality of rabbis in the boycott movement:

One must emphasize that in Western countries the rabbis have no influence over the Jewish masses, because the Jews there are assimilated and attach no great value to what the rabbis preach to them. It is quite different in the East, where the Jews have firm confidence in the rabbis and where rabbis have a great influence even over their private lives. The boycott could assume so acute a form precisely because the rabbis exercise such great power over the Jews.¹⁵

Because they believed the rabbis wielded such a strong influence on the Polish boycott movement, the German authorities swiftly dispatched Rabbi Asriel Hildesheimer, a leader of German Orthodoxy, to Warsaw in order to prevail upon Jewish businessmen to lift the boycott. Zalman Rubashov (Shazar) describes how the mission fared: “The Jews of Warsaw acted correctly by bodily removing Rabbi Hildesheimer from the synagogue and telling him to go home.”¹⁶ Apart from the rabbis’ traditional leadership function in the boycott movement, various practices attested to the existence of traditional religious patterns that affected the nature of political actions taken by Polish Jewry. The German embassy in Warsaw reported

¹² German Embassy, Warsaw, to Foreign Ministry, Berlin, 22.4.1935, Politisches Archiv des auswärtigen Amtes (PA), R 99532.

¹³ Anschrift zu J. Nr. 821-34, PA, R 99532.

¹⁴ German Consulate, Grosswardein, to German Consulate, Timisoara, Bundesarchiv Abteilung Potsdam (BAP), 21.9.1934, 09.03 Konsulat Temesvar, Akt. 99.

¹⁵ German Embassy, Warsaw, to Foreign Ministry, Berlin, 22.4.1935, PA, R 99532.

¹⁶ Rubashov, minutes of meeting of the Executive Committee of the General Federation of Jewish Workers in Palestine (Executive Committee), September 25, 1944, p. 5, Lavon Institute.

that at the Jewish boycott conference in London in 1934, delegates from Poland proposed that Jewish violators of the boycott be brought to justice before a *bet-din* (a traditional Jewish rabbinical court). If their guilt were proven, their names would be recorded on a blacklist that would be publicized from time to time, and they would be barred from Jewish social and economic organizations and administrative positions in the community.¹⁷ The embassy even reported that the sponsors of the boycott terrorized Jewish businessmen in various ways, including threats to damage their property and withhold credit.¹⁸ Reports from the German Foreign Ministry attest to considerable confusion on the part of German authorities in their contacts with Polish Jews. The authorities were evidently unwilling, if not unable, to deal with a Jewish community so radically different from that familiar to them in Germany. In Germany, the authorities held talks with Jewish congregations and organizations - political bodies directly elected or tacitly agreed upon by German Jewry - following familiar ground rules in negotiations between central authorities and interest groups. In Poland, however, they encountered a moral authority based on internalized Jewish religious values, the influence and function of which transcended the confines of formal group representation and had various effects on the political undertakings of the community at large. Unfamiliar with the Jewish religion and swayed by anti-Jewish myths and views, the Germans overestimated the importance of the religious leadership in Poland.

Even if we disregard this subjective German perspective, however, the available documentation shows that the modus operandi of the boycott committees in Poland rested on the existence of a Jewish polity that was aware of itself and its power and that exercised its authority by subjecting violators of the boycott to financial and political sanctions.¹⁹ In January 1934, for example, Agudath Israel proclaimed at its fifth national convention in Poland that breaching the boycott was tantamount to “grave betrayal of the vital interests of Jewry.”²⁰ The boycott committee in Kielce urged Jewish companies that sold German goods not to rupture Jewish solidarity, and warned them that in the event of non-compliance it would consider itself “forced to turn to Jewish public opinion,” which would surely judge those individuals “who

¹⁷ German Embassy, Warsaw, to Foreign Ministry, Berlin, 27.11.1934, PA, R 99532.

¹⁸ Ibid.; Meltzer, “Jewish Anti-German Boycott”, p. 159.

¹⁹ Wislicki, “The Jewish Boycott,” p. 287.

²⁰ Meltzer, “Jewish Anti-German Boycott,” p. 158.

place personal gain above the [vital] interests of the persecuted Jewish people.”²¹ In Bialystok, the United Jewish Committee for Struggle against Anti-Jewish Persecution in Germany termed violation of the boycott “treachery.”²² The committee fined boycott violators and raised considerable sums in so doing. These were manifestations of the existence of an internal Jewish judicial system that, even if lacking an external penal authority, followed an internal Jewish ethical code and applied social sanctions. Such a system wields much clout in any society, especially a traditional one.

“Evacuation and Departure”

Although meant for the betterment of German Jewry, the Jewish boycott movement conflicted with Jewish interests in Germany. From the time the boycott first coalesced, the Nazi authorities exerted pressure on the German-Jewish leadership to constrain its activities. Rabbi Hildesheimer, a leader of the isolationist “Ultra-orthodox” community, was not the only personality whom the German authorities dispatched to Poland to restrict the scale of the Jewish boycott there. Kurt Blumenfeld, head of the German Zionist Federation, reported on his efforts to prevent mass rallies in Poland by appealing to Jewish leaders in Krakow and Lwow.²³ At one meeting of the Histadrut Executive Committee, Moshe Beilinson - a major spokesman of the Labor movement in Palestine and a correspondent for *Davar* in Germany, who had returned to Palestine from a lengthy visit there - expressed the following assessment:

German Jews favor the boycott - not only Zionists but also the “Naumann Jews” [ultra-nationalist assimilationists] and the Jews of the Centralverein. All Jews hate this regime and the German people. We did not witness such a phenomenon in Czarist Russia.²⁴

It is doubtful, however, that this statement reflected the realities. German Jews were profoundly fearful that the anti-German boycott would fan the flames of the economic

²¹ *Haynt*, 1.10.1934.

²² United Jewish Committee for Struggle against Anti-Jewish Persecution in Germany, in Bialystok, to the Jewish Agency’s Central Bureau for the Resettlement of German Jews in Palestine, October 28, 1934, CZA, L13/32.

²³ Blumenfeld to Oberregierungsrat Sommerfeldt, Prussian Ministry of the Interior, 27.3.1933, Staatsarchiv Koblenz, R43II/600.

²⁴ Executive Committee, July 14, 1933, Lavon Institute.

boycott against them in Germany itself. In particular, many members of the Zionist movement took exception to the boycott, believing that it could undermine the position and freedom of action of the movement in Germany. In the spring of 1933, after meeting with Jewish leaders in Germany, the Zionist Executive in Great Britain began to formulate a decision against participation in the boycott movement. They also urged other Jewish leaders to moderate their stance and refrain from supporting the boycott overtly.²⁵ Kurt Blumenfeld, in a meeting of the Histadrut Executive Committee in October 1933, expressed himself bluntly: “The boycott harms German Jews first and foremost. The boycott has no favorable results for us.”²⁶

Just as there was concern that the boycott movement would kindle the rage of German officialdom against German Jews and expose them to economic boycott measures, the Transfer Agreement endangered the status of Polish Jewry. This agreement, Jewish leaders feared, was couched in general terms that might attract supporters in Eastern Europe. During the 1930s, many Jewish leaders were aware of the contagious influence of German antisemitism on Eastern European antisemitism. Some believed that the anti-German boycott would have a deterrent effect on antisemitic elements in neighboring countries.²⁷ Many more, however, believed that the Transfer Agreement could provide an example and a standard for all players in search of a way to expel Jews from their countries.

In September 1933, when the World Jewish Congress convened in Geneva, the issue escalated into a direct confrontation between advocates of the different approaches. The Polish Jewish delegates espoused the boycott and summarily rejected the Transfer Agreement. Eliahu Mazur of Agudath Israel, head of the Warsaw *kehilla* at the time, read out a petition from his community: “Polish Jewry will not rest until the civil rights of German Jews are restored in full.”²⁸ Ch. Rasner, another delegate from Poland, spoke out even more acridly:

It is not only the affair of the German Jews, because Hitlerism threatens to strike out at other countries. [...] The Polish Fascists are starting to prepare to

²⁵ Gelber I, pp. 102, 106.

²⁶ Executive Committee, October 2, 1933, p. 8, Lavon Institute.

²⁷ “The disaster of Hitlerism is that it exists not only in Germany, but the boycott not only affects Germany but also functions as a deterrent to Lithuania, Poland and Czechoslovakia.” Rubashov, Executive Committee, September 25, 1933, p. 5, Lavon Institute.

²⁸ *Protocole de la II Conference Juive mondiale*, Genève, 5-8 Septembre, 1933, (*Protocole*) Eliahu Mazur, p. 67.

take over the model and precepts of Hitlerism. The German Jews are utterly helpless and beg us constantly to be quiet, so that things won't get even worse. But what physician asks the patient which means he should use to heal him? This international conference must proclaim an official boycott.²⁹

Rasner's statement attests to a total reversal of roles between Western and Eastern European Jewry. The imagery of German Jewry as a helpless patient and Polish Jewry as the physician-healer would have been inconceivable one year earlier. In the past, it was Western Jewry that had ministered at the sickbed of Eastern European Jewry, the victim of rampant, violent antisemitism. Western Jewry's struggle for equal rights for Eastern European Jewry was rooted in its own motives, among others. It was strongly in the interest of Western Jewry to eradicate discrimination against Jews anywhere, lest such discrimination continue to serve as a model for emulation and resurface in countries where Jews had already achieved fully equal rights. The adamancy of Polish Jewry in its struggle to restore the civil rights of German Jews, and in this context the community's opposition to the Transfer Agreement, was simply an echo of the traditional Western Jewish attitude toward antisemitism in one part of the world as a menace to Jewry everywhere else, especially when the matter concerned neighboring countries such as Germany and Poland.

Polish Jewry had good reason to fear that the Polish Government would view the Transfer Agreement as a model. Poland had already tried its hand at contracts of this kind: during the emigration of Jews from Poland to Palestine in the mid-1920s (the "fourth aliya"), financial arrangements based on a principle similar to the Transfer Agreement had been made. The Polish emigrants had transferred their assets to an institution that financed imports to Palestine, and the Anglo-Palestine Bank credited these sums to them upon their arrival in Palestine.³⁰ Poland in the 1930s was searching feverishly for a solution to its demographic problems. It was the general consensus, shared by some Jews, that something had to be done about the excess population in Poland. In the immediate aftermath of Hitler's accession, mass emigration as a solution to the problem of Polish Jewry was espoused by groups on the far right, particularly the national opposition party under Roman Dmowski - the

²⁹ Ibid, Ch. Rasner, p. 68.

³⁰ Nadav Halevi, *Economic Development of the Yishuv in Palestine 1917-1947* (Hebrew) (Jerusalem: Morris Falk Institute for Economic Research in Israel, 1979), pp. 20-21.

Endecja and NARA.³¹ While NARA preached the forced deportation of Jews through direct physical threat, the Endecja spoke of tightening the economic boycott against Jews to encourage them to emigrate “voluntarily.”³² Under these conditions, the Transfer Agreement became a standard for anti-Jewish circles in Eastern Europe. In Poland of the 1930s, where the espousal of Jewish emigration as the only solution to the demographic problem in Poland had become entrenched, the transfer plan became an intriguing model, thus explaining part of the staunch opposition it aroused among most of Polish Jewry. Under the prevailing international circumstances and the absence of foreseeable destinations for mass emigration, any position that mandated a mass Jewish exodus from Poland was extremely dangerous.³³ In late 1934, Professor Moshe Schorr, a leader of Polish Jewry, warned:

In consequence, the Jewish distress by far exceeds the general level of distress due to the present economic conditions in the East of Europe. Under these conditions and bearing in mind the absence of any possibilities of large-scale emigration, we must record with great satisfaction the fact that Palestine was able to absorb a considerable number of Polish Jews in the last few years. Nevertheless, it goes without saying that this outlet is unfortunately entirely insufficient to remedy the situation to any appreciable extent. The three million Jews resident in Poland must for all intents and purposes look to economic self-aid on the spot as the only alternative to despair and degradation pressing upon them at the present moment.³⁴

According to Schorr and many others who were familiar with the international situation at the time, clinging to Poland was the only option. Acquainted with the economic conditions of Poland, Schorr saw no alternative but for Polish Jewry to rely on its own resources and self-aid. The social structure and economic condition of Polish Jewry in the mid-30s were as different as could be from those of German Jews. Although German Jewry had been drained of much of its wealth upon Hitler’s accession to power, it was still an affluent community. Its capital was the basis on

³¹ Harry M. Rabinowicz, *The Legacy of Polish Jewry. The History of Polish Jews in the Inter-War Years 1919-1939* (New York: T. Yoseloff, 1965), p. 53ff.

³² Abraham B. Duker, *The Situation of the Jews in Poland* (New York: American Jewish Congress), 1936, p. 28.

³³ Dan Diner notes a novelty in the Nazi catastrophe that manifested itself long before the “Final Solution” was implemented: the Nazi policy of prodding German Jews (and later also Austrian Jews) to emigrate at a time when they had nowhere to go. Dan Diner, “Die Katastrophe vor der Katastrophe: Auswanderung ohne Einwanderung,” in Dan Diner and Dirk Blasius, eds., *Zerbrochene Geschichte, Leben und Selbstverständnis der Juden in Deutschland* (Frankfurt a.M.: Fischer, 1991), pp. 138-160 (Diner, “Die Katastrophe”).

³⁴ Moshe Schorr, *The Present Position of the Jews in Poland* (London, 1935), p. 5.

which the Transfer Agreement rested. It was the wish to salvage this capital that linked the Jewish Agency to moneyed Jews. By means of this capital - so the German authorities were promised - a basis for the mass absorption of German Jews in Palestine could be fashioned.³⁵ The Transfer Agreement, as implemented by Germany and the Jewish Agency, indeed solved the problems of an affluent class of German Jews, which managed to save some of its property and emigrate to Palestine by means of the immigration certificates granted to the wealthy.³⁶ The agreement did not improve the living conditions of the Jews left behind, and the number of such Jews who actually emigrated to Israel indirectly because of the agreement is in doubt. In view of the peculiar demographic structure of Polish Jewry, such an agreement could not have met the needs of the Jewish rank and file in this country.³⁷

Many Jews outside Poland, too, were upset about the possible effects of the Transfer Agreement on Polish Jewry. Yizhak Gruenbaum, a prominent representative of Polish Jewry in the Yishuv, anxiously apprised Nahum Goldmann of his disagreements with Ben-Gurion.

It turned into an argument over principles, and I stressed the disaster caused by this expansion [of the Transfer Agreement, Y.W.] to the Jews of all countries that observe Hitler's actions and see that he has in fact managed to deport the Jews and hitch them to the wagon of German industry and trade. The decision has not yet been made. [...] We must also wage a war against Hitler's regime, and in Palestine this war has ceased. Shall we really not protest against the thoughts of readmitting Germany to the League of Nations? Shall we not demand that it sign a commitment to honor the Minorities Treaty since it has declared that the Jews are a national minority? Although I know the conditions for such a campaign are not convenient and favorable, this does not absolve us from having to wage it. I have no doubt that the demand itself will force Germany to moderate its decrees. Flight and organized exodus can only encourage them and induce the countries of Eastern and Central Europe to attempt to rid themselves of the Jews. In Poland, they have evidently begun to do so: terror is again on the rise. [...]³⁸

³⁵ Gelber II, p. 39.

³⁶ Approximately 20,000 German Jews managed to emigrate to Palestine with their capital, and they accounted for 37 percent of immigrants to Palestine from Germany after the accession of Hitler. Bauer, *Jews for Sale?*, p. 10.

³⁷ Diner, "Die Katastrophe," p. 153.

³⁸ Gruenbaum to Goldmann, July 2, 1935, CZA, L22/201. A further dispute between Gruenbaum and Ben-Gurion took place during the Jewish Agency Executive meeting of November 13, 1935. Gruenbaum argued that Nazism should be fought concurrently with the transfer, in order to constrain its contagious influence. Shertok and Ben-Gurion criticized this proposal acridly, seeing no possibility of an effective struggle against Nazism. Minutes of meetings of the Jewish Agency Executive, November 23, 1935, CZA.

In 1935, Gruenbaum expressed reservations about the Transfer Agreement, regarding it as evidence of the willingness of Jewry to accept expulsion and thereby offer its consent to an “exodus,” as he put it. But whereas Gruenbaum opposed the Transfer Agreement out of concern that rulers in Eastern Europe, especially Poland, would consider it an exemplary way to instigate an exodus of Jews, some favored the Agreement for these very reasons. Margulies, manager of the “Ha’avarah Ltd.” company in Palestine on behalf of the Anglo-Palestine Bank, was enraged by the irresolution of the Zionist movement concerning the Transfer Agreement. In a sharply worded letter to Ruppin, the head of the German desk at the Jewish Agency, he wrote:

For the first time, the situation that Herzl predicted - the collapse of the Diaspora - has come to pass, and for the first time Zionism has an opportunity to fulfill Herzl’s vision concerning the mass liquidation of this situation. It must be said that the Zionist movement has not proved itself fit to undertake this mission. Herzlian Zionism, based on the thesis that all peoples are antisemitic, instructed us to prepare in advance for the exodus, so we would be ready when the time came. When the time came, all the Zionist movement did was act incensed at the fulfillment of its predictions.³⁹

Subsequently, in 1936, Gruenbaum himself became convinced that exodus was the only solution to the predicament of Polish Jewry.⁴⁰ Afterwards, Gruenbaum even denied that there was a contradiction between recognition of the economic and structural necessity of a Jewish departure from Poland and continued struggle for equal rights in Poland. With Gruenbaum’s change of outlook and his full recognition of the need to leave Poland, his initial opposition to the Transfer Agreement became meaningless.

Another ardent supporter of mass Jewish emigration from Poland was the leader of the Revisionist movement, Vladimir Jabotinsky. In the mid-1930s, through his contacts with the Polish Foreign Ministry, he worked out an “evacuation” plan in the hope that Poland could influence the Mandatory Government to modify its policy on

³⁹ See Gelber II, p. 43.

⁴⁰ Yizhak Gruenbaum, “Evacuation and Departure,” in Yizhak Gruenbaum, ed., *The Wars of Polish Jewry 1913-1940* (Hebrew) (Tel Aviv: “Haverim,” 1941), pp. 407-425.

Jewish immigration to Palestine.⁴¹ Jabotinsky was a staunch opponent of the Transfer Agreement and a leading supporter of the boycott. Importantly, the Transfer Agreement reflected the spirit of Mapai, which favored gradual, controlled Jewish immigration that took care to keep the number of immigrants and the Yishuv's financial resources - *aliya* and the economic absorption capabilities of Palestine - in balance. Under such circumstances, Jabotinsky's evacuation plan did not stand a chance. The Mandatory Government opposed mass Jewish immigration, as did Mapai, the ruling political power in the Yishuv. Jabotinsky interpreted the rejection of his evacuation plan as yet another manifestation of Mapai's efforts to curb the *aliya* of the lower-middle class, lest such immigration sabotage its plan to build a socialist society in Palestine.⁴²

Just as Jabotinsky supported the evacuation plan for Polish Jewry, the leader of the Zionist-Revisionist party in Germany, Georg Kareski, favored the emigration of all of German Jewry. To accomplish this, Kareski urged world Jewry to purchase German goods in order to facilitate the successful emigration of Jews from Germany.⁴³ The Revisionist movement in Germany and its party, the Jewish State Party, found themselves in an especially sensitive and complex situation. On the one hand, the movement had no interest in harming its relations with the authorities and therefore could not oppose the Transfer Agreement, as the Revisionist movement in Poland did. On the other hand, it was even more emphatically enjoined from supporting the boycott movement, because such support conflicted with the posture of the German authorities. Kareski even tried vainly to persuade Jabotinsky and the Zionist Revisionist Organization to deny the international Jewish boycott their support. Evidently, he managed to convince the German authorities for several years that he had no binding relationship with Revisionist groups outside Germany, and this was a major factor in his political survival. Kareski's support for mass Jewish emigration from Germany also coincided with the aims of the Germans, who attempted to help Kareski consolidate his position in the Jewish institutional constellation - an astounding story in its own right. From late 1937 on, the authorities took a dimmer

⁴¹ Yaacov Shavit, *Jabotinsky and the Revisionist Movement 1925-1948* (London: Frank Cass, 1988), pp. 220ff (shavit, *Jabotinsky*).

⁴² *Ibid.*, p. 338.

⁴³ Francis R. Nicosia, "Revisionist Zionism in Germany (II), Georg Kareski and the Staatszionistische Organisation, 1933-1938," in *Year Book of the Leo Baeck Institute*, XXXII (1987), pp. 231-267, 253, 259.

view of the Jewish State Party and suspected it of interrelating and collaborating with Jabotinsky's movement. This change in attitude eventually led to the party's demise.

The Rich and the Poor

The economic plight of Polish Jewry in the 1930s could hardly have been worse. Contemporary press reports and reviews presented at international Jewish congresses and conferences paint a grave picture of poverty and starvation among much of the Jewish community in Poland. Under these conditions, the boycott against Nazi Germany may be considered a clear manifestation of Polish Jewry's willingness to make an economic sacrifice to protest events in Germany. The boycott depressed Jewish business activity and exposed Jewish merchants to competition by depriving them of their share of trade with Germany. The association of Jewish merchants was a major proponent of the boycott movement in Poland - a puzzling circumstance, considering that the very principle of boycott was totally alien to the economic thinking of merchants. "The Jewish shopkeeper is interested in keeping merchandise anonymous," claimed Zalman Rubashov (Shazar), "so that customers will not get accustomed to inquiring about the manufacturer of the goods, because this would rebound against Jews."⁴⁴ Rubashov was exceedingly sensitive to the voice of Polish Jewry and regarded the willingness of Jewish businessmen and merchants to fight the Nazis in disregard of profit considerations as evidence that the boycott was "the true national response."

The subsequent train of events proved that the initiators of the economic boycott could become its principal victims. From the German perspective, the Jewish action in organizing the boycott uncovered the mythological "world Jewish conspiracy" of which Nazi ideology had been warning for years.⁴⁵ The Nazi leadership was so agitated by the boycott that the nature of the Jewish action - a response to a German anti-Jewish policy rather than an independent Jewish initiative - was evidently forgotten at times. The interpretation of the boycott in German ruling echelons also blinded them to the negligible damage that the boycott actually caused the German economy. Economic antisemitism, a common phenomenon in Eastern European countries, exploited the Jewish boycott movement to reopen the debate on the Jews'

⁴⁴ Executive Committee, September 25, 1933, p. 5, Lavon Institute.

⁴⁵ Daniel Frankel, *On the Edge of the Abyss: Zionist Policy and the Question of German Jewry, 1933-1938* (Hebrew) (Jerusalem: Magnes, 1994), pp. 45-46 (Frankel, *On the Edge of the Abyss*).

centrality to the economy in general and trade in particular. In 1933, the German press reported a protest by the Lithuanian government and merchants against the boycott that Jewish businesses had placed on German goods in Lithuania. According to these reports, the Lithuanian merchants' association resolved to launch a campaign against the dominance of Jews in the Lithuanian economy.⁴⁶ In Romania, the German diplomatic mission planned to activate the German minority and press in Romania to foment an anti-Jewish boycott movement.⁴⁷ Rumors from Poland spoke of an economic boycott that Poles had imposed on Jewish merchants in rural areas of that country.⁴⁸ This boycott expanded to troubling proportions in the second half of the 1930s, embracing many Polish cities and towns. It attracted the support of many local authorities; the central administration treated it with sympathetic neutrality.⁴⁹

Whether there was a direct connection between the Jewish boycott on German goods and the economic boycott against Jews, or whether Nazi propaganda stressed such a linkage for its own purposes, the anti-German boycott exacted a heavy price from its participants. In this sense, the rumors and reports of an impending economic agreement between Nazi Germany and the Yishuv, under the auspices of the Jewish Agency, dealt the initiators of and participants in the boycott an extremely heavy moral blow. As soon as details of the agreement became known, it became difficult to persuade Jewish merchants to join the boycott and assume its economic risks and hardships. The Transfer Agreement destroyed the moral base for demanding an economic price from Polish Jewry, which was in any case impoverished. The German Foreign Ministry monitored the conflict of interest between German and Polish Jews with great interest. For example, the German embassy in Warsaw reported that the boycott committees were under pressure to use their funds on behalf of local Polish Jews and not for Jewish refugees from Germany, as was the practice.⁵⁰ The embassy also reported on the owner of a Jewish bank in Warsaw, who was spreading his

⁴⁶ Staatsarchiv Abteilung Mersseburg, GStA Mersseburg, Rep. 77, Tit. 856 Nr. 201. A different picture emerges in a report from the German embassy in Lithuania, according to which the Lithuanian authorities refused to counteract the boycott until the German press took a more favorable attitude toward Lithuania. German Legation in Lithuania to Foreign Ministry, Berlin, 19.4.1934, PA, Bonn, R 99530.

⁴⁷ German Consulate in Timisoara to Foreign Ministry, Berlin, 27.5.1933, BAP 09.03 Konsulat Temesvar Akt. 98.

⁴⁸ Deutsches Nachrichtenbüro, 29.1.1936, PA, R 100210.

⁴⁹ Emanuel Meltzer, *Political Struggle in a Trap: Polish Jewry 1935-1939* (Hebrew) (Tel Aviv: Diaspora Studies Institute, Tel-Aviv University, 1982), (Meltzer, *Political Struggle*) pp. 54ff.

⁵⁰ German Embassy, Warsaw, to Foreign Ministry, Berlin, 22.4.1935, PA, R 99532

opinion among Jewish circles that, “The boycott is aggravating the harsh economic situation of the Jewish masses in most countries, a situation that was difficult even without the boycott, and therefore the boycott should be phased out.”⁵¹

German officials monitored the boycott movement for any evidence of possible fissures. The movement, headquartered in the United States, began with the famous rally sponsored by the American Jewish Congress under Stephen Wise in Madison Square Garden, New York, on March 27, 1933. It had a class aspect that crossed continental distinctions, and it evoked greatest sympathy among small merchants and people of meager means, rather than among big business people.⁵² The Germans chose to view this as proof of a schism between Jews of Eastern European and German origin, as the secretary of state of the Reich Chancellery expressed it:

In spite of its seeming success, for the Jews in America, too, the boycott is a double-edged sword. ... Moreover, on account of economic interests, leading businessmen among them who have German assets at their disposal have violated it, so that a rift has already developed within American Jewry (“white” Jews against the so-called “kikes,” or Eastern European Jews).⁵³

Indeed, Eastern European Jews in the United States were deeply committed to the boycott movement.⁵⁴ The centrality of activists of Eastern European origin in this branch of the movement was sometimes manifested in an attempt to emulate the Eastern European model. For example, Zelig Tygiel, a major activist in the boycott committee and treasurer of the Federation of Polish Jews in America, proposed

...that the Boycott Committee be divided into two committees. One is to be a boycott committee and the other an Anti-Nazi Committee, as arranged at present in Poland. A large number of non-Jews who will not want to affiliate themselves with the Boycott Committee will be willing to work on an Anti-Nazi Committee.⁵⁵

⁵¹ Ibid.

⁵² Bauer, *Jews for Sale?*, p. 11.

⁵³ The Chancellor’s Office alleged that both the Foreign Ministry and the Ministry of Propaganda had received similar reports. Leo Baeck Institute (LBI), New York, *The State Secretary in the Chancellor’s Office*, Berlin, 28.2.1934, Max Kreutzberger Research Papers, AR 7182, Box 19, Folder 2.

⁵⁴ *Boycott Bulletin*, issued by the Jewish Representative Council for the Boycott of German Goods and Services, October 5, 1934, LBI-NY, Max Kreutzberger Research Papers, AR 7183, Box 4, Folder 2.

⁵⁵ American Jewish Congress, Boycott Committee 1934-1936, minutes of Boycott Conference, Sunday morning, October 7, LBI-NY, Max Kreutzberger Collection, Addenda.

In contrast, Joseph Tenenbaum, an American Zionist of Eastern European origin and one of the prominent personalities in the boycott movement, stressed the difference between Polish-Jewish mobilization and American-Jewish mobilization, taking into account the vast disparity in the economic circumstances of Jews in these countries. He remonstrated:

The Boycott is one field where the Jewish tongue cannot conquer the German pocketbook. Being an honest man, I do not like to deceive others because I cannot deceive myself. If the American Jewish Congress feels that it has neither the will nor the power to conduct the boycott as the poor Polish Jews did, or as the Belgian or Egyptian do for that matter, then let us be honest with ourselves and admit it. I, for one, refuse to head a committee that has been given the shadow of power without the means of power to execute its mandate.⁵⁶

Even from the Jewish-American perspective, albeit that of Eastern European Jews, the willingness of Polish Jews to make sacrifices left a deep impression.

The more institutionalized the Transfer Agreement became, the more loudly its critics expressed themselves in drawing clear distinctions between the economic sacrifice required of world Jewry and saving the assets of German Jews. In the April of 1935 meeting of the Zionist General Council in Jerusalem, the Revisionist delegates emphasized this point. Ben-Horin considered the Transfer Agreement “a sentiment of compassion for our brothers in Germany, whom we must save,” whereas “there are many countries where Jews are much worse off than are German Jews, yet we have never heard that we have to yield on matters pertaining to the dignity of our people.”⁵⁷

At the same meeting, Hoffman asked how it was possible to urge Diaspora Jews to incur losses and sever longstanding trade relations with Germany while the Yishuv was violating the boycott.⁵⁸ According to a report by the German Ministry of Propaganda on the Nineteenth Zionist Congress (Lucerne, 1935), Dr. Emil Schmorak of the General Zionist party expressed opposition to the Transfer Agreement, claiming, “The boycott movement will be unsustainable in Poland, where it entails heavy financial losses, at a time when the Zionist Executive declares itself willing to

⁵⁶ “Report on Activities of the Boycott Committee,” presented at the meeting of the Administrative Committee, October 16, 1934, by Joseph Tenenbaum, LBI-NY, Max Kreutzberger Collection, Addenda.

⁵⁷ Meeting of the Zionist General Council in Jerusalem, April 4, 1935, p. 247, CZA.

⁵⁸ Ibid., p. 250.

serve as an agent for German goods.”⁵⁹ The minutes of the Zionist Congress indeed indicate that Schmorak regarded support of the Transfer Agreement as evidence of double values.

“Boycottism” vs. Zionist Fulfillment

Unlike the Transfer Agreement, the product of an initiative taken by individuals that bore a resemblance to an international treaty, the boycott movement was a spontaneous if organized action. The organizers of the movement in Poland considered the popular nature of the movement quite important, as reflected in their statements. Rasner, one of the Polish delegates to the World Jewish Congress in Geneva in September 1933, declared, “The six million Jews in the world have already declared a boycott, instinctively and spontaneously”⁶⁰ and Wolkowicz, representing the boycott committees at the World Jewish Congress in Geneva in August 1934, spoke of the “healthy instinct of the Jewish masses” as a basis for and source of the boycott.⁶¹ The power of the boycott was rooted in broad moral consensus among the Jewish rank and file, as expressed by Wolkowicz: “The mood of the Jewish masses was such that every attempt to breach the boycott was necessarily followed by mass protests against the violator and consequent severe material and moral losses.”⁶²

The Yishuv leaders also considered the boycott a *vox populi*. “All of Jewry is enthusiastic about the boycott,” said Zalman Aharonowitz (Aranne). “A worldwide war on Hitlerism is being organized through the boycott,” claimed Eliahu Golomb, a mainstay of the Hagana, and Eliezer Kaplan, a member of the Jewish Agency Executive and the director of the Agency’s Finance Department, added, “I admire this spontaneous outburst from both the political and the educational standpoints.”⁶³

Indeed, the Jewish boycott was an act of great symbolic value that underscored the Jews’ unwillingness to bow to fate and resign themselves to the Nazis’ antisemitic policies. Nevertheless, its economic logic and political weight were dubious. Among its advocates, one of the main factors was the preservation of Jewish dignity, whereas

⁵⁹ Jewish Telegraphic Agency, Prague, Jahrgang III, Nr. 203, September 5, 1935, Reich Ministry for Public Enlightenment and Propaganda, BAP, Nr. 1158.

⁶⁰ Minutes of the World Jewish Conference, Geneva, September 5-8, 1933, p. 68.

⁶¹ Report by Wolkowicz (Vereinigtes Komitee Warschau) to the World Jewish Congress in Geneva, August 20-23, 1934, CZA, A 127-140.

⁶² Ibid.

⁶³ Executive Committee, September 25, 1944, Lavon Institute.

dignity and pride, for which the boycott movement functioned, were considered luxuries from the perspective of the Zionist enterprise. The joint delegation of Polish Jewry to the World Jewish Congress in Geneva in 1933 unanimously protested the Transfer Agreement, and many of the delegates termed it a “disgrace” (*Schande*).⁶⁴ “The Palestinian agreement pains us because it infringes on our dignity and weakens the Jewish people in its struggle,” declared Henryk Rosmarin, one of the delegates from Poland.⁶⁵ The Zionist movement found itself in a profound conflict between transfer and boycott and, in the broad sense, between the needs of the Yishuv and the sentiments of the Jewish people.

This was an extremely difficult test for the fledgling national movement. Zionism, which had derived its moral strength from its self-perspective as safeguarding the Jews’ existential interests in the Yishuv and the Diaspora, suddenly had to decide between conflicting interests. As noted above, however, the Zionist Executive in London was skeptical about the boycott movement and its ability to help bolster the position of Jews in Germany. As far back as April 1933, the Jewish Agency Executive in Jerusalem had taken a position in favor of continued diplomatic action against Nazi Germany, but against boycott activities.⁶⁶ This attitude, however, was expressed internally only; for the record, the Zionist movement refrained from adopting any fundamental position on the issue.⁶⁷ As the Eighteenth Zionist Congress approached, there were initiatives to postpone the Congress or refrain from a general open debate on the issue of German Jewry. Nahum Goldmann even suggested that the boycott not be discussed at the Zionist Congress at all, because it was not specifically a Zionist matter but of concern to all of Jewry. Eventually, when it was decided that an issue as important as the situation of German Jewry could not be shelved, a committee was formed to prepare the debate at the Congress. Disagreements among the committee members thwarted their efforts to reach a consensus on a draft resolution. At the end of the debate, the majority of participants resolved to protest sharply the attacks on German Jews and to stress the role of Zionism and Palestine in solving the Jewish problem; the Revisionist minority proposed a resolution expressing unequivocal Zionist support for the boycott

⁶⁴ *Protocole*, Mazur, p. 67; Rasner, p. 69.

⁶⁵ *Ibid.*, p. 75.

⁶⁶ Jewish Agency Executive, April 9, 1933, CZA.

⁶⁷ Gelber I, pp. 126-128.

movement and undertaking to mobilize and work for its expansion. In view of these internal disagreements, the Jewish Agency did not adopt an official course of action in support of the transfer and attempted to mask its obvious participation in implementing the agreement - a posture that prompted biting criticism on the part of Jewish Agency members and German participants alike. Only on the eve of the Nineteenth Zionist Congress in Lucerne did many come to realize that the absence of official supervision by the National Institutions in implementing the Transfer Agreement was no longer tenable. At the Lucerne Congress, the Labor faction passed a majority resolution concerning the Transfer and, after imposing party discipline on its members, led the Zionist Congress to a majority resolution in support of the Transfer Agreement, thus withdrawing from the cycle of active opposition to Nazism for good.⁶⁸

To understand the considerations that guided the Zionist Movement and the Yishuv leaders in those years, and to understand why it took nearly two-and-a-half years for the National Institutions to give the Transfer Agreement their official backing, we should review the historical circumstances in which they operated. In 1931-1933, the Zionist movement and the Yishuv were engulfed in a critical struggle for hegemony between the Labor movement and Jabotinsky's Revisionist movement.⁶⁹ The Labor movement, headed by Mapai, derived its main strength from the Yishuv; the Revisionists' main bastions were the middle classes in Poland and the Baltic countries. The boycott and transfer issues were merged into the struggle for resources and influence in both the Yishuv and the Diaspora centers, foremost Poland. The assassination of Chaim Arlosoroff, head of the Political Department of the Jewish Agency, cast a pall over the struggle. Arlosoroff, murdered after being sent to Germany in April 1933, had laid the foundations for his activities in Germany in a meeting of the Mapai central committee. He argued, among other things, that because German Zionism could not function in the underground, other methods must be sought.⁷⁰ For this reason, he regarded an agreement with the German authorities as the only way to effect Jewish emigration from Germany and salvage Jewish property

⁶⁸ Yaakov Shavit, *From Majority to State, the Revisionist Movement: The Settlement Plan and the Social Cause 1925-1935* (Hebrew) (Tel Aviv: Yariv, 1978), pp. 71-173 (Shavit, *From Majority to State*).

⁶⁹ Gelber II, p. 86.

⁷⁰ Meir Avizohar, *In a Cracked Mirror: Social and National Ideals and Their Reflection in the World of Mapai* (Hebrew) (Tel Aviv: Am Oved, 1990), pp. 128-129.

there. Any other alternative, Arlosoroff believed, would prompt Jews to attempt to extricate their assets illegally, with disastrous results. Arlosoroff believed that the liquidation of Jewish property in Germany through export of German goods to Palestine could pique the interest of the German Government, because such an action could thereby grease the wheels of German industry, which had been slowed by the boycott movement.⁷¹

The savage incitement in Revisionist circles surrounding Arlosoroff's mission, and propaganda concerning the unsolved assassination, created an immediate dramatic dimension in the struggle between the Revisionists and Mapai over the transfer issue. Stavski, a member of *Brit ha-Biryonim*, was accused of the assassination but acquitted approximately one year later for lack of evidence. Arlosoroff's murder occurred in the midst of the elections preceding the Eighteenth Zionist Congress. The Labor movement and the Revisionists were battling each other fiercely throughout Poland at this time, and both Ben-Gurion and Jabotinsky campaigned vigorously there. Ben-Gurion feared that Mapai's accusation against Stavski and *Brit ha-Biryonim*, and the claim that they had murdered Arlosoroff, would be construed by Polish Jewry as a blood libel concocted by Mapai and would clash with Mapai's interests. At the end of the election campaign, this fear proved groundless: the Labor movement won 138 out of 318 mandates - 44 percent of the votes cast - and thereby bolstered its power in the Zionist movement. Mapai members were also elected to key positions in the Jewish Agency: Ben-Gurion as Chairman of the Jewish Agency Executive, Moshe Shertok (Sharett) as head of the Political Department, and Eliezer Kaplan as Treasurer.⁷² Until the election results were in, however, the Labor movement constantly feared that the Revisionists would exploit the campaign to prove their claim that the Palestinian Labor movement concerned itself solely with the Yishuv's needs and was oblivious to the plight of Diaspora Jewry.⁷³

One reason for the Revisionists' opposition to the Transfer Agreement was their suspicion that it would be of special utility in strengthening the Histadrut economic

⁷¹ Gelber I, pp. 107-111.

⁷² Shavit, *From Majority to State*, pp. 72-73.

⁷³ Shavit, *Jabotinsky*, p. 338. Daniel Frankel reverses the order of events and argues that the murder of Arlosoroff and the extreme decrease in Revisionist strength in the Eighteenth Zionist Congress elections were the factors that diminished the Revisionists' ability to campaign on behalf of the boycott and against the Transfer. Frankel, *On the Edge of the Abyss*, p. 57.

empire.⁷⁴ Companies owned by the Histadrut and those belonging to the so-called “civilian bloc” vied for the quotas offered under the Transfer Agreement.⁷⁵ A compromise was worked out in the struggle between the “civilian” Hanote’a Ltd., and the Histadrut-owned Nir and Yakhin, but the Transfer Agreement fundamentally altered the nature of Jewish Agency involvement in the economic life of the Yishuv. The agreement, initially the product of a private economic initiative, underwent a “nationalization” process, and through it the Jewish Agency became a mediator between investors in the Yishuv and transferers of capital in Germany. In this context, the Jewish Agency Economic Department became a consultant for these German Jews by handling imports from Germany. The Labor movement had an interest in giving the National Institutions this central role in economic development;⁷⁶ such a development did not serve the needs of the Revisionist movement, which held minority status in the Yishuv.

The Histadrut, for its part, found it difficult in 1933-1936 to work out an unequivocal position in the transfer-boycott dispute or, alternatively, in the clash between the needs of the Yishuv and those of the Diaspora. The Histadrut’s web of vacillations stemmed from the condition of the Yishuv, the status of the Histadrut in the Yishuv, the condition of Diaspora Jewry, and the stature of the Labor movement among Diaspora Jews. The Transfer Agreement brought the Labor movement and the Yishuv into conflict with Diaspora Jewry, most of which favored the boycott. Therefore, there was no point in supporting it except under circumstances in which there was a “Yishuv interest” and it could be exploited as a “Yishuv instrument.”⁷⁷ As for the economic advantages of the Transfer Agreement, it was difficult to arrive at an unequivocal position because of two concerns: that massive imports from Germany would expose the fledgling industrial sector of Palestine to serious competition, and that it would be difficult to control the import of goods and restrict them to those stipulated in the Transfer Agreement.⁷⁸

⁷⁴ Yaakov Goldstein and Yaakov Shavit, *Without Compromise: The “Ben-Gurion-Jabotinsky Agreement” and its Failure 1934-1935* (Hebrew) (Tel Aviv: Yariv Hadar, 1979), pp. 14-16.

⁷⁵ Gelber II, p. 30.

⁷⁶ Dan Horowitz and Moshe Lissak, *From Yishuv to State: The Jews of Palestine in the British Mandate Period as a Political Community* (Hebrew) (Tel Aviv: Am Oved, 1977), pp. 67-68.

⁷⁷ David Remez, Executive Committee, September 25, 1933, p. 3, Lavon Institute.

⁷⁸ David Remez, Executive Committee, July 14, 1933, p. 5, Lavon Institute.

Coming out against the boycott was problematic in terms of principle, and not merely in the sense of political-party expediency considerations. If the Histadrut opposed the boycott, it might topple the branch on which it and the Zionist movement rested. “In these negotiations, we are reaping the fruit of the boycott we oppose,”⁷⁹ Dov Hoz rightly stated, thus expressing his belief that nothing would have prompted Nazi Germany to conclude an economic agreement with the Palestinian Yishuv other than the wish to smash the anti-German boycott. Indeed, Germany’s interest in the transfer varied in direct proportion with the strength of the boycott movement. Were the boycott to show any sign of weakening, German economic considerations, such as the level of foreign reserves in Germany, might operate against the Transfer Agreement.⁸⁰ Thus, the boycott demonstrated Jewish power and built a basis on which the Yishuv could rely in its negotiations with the German authorities. Moreover, opposing the boycott and denying its effectiveness were tantamount to stating that there was no effective way to fight Nazism. Such an attitude was extremely dangerous, because it contradicted the essence of Zionism.⁸¹

For several years, members of the Histadrut Executive Committee and the Labor movement attempted to avoid an either-or decision on boycott and transfer, instead striving to depict them as parallel devices. The practical manifestation of this attitude was an effort on behalf of the Transfer Agreement coupled with expressions of basic support for the boycott. To carry this out, apologetic positions were phrased to the effect that the agreement and the boycott were not mutually exclusive. For example, some members of the Executive Committee tried to argue that the Transfer Agreement was not an economic agreement with the Germans at all; it was simply a way of rescuing the property of German Jewry.⁸² “The entire nation should know that Palestine and the Histadrut favor the boycott and all efforts to save Jewish property,” suggested Rubashov (Shazar).⁸³ These explanations were unsatisfactory, and most members of the Executive Committee understood that the true import of the Transfer

⁷⁹ Dov Hoz, Executive Committee, September 25, 1933, p. 4, Lavon Institute.

⁸⁰ Gelber II, p. 48.

⁸¹ Eliyahu Golomb, Executive Committee, September 25, 1933, p. 7, Lavon Institute.

⁸² Dov Hoz proposed: “Afterwards, we shall discuss how to allow money to be taken out overtly in the form of goods, just as we permit those fleeing Germany to take with them their table and sheet.”

Brodny added: “I regard this as if Germany were indebted to us and offered to repay the debt with goods. Should we refuse?” Herzfeld spoke in a similar vein: “What are we doing? We’re taking the household effects of a German Jew and delivering them directly, without go-betweens, to his home.

What’s wrong with that?” Executive Committee, September 25, 1933, pp. 4ff, Lavon Institute.

⁸³ Executive Committee, September 25, 1933, p. 5, Lavon Institute.

Agreement, the effective shattering of the boycott, could not be mitigated by semantics. From the beginning of the debates, some members of the Executive Committee stressed this point. Beilinson stated unequivocally: “The Jews are taking out not money but goods they do not need except for distribution in Palestine; that is to say, they are violating the boycott.”⁸⁴

The difficulty became more acute a year later, in November 1934, when the Histadrut Executive Committee had to take a stand on an agreement concerning the export of oranges from Palestine. Germany was the main importer of this commodity. In 1933, these exports to Germany had not been problematic because they simply involved the consummation of an agreement concluded a year before Hitler’s accession to power.⁸⁵ Things changed in 1934, because this agreement stood in direct contradiction to the worldwide Jewish boycott. When the Jewish Agency Executive debated the matter, Gruenbaum expressed the staunchest opposition:

We have always said that the transfer was meant to give German Jews the possibility of moving to Palestine. The orange trade is trade and has nothing to do with Jewish redemption. The Jewish people is at war with Hitler’s regime, and we should not be discussing the orange trade, which is a matter for individuals. [...] If the transfer is meant to save lives - I support it. If it departs from this purpose - I oppose it.⁸⁶

Since the matter was not within the Jewish Agency’s purview, the participants in the meeting took the expedient path by striking the issue off the agenda. The Executive Committee, however, considered itself duty-bound to take a stance. In its discussion of the issue, opinions were divided between proponents of the transfer, who argued that the Palestinian economy could not afford to relinquish the German market, and proponents of the boycott, who regarded this trade as an unnecessary breach. “For me, any orange in the hands of a Nazi is an insult. This is my feeling, even if it’s illogical,” proclaimed Makminski; Yosef Aharonowitz, in charge of finances, called this view pathetic.⁸⁷ The majority of participants in the meeting tended to understand that the contradiction - between building the country and providing the economic wherewithal therefore, and the boycott - defied resolution. One of the participants

⁸⁴ Ibid., p. 6; Shertok expressed a similar view.

⁸⁵ The orange-export affair is described in Gelber (II), pp. 55-60.

⁸⁶ Jewish Agency Executive, November 25, 1934, CZA.

⁸⁷ Executive Committee, November 8, 1934, p. 5, Lavon Institute.

expressed the dilemma succinctly: “A country that is being built by rescuing Jewish assets from Germany cannot wield the boycott weapon against [Germany].”⁸⁸ Moreover, unlike in the previous year’s internal debate on the Transfer Agreement, the participants in this discussion were visibly tired of this overt contradiction, wished to stop apologizing, and sought to express the Yishuv’s priorities clearly. “I intend to bring the debate to a certain point so that we no longer need to stammer on various occasions,”⁸⁹ declared Sprinzak. The outcome of the vote provides further evidence of this inclination: Five favored the orange-export agreement with Germany and authorized the Histadrut to take part in it, one abstained, and only one registered his opposition.⁹⁰

The prestige of the Zionist movement and, in particular, the Labor movement was gravely affected by their support of the Transfer Agreement and the orange exports. It was difficult to balance the Yishuv’s economic gain against the damage of principle to the status of Zionism. Such arguments became more intense over the years. “After having visited Germany, I began to have doubts about the transfer,” said Eliezer Kaplan in the autumn of 1933. “I found that the whole thing will concern a small fraction of the total Jewish capital. [...] The sums we are talking about are but a drop in the ocean in this respect.”⁹¹ Aharonowitz expressed similar apprehensions a year later:

I have the feeling that we are breaching the boycott and have no way to justify this. We’re doing it not to save Jews but to build houses for this or that organization. [...] We shall accomplish little and pay for it dearly. We shall befool ourselves irreparably, and we will pay dearly for the money, too.⁹²

And yet, another year later, Herzfeld spoke unequivocally: “They had great expectations, and what did we do? The transfer. Instead of effecting a great rescue, we achieved a piddling rescue and humiliated ourselves in the process.”⁹³ This debate coincided with an attempt to redefine the Yishuv-Diaspora relationship, which seemed to be becoming more complicated. At the World Jewish Congress, Nahum Goldmann

⁸⁸ Horin, Executive Committee, November 8, 1934, p. 5, Lavon Institute.

⁸⁹ Sprinzak, Executive Committee, November 8, 1934, Lavon Institute.

⁹⁰ Executive Committee, November 8, 1934, Lavon Institute.

⁹¹ Kaplan, Executive Committee, September 25, 1933, p. 8, Lavon Institute.

⁹² Aharonowitz, Executive Committee, November 26, 1934, p. 3, Lavon Institute.

⁹³ Herzfeld, Executive Committee, November 4, 1935, p. 9, Lavon Institute.

expressed the fear that the “Zionist apparatus” had lost its ability to confront “the problems of the Diaspora.”⁹⁴ Many of his colleagues shared this thought. On top of this was the internecine struggle within Zionism between the Palestine Labor movement and the Revisionists, as Labor groped for an answer to the Revisionists’ allegation that these agreements spelled a dissociation of the Yishuv from the needs of Diaspora Jewry.

The Labor movement based its position on the dichotomy between building up the country and the Diaspora, between action and pride. Moshe Shertok, Arlosoroff’s successor as head of the Jewish Agency Political Department, minced no words:

I opposed the boycott from the start because I considered it a Diaspora-style gesture, a balm for the wounded soul. A Jewish heart harbors such a feeling, but a political movement cannot act according to feelings only. [...] Building the country is our war with Germany, and this should be our focus.⁹⁵

Aharonowitz called the boycott a “bloated skin gourd.”⁹⁶

These semi-private assertions, uttered in an internal setting, coalesced into an official position that verged on belligerency. In the meeting of the Zionist General Council in Jerusalem in April 1935, Shertok again assailed the boycott.⁹⁷ He summarized the Diaspora’s response to the “troubles in which it is immersed” as “martyrdom,” a “protest movement,” and “the inescapable outcome of assimilation.” In this spirit, he attacked “boycottism” and stated that “it is Zionism’s fate to be cruel toward the Diaspora at times [...] when this is necessary in order to build the country.” As before, Gruenbaum and Goldmann rejected any attempt to construct a Palestine-Diaspora dichotomy, and Goldmann lucidly argued, “There is no primacy of Palestine, there is only primacy of the Jewish people.”⁹⁸ The matter came to a clear, unequivocal boil at the Nineteenth Zionist Congress in September 1935. Golda Meyerson of Mapai expressed her party’s support of the Transfer Agreement:

⁹⁴ *Protocole*, p. 35.

⁹⁵ Moshe Shertok, Executive Committee, September 25, 1933, p. 7, Lavon Institute.

⁹⁶ Aharonowitz, Executive Committee, September 25, 1933, p. 4, Lavon Institute.

⁹⁷ Meeting of the Zionist General Council in Jerusalem, April 4, 1935, p. 250, CZA.

⁹⁸ *Ibid.*, p. 254.

A war against Hitler's Germany does not mean a war against Jews. [...] There was a time [...] when we responded to Jewish suffering only by wailing and protesting. The only point of light in the current disaster is that apart from wailing and protesting, we now have practical possibilities of doing something real to save tens of thousands of Jews. [...] The Zionist movement has matured to such an extent that it considers the transfer under today's circumstances absolutely essential and is willing to accept responsibility in this matter.⁹⁹

Thus “wailing and protesting” became the voice of the Diaspora and, even if not explicitly described as such, the voice of Revisionism and demagogy.¹⁰⁰ David Remez evoked a similar simile that attested, more than anything else, to the self-image of members of the Labor movement:

I see the entire issue of the transfer and the Jewish calamity in Germany as a kind of fire, and in every fire there are firefighters and rescuers. The Revisionists want to be the firemen and to extinguish Hitler's fire, while we want to rescue German Jewry. But our firemen are pouring water on us, the rescuers, instead of pouring it onto the fire.¹⁰¹

The Labor movement, which set the tone in the Zionist movement and the Palestine settlement endeavor, therefore decided to do “something real to save tens of thousands of Jews,” in Golda Meyerson's words. Thus, the Zionist Congress endorsed the Transfer Agreement by a vote of 169 in favor, 12 opposed, and 17 abstentions. Zionist activism, as expressed by Meyerson in her foregoing remarks, overcame the voice of the Diaspora. The war on Nazism, conducted by mobilizing world public opinion and mounting a symbolic struggle of principle, as the boycott movement had done, was not perceived at the time as anything more than “wailing and protesting.”

In View of Jewish History

In 1933, the Zionist movement was a young national movement that had nevertheless accumulated some experience and in any case possessed a historical memory. The dramatic change in the status of German Jewry found the worldwide Zionist movement and the Zionist Federation in Germany unprepared in the practical sense.

⁹⁹ The Nineteenth Zionist Congress and the Fourth Jewish Agency Council, Lucerne, August 20-September 6, 1935, typescript report, Jerusalem, pp. 440ff.

¹⁰⁰ Golomb, Executive Committee, November 4, 1935; Remez, Executive Committee, December 12, 1935, Lavon Institute.

¹⁰¹ Meeting of the Zionist Executive, Jerusalem, April 4, 1935, p. 249, CZA.

At the level of principle, the Zionist movement had frequently warned Diaspora Jewry of the danger it faced, even though it did not make practical decisions in the light of this awareness. Although the Zionists often warned of antisemitism and the deteriorating situation of Diaspora Jewry, they associated these phenomena with the status of Jews in Eastern Europe, and this undoubtedly made it difficult for them to confront Jewish realities in post-1932 Germany.

One of the dramatic events that shaped the Zionist consciousness in those years was the fate of Soviet Jews after the Bolshevik revolution. Until the revolution, Russian Jewry had been considered the very core of European Jewry, and its post-revolution dissociation from the rest of the Jewish people caused the Jewish center in Europe to shift radically.¹⁰² The possibility of an imposed dissociation affecting an entire Jewish community, including a ban on Jewish religious expression, became a nightmare and a perpetual threat to the Jewish leadership in Palestine and the Diaspora. The condition and status of Soviet Jewry was a central issue at every world Jewish gathering, and they were mentioned in the same breath as the fate of German Jewry. Thus, for example, Beilinson warned the Zionist movement to distance itself from the boycott on the grounds that:

There is no fate worse than that of Russian Jewry, which is not allowed to travel to Palestine. [...] Today this possibility exists [in Germany, ed.], but only because of our refusal to join the boycott. This is our only weapon. Hitler is not concerned about assuring Jewish emigration to Palestine; only our neutrality - certainly our "power" is exaggerated - makes the Zionist enterprise possible. A change in our position would bring the entire Zionist enterprise, and particularly emigration from Germany, to a halt. German Jews are not yet in the situation of Russian Jews, and I do not want to bring them to such a situation.¹⁰³

Werner David Senator favored the Transfer Agreement for the same reason: "Otherwise, German Jewry will be imprisoned just as Russian Jewry has been, and will be lost for the development of Palestine."¹⁰⁴ In view of the historical experience of Soviet Jewry, many regarded the rupture of relations between Jewish communities as the greatest possible threat both to the Jews themselves and the strength of Jewry.

¹⁰² Kurt Blumenfeld, *Erlebte Judenfrage. Ein vierteljahrhundert deutscher Zionismus*, (Stuttgart: Deutsche Verlags-Anstalt, 1962), p. 121.

¹⁰³ Beilinson, Executive Committee, September 25, 1933, p. 7, Lavon Institute.

¹⁰⁴ Gelber II, p. 68.

Therefore, any narrow opening that facilitated a dialogue between the Yishuv and Nazi Germany in such a way as to allow Jews to emigrate to Palestine offered a chance for deliverance that must not be missed. From this perspective, it is not surprising that the Yishuv leadership saw no purpose behind an action such as the boycott, which might disrupt or even terminate such a dialogue. Of course, one might reach completely different conclusions by studying the events themselves. Gruenbaum demanded that:

...no comparison [be drawn] between Hitler's Germany and the struggle against Czarist Russia. There, they were fighting against the most backward regime in the civilized world, [a regime] that did not wish to grant Jews equal rights; whereas here, we have a great cultured nation that wants to deprive Jews of rights granted them decades earlier. In this respect, Germany wishes to serve as an example to other European countries, and therefore we must fight Hitler with all our strength.¹⁰⁵

Golomb and others, in contrast, feared that "German Jewry will descend to the status of Russian Jewry," although he considered this to be a substantive danger "only if our response to Hitlerism slackens."¹⁰⁶ Therefore, he believed that only active opposition to Nazism could stem the spread of the antisemitic process.

The fate of Soviet Jewry was of questionable relevance to the danger faced by German Jewry. Soviet Jewry encountered enormous difficulties in maintaining Jewish religious life, but only to the extent that the Soviet Union undermined religion in general. Similarly, the USSR gave the Jews no opportunity to express their nationality. However, Jews had equal rights as Soviet citizens, and racism was prohibited by law. Nazi Germany banned neither Zionism nor Judaism; on the contrary, it actually gave free rein to isolationist Jewish organizations and clearly preferred them to assimilationist German-Jewish entities. In Germany, the lives of *individual* Jews were imperiled; as early as 1933, Jews as individuals were being expelled from German life. In the Soviet Union, in contrast, every effort was being made to assimilate Jews as individuals. Use of the Soviet model to justify the Transfer Agreement or to mobilize support for the struggle against Nazism is evidence of the conceptual groping that characterized Zionism in the first few years after 1933. However, the Zionists were justified in fearing the possibility that an

¹⁰⁵ Meeting of the Zionist Executive, Jerusalem, April 4, 1935, p. 254, CZA.

¹⁰⁶ Golomb in Gelber II, p. 68.

entire Jewish community would be quarantined and denied the ability to depart. In this sense, the Transfer Agreement, which proposed to salvage as much Jewish capital as possible and use it to expand the absorption capacity of Palestine, proved to be a correct and farsighted measure, even if it did not provide a solution for German Jewry as a whole.

The advocates of the transfer, like those of the boycott, invoked similes, cited historical precedents, and set goals that were dissonant with the spirit of the time and failed to acknowledge the basic difference between Nazism and the familiar old type of antisemitism that had existed in Eastern Europe until then. As noted at the beginning of this article, it is known today that the Jewish boycott had very little effect on the German economy, *inter alia* because foreign trade was not a decisive factor in German economic stability. No *post factum* economic data were needed to substantiate this; some observers knew during the events themselves that an economic boycott would only “benefit those against whom it is directed.”¹⁰⁷ It was somewhat naive on the part of world Jewish organizations to think that they could curtail, let alone overwhelm, Nazi Germany’s economic capability. Many Jews quickly realized that it was impossible to influence trade relations between various countries and Germany if this clashed with these countries’ economic interests. The very belief that the Jews possessed such economic power was an outgrowth of the overblown antisemitic stereotype of Jewish economic influence.¹⁰⁸

The following incident illustrates the extreme anachronism that bedeviled the boycott supporters’ actions: The United Jewish Committee for Struggle against Anti-Jewish Persecution in Germany, based in Bialystok, collected money for Jews who had fled Germany. The money was raised by means of donations and fines imposed on boycott violators. The committee chose to forward the sum raised, 1,200 zloty, to Chaim Weizmann, for use in his capacity as director of the department that resettled German Jews in Palestine. Otherwise, the committee reasoned, “the matter will eventually be forgotten, the money will be used for continued unproductive local relief, and the money will be wasted.”¹⁰⁹ The devotion of the heads of the Bialystok boycott committee, who forwarded their zlotys to the Settlement Department -

¹⁰⁷ Beilinson, Executive Committee, September 25, 1973, p. 7, Lavon Institute.

¹⁰⁸ This point is raised in Bernard Krikler, “Boycotting Nazi Germany,” *The Wiener Library Bulletin*, vol. XXIII, no. 4 (1969), pp. 26-32.

¹⁰⁹ Zionist Organization in Poland, Bialystok branch, to the Zionist Executive in London, February 8, 1934, CZA, L 13/32.

drawing a clear distinction between “unproductive local relief” and a contribution to the resettlement of German Jews in Palestine - was a product of Zionist ideology. The disproportion between the plight of the Jews of Bialystok in the mid-1930s, the destruction of German Jewry, and the 1,200 zlotys that were to be sent to Palestine as productive aid for German-Jewish settlements there provides the best possible evidence of the great disparity between the predicament of European Jewry in the 1930s and the practical solutions that arose from Jewish attempts to confront the predicament through political action.

The idealism, anachronism, and naiveté that permeated the views of the boycott advocates were accompanied by a certain heroism.¹¹⁰ Under its influence, many Polish Jews were willing to fight Nazism, oblivious to the actual improbability of success in such a struggle, and were prepared to make great self-sacrifice, as reflected in losses they incurred due to the boycott. Additionally, one must consider the fundamental difference in basic conditions in Germany and Poland, as Gruenbaum aptly summarized it:

Had what happened in Germany happened in Poland, some Polish Jews themselves might have opposed the transfer. But there are three million Jews in Poland, and a political war is possible there. Not so in Germany. There, war is impossible and the situation of German Jews is tragic. We must help them, and this is the purpose of the transfer.¹¹¹

Conclusion

The Jewish boycott against Nazi Germany waned over the years and slipped off the public agenda as Nazi Germany consolidated its economic and international status. The German-Polish non-aggression treaty vitiated anti-German initiatives in Poland, and in the economic treaty between the two countries in November 1935, Germany obtained a Polish commitment to take action against the anti-German boycott committees in Poland.¹¹² The Transfer Agreement remained in effect throughout these

¹¹⁰ See Ezra Mendelsohn, “The Dilemma of Jewish Politics in Poland: Four Responses,” in Bela Vago and George L. Mosse, eds., *Jews and Non-Jews in Eastern Europe 1918-1945*, New York: John Wiley and Sons, 1974, pp. 203-219.

¹¹¹ Meeting of the Zionist Executive, Jerusalem, April 4, 1935, p. 254, CZA.

¹¹² Apolinary Hartglas, “The Struggles of Polish Jewry for its Civil and National Rights,” in Heilprin, ed., *Polish Jewry from its Origins*, p. 148; Emanuel Meltzer, “Polish-German Relations in 1935-1938 and their Effect on the Jewish Problem in Poland,” *Yad Vashem Studies* 12 (1978), p. 203; and Wislicki, “The Jewish Boycott,” pp. 284ff.

years, although difficulties in implementing it emerged. The root of these difficulties was the inability of the fledgling economy of Palestine to absorb Jewish capital in the form of goods. Consequently, an attempt was made to expand the sphere of trade from Palestine to the entire Middle East. This gambit ran up against many obstacles, including the anti-Jewish boycott in the relevant countries. Despite efforts to expand the scale of the boycott, many German Jews did not succeed in making use of the capital that they had freed under the Transfer Agreement. An accord similar to the Transfer Agreement, known as the Clearing Agreement, was worked out between the Jewish Agency and the Polish Government in the second half of 1936 and signed in March 1937.¹¹³ Its purpose was to enable Jewish emigrants from Poland to transfer their assets to Palestine despite Polish currency laws by purchasing Polish goods. Unlike the Transfer Agreement, the “clearing” was supposed to be reciprocal, i.e., to create the possibility of transfers of capital and goods from Poland to Palestine and vice versa. The path to this agreement was complicated, because the Jewish Agency had to protect itself against Polish demands to dictate policy, through the agreement, in the distribution of immigration certificates. Additional difficulties stemmed from internal struggles on the Jewish side. The Revisionists, after having formed a broad front in opposition to the Transfer Agreement when it was being drafted, evinced great interest in the Clearing Agreement and attempted to conclude separate arrangements that would circumvent the Jewish Agency, from which they had seceded by this time. The Clearing Agreement began to coalesce as the condition of Polish Jewry deteriorated and debates on “evacuation” became more frequent. Gruenbaum led the negotiations on behalf of the Jewish Agency, thereby implementing his gloomy prophecy concerning “flight and organized exodus.” These subsequent developments in Poland thus proved the sorrowful impotence of the boycott movement in contrast to the practicality of Zionist formula.

Translated by Naftali Greenwood

Source: *Yad Vashem Studies* Vol. XXVI, Jerusalem 1998, pp 129-172

¹¹³ CZA, S 46/289; Meltzer, *Political Struggle*, pp. 159-162, 332-334.