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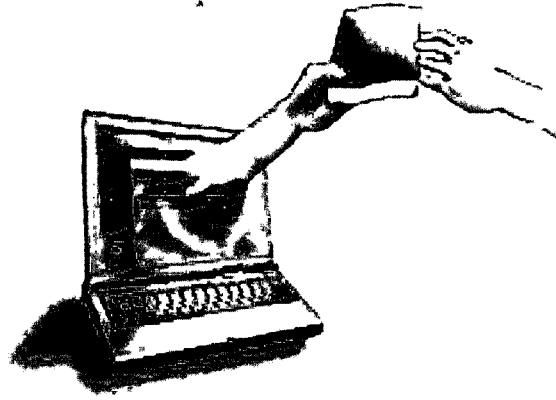
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# 1 | *"The Streets Are Paved with Money"*

On Prophets Street in downtown Jerusalem there was, in the 1930s, a small and romantic-looking stone house shaded by pine trees. It was the German consulate, which had been opened at the end of the previous century. On one of the first spring days of 1933, shortly after the Nazis took power, an employee climbed up to the roof and raised a red flag bearing a black swastika on a circle of white. Zionist activists, members of the right-wing Betar youth movement, managed on occasion to steal the offending flag. But each time, the Germans raised another in its place, and the swastika flew, there in the heart of Jerusalem, for six of the twelve years of the Third Reich's existence, until the consulate was closed at the outbreak of the Second World War.<sup>1</sup>

Palestine was then ruled by the British. As long as diplomatic relations continued between Nazi Germany and Britain, the German consulates (there was a second one in Jaffa) were allowed to operate in Palestine. Like other foreign legations in Jerusalem, the German consulate did not restrict itself to routine consular affairs but effectively served as a Nazi embassy. It furthered German interests and was in regular and close contact with both Arab and Jewish political bodies.

The League of Nations mandate under which Britain ruled provided for "a Jewish agency" to advise and cooperate with the mandatory authorities on matters related to the establishment of a National Jewish Home. It named in this role the Zionist Organization (later the World Zionist Organization), an international federation of Zionist groups founded by

Theodor Herzl at the turn of the century and later led by Chaim Weizmann. In the 1930s, the Jewish Agency operated virtually as the government of the Jewish state-in-the-making.

Campaigning for influence in the agency and in other organizations were a variety of political parties. Mapai (Labor)—a coalition of the two largest socialist-labor Zionist parties forged by David Ben-Gurion—dominated almost everywhere, especially after he became the chairman of the Jewish Agency executive in 1935. Zeev Jabotinsky's Union of Zionist Revisionists was the principal opposition party. The Revisionists' opposition was so firm, in fact, that they seceded from the Zionist Organization and each of the other governing bodies at least once during the tumultuous years between their founding in 1925 and the establishment of the state in 1948. They too pressed for Jewish national rights in Palestine, but they opposed the official law-abiding Zionist policy toward the British as lacking purpose and firmness, rejected the prevailing socialist ethos, and held that private investment was the fastest way to bring large numbers of Jews to Palestine to populate the "maximalist" state—which, the Revisionists insisted, should eventually occupy both sides of the Jordan River. Betar, whose members surreptitiously tore down the offensive Nazi flag in Jerusalem, was the Revisionist youth movement.

Such demonstrations aside, though, Nazi Germany's ties with Palestine proceeded normally through the prewar years. There were mail, telephone, and financial links; many German Jews who had been forced out of their jobs continued to receive their monthly social-security pensions in Palestine. Palestine exported to Germany and Germany to Palestine. People traveled back and forth by sea and occasionally by air. Some came from Germany to scout out conditions in Palestine before deciding to settle there. Others arrived as businessmen, and still others as vacationers and tourists. German government officials also visited, including Wilhelm Frick, Hitler's minister of the interior, who passed through Jerusalem on his honeymoon.

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Readers of the lively Hebrew press in Palestine received a broad range of information on the rise of the Nazis, based primarily on reports from the international wire services, but sometimes on the work of their own special correspondents. In the months preceding the political revolution in Germany, stories from Berlin made headlines in all Zionist papers almost every day. The reports of the events that led to Hitler's seizure of power

were not accurate in every detail, but the general picture they gave was reasonably correct.

On January 31, 1933, the day after Hitler became chancellor, the independent liberal daily *Haaretz* decried this "hugely negative historical event."<sup>2</sup> Ten days later, it ran a headline that read, "BLACK DAYS IN GERMANY."<sup>3</sup> The paper followed the ongoing "anti-Semitic horror," but during those first weeks it, like the British press, generally aimed at reassuring its readers: "One must suppose that Hitlerism will now renounce terrorist methods: government brings responsibility."<sup>4</sup> The right-wing *Doar Hayom* agreed: "There can be no doubt that Hitler the chancellor will be different from the Hitler of the public rallies."<sup>5</sup> But from the start, *Davar*—the left-wing daily published by the Histadrut (Labor Federation)—was more pessimistic: "It was a bitter and ill-fated day when the New Vandal came to power," the newspaper wrote the day after the change of government in Germany. It described Hitler as a man of hate and demagoguery, who would "tear the Jews out by their roots."<sup>6</sup>

Although the press saw Nazism as a new chapter in the long history of anti-Semitism that stretched from the Middle Ages through the Tsarist regime in Russia, it found the current incarnation difficult to understand. Several weeks after Hitler became chancellor, one writer likened Nazi Germany to the primitive world of Kipling's *Jungle Book*; another writer called Nazism an "obvious example of mass psychosis," suggesting that only psychiatry could explain it.<sup>7</sup>

Already visible at this early stage were the outlines of the debate that would come to preoccupy Israel: What was the proper attitude to take toward the German people? The positions ranged across the political spectrum: *Hapoel Hatsair*, the weekly newspaper of the left-of-center Labor party (Mapai), declared, "Our war against this despicable and mad enemy is a war against a particular regime . . . but it is not a war against the German people."<sup>8</sup> Those on the right tended not to make this distinction: Seventeen million people—the number who voted for Hitler—are more than a minor party, wrote Revisionist leader Jabotinsky, condemning the whole German nation.<sup>9</sup> Then there was the middle way: The fact that the majority of Germans supported Hitler, *Haaretz* thought, attested to the fact that stupid, rude, and narrow-minded national chauvinism was rooted in the German people more deeply than in any other nation; nonetheless, "all the Hitlers in the world cannot eliminate the names of Kant, Goethe, and Schiller from German history." In this connection, the newspaper coined the expressions "the other Germany"

and "the different Germany," highly charged terms that would later see much use in Israeli politics.<sup>10</sup>

More than anything else, though, the rise of the Nazis was seen as confirming the historical prognosis of Zionist ideology. *Hapoel Hatsair* described the Nazi persecution of the Jews as "punishment" for their having tried to integrate into German society instead of leaving for Palestine while it was still possible to do so. Now they would have to run in panic, "like mice in flight," the paper said.<sup>11</sup> The Revisionist paper *Hazit Haam* used even stronger language: "The Jews of Germany are being persecuted now not despite their efforts to be part of their country but because of those efforts."<sup>12</sup> The Holocaust would later be the primary argument for the establishment of the State of Israel and for its wars of survival.

The leaders of the *yishuv*—the Jewish community in Palestine—and the heads of the political parties followed the German crisis closely; they seemed to have grasped its meaning quite soon. "Hitler's anti-Jewish plans form an organic part of his ideology and he is likely to try to carry them out," Jabotinsky declared at the beginning of 1933, and two years later he wrote, "The Third Reich's policy toward the Jews calls for a war of extermination. It is being conducted in a way that exceeds the bounds of humanity."<sup>13</sup> In 1934, David Ben-Gurion stated after reading Hitler's *Mein Kampf*, "Hitler's policy puts the entire Jewish people in danger."<sup>14</sup>

Everyone wondered how the persecution of the Jews in Germany would affect life in Palestine. The papers predicted "loss and ruin beyond repair" and described "the dance of death" that was going on in Berlin. Nonetheless, they expected that "the hour of trouble and anguish" would open unprecedented historical opportunities—specifically, increased immigration to Palestine.<sup>15</sup> Ben-Gurion hoped the Nazis' victory would become "a fertile force" for Zionism.<sup>16</sup> Writer and Mapai activist Moshe Beilinson went to Germany and reported back to Berl Katznelson, editor of *Davar* and one of the leaders of Mapai, "The streets are paved with more money than we have ever dreamed of in the history of our Zionist enterprise. Here is an opportunity to build and flourish like none we have ever had or ever will have."<sup>17</sup>

A few months after Hitler rose to power, a senior Zionist official made a trip to Berlin to take advantage of that opportunity, to negotiate with the Nazis for the emigration of German Jews and the transfer of their

property to Palestine. Arthur Ruppin, economist and jurist, had been born in Prussia but had lived in Palestine for twenty-five years. A founder of Tel Aviv, he was, at fifty-seven, a central figure in the Zionist movement. By the time he returned to Berlin that summer of 1933, thousands of German Jews had already been expelled from their jobs—civil servants, teachers, professors, doctors, lawyers, judges. Thugs from the SA, the Nazi party's storm troopers, patrolled the entrances to Jewish stores to deter customers from entering; from time to time they would attack Jews in the street or light bonfires to burn books by Jewish authors. The first concentration camps were already in operation, one of them not far from Berlin.

Although Germany lived under a reign of terror, Ruppin could see little visible evidence of the Nazi revolution. "Had I not known from the newspapers and from personal conversations how much the economic and political situation of the Jews had worsened as a result of government decrees, I would not have sensed it at all on the streets, at least not in Berlin," he wrote in his diary.<sup>18</sup> Jewish business establishments were open, he noted. On the Kurfürstendamm, the elegant boulevard in the center of town, the cafés still welcomed Jewish customers and served them as if nothing had happened.

Georg Landauer, a member of the Jewish Agency and formerly a leader of the Zionist movement in Germany, suggested to Ruppin that he travel to Jena, the famous university town that had once been home to Schiller, Hegel, and other great German scholars. There, Landauer said, he could meet Hans F. K. Günther, one of the leading Nazi race theorists. Ruppin would be interested; he had himself conducted some research into the origins of the "Jewish race," looking in particular for a connection between the physical appearance and the mental characteristics of the Jews. During a two-hour meeting, Günther explained to Ruppin that Aryan racial doctrine had not originated with him. The Jews were not inferior to the Aryans, he reassured Ruppin, they were simply different. This meant that a "fair solution" had to be found for the Jewish problem. The professor was extremely friendly, Ruppin recorded with satisfaction.<sup>19</sup>

Ruppin also felt well received at the Nazi foreign and finance ministries, he wrote. On the afternoon of August 7, 1933, he attended a meeting in the finance ministry. The parties agreed that every Jew who emigrated to Palestine would be allowed to take £1,000 sterling (about \$4,000) in foreign currency and to ship to Palestine merchandise worth 20,000 German marks (about \$5,000), or even more, with the finances to be



handled by Jewish and German trust companies.<sup>20</sup> The sum of £1,000 was necessary to receive British permission to settle in Palestine as a "capitalist," as this category of immigrant was called. It was a sizable sum; a family of four could then live in bourgeois comfort on less than £300 a year.<sup>21</sup>

The *haavara* ("transfer") agreement—the Hebrew term was used in the Nazi documents as well—was based on the complementary interests of the German government and the Zionist movement: the Nazis wanted the Jews out of Germany; the Zionists wanted them to come to Palestine.<sup>22</sup> But there was no such mutuality of interests between the Zionists and German Jewry. Most German Jews would have preferred to stay in their country. The tension between the interests of the yishuv (and, in time, the State of Israel) and those of world Jewry was to become a central motif in the story of the Israelis' attitude to the Holocaust.

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It is not possible to establish who was the first to propose negotiating with the Third Reich about arrangements for emigration and transfer of property. The proposal, however, had a good Zionist pedigree; Theodor Herzl had suggested similar ideas in his book *The Jewish State*.<sup>23</sup> It would seem that something like the *haavara* agreement came more or less simultaneously to a number of people.

Sam Cohen, for instance, was a millionaire from Lodz, Poland, who had settled in Berlin and dealt in real estate, most successfully. He was part owner of a small bank and a coal mine and had his own chateau. A seasoned businessman, this adventurer and philanthropist had purchased land in Palestine and ran a company called Hanotea ("the Planter") that rented land to new settlers. When the Nazis seized power, he hit on the idea that transferring the capital of German Jews to Palestine, in the form of goods, would advance Zionist interests (by increasing both immigration and capital in Palestine) and those of Hanotea as well (through sales and commissions). His connections in Berlin had helped him obtain the first permits allowing Jews to take out of Germany the sum of money necessary to settle in Palestine as "capitalists"; presumably Hanotea would manage the transfer of their property as well. It seemed like a good deal for all concerned. Another man with a related idea was Haim Arlosoroff, the head of the political department of the Jewish Agency. Apparently he did not know about Cohen's arrangement when he came to Berlin in June 1933 to try to obtain something similar;

Arlosoroff himself liked to keep the details of his contacts secret. Yet another was a lawyer named Felix Rosenblüth, formerly one of the leaders of German Zionism; he had floated such ideas in conversations with other Zionist notables who had emigrated from Germany—one of whom was Arthur Ruppin.

The various uncoordinated negotiations with the Germans lasted for several months in early 1933. At one stage the controller of foreign currency in the German finance ministry, Hans Hartenstein, was surprised to discover that the Jews sitting across the table from him did not represent a unified interest but rather were competing with one another, threatening the entire arrangement. The leaders of the Jewish Agency wanted to prevent private entrepreneur Cohen from getting a monopoly on the deal, partly because his Hanotea was identified with the Revisionist right in Palestine. Instead they brought in Yachin, a firm affiliated with the Histadrut, whose Berlin representative was Levi Shkolnik, later to be Prime Minister Levi Eshkol.\*

Intervention by the German consul in Jerusalem, Heinrich Wolff (soon to be relieved of his post because he had a Jewish wife), was necessary to prevent the collapse of the negotiations. He found himself in a bind—Cohen had apparently bribed him, and the Jewish Agency blackmailed him.<sup>25</sup> In the end the Jewish Agency and Ruppin gained control of the negotiations, but Cohen, the Histadrut, Mapai, and the Jewish National Fund (the Zionist Organization's arm for land purchase and development) all received their shares—some of the profits were used to purchase land for Jewish settlement.

The details of the agreement were adjusted from time to time and new arrangements were added over the years, but in the main the haavara operated through trust companies set up in Germany and in Palestine. Before leaving Germany, the Jewish emigrants deposited their capital with the German trust company, which used the money to pay German suppliers for merchandise meant for export to Palestine. The customers in Palestine who ordered merchandise from Germany transferred their payments to a local trust company, which returned the money to the Jews who had in the meantime arrived from Germany. The system was

\* Other future prime ministers were also involved in various stages of the haavara affair. David Ben-Gurion and Moshe Shertok (later Sharett) fought for the haavara agreement at the Zionist Congresses and in the Jewish Agency executive. Golda Meyerson (later Meir) defended it in New York. Menahem Begin was with Zeev Jabotinsky when Jabotinsky fought the agreement.<sup>24</sup>

complex; it required financial expertise and legal acumen, as well as infinite paperwork and patience. All those involved in the agreement benefited. The Nazis got rid of Jews, increased their exports, even though they did not receive foreign currency, and broke the boycott against them that had been initiated by several, mostly American, Jewish organizations. The Zionist movement gained new settlers who, had they not been allowed to transfer their capital, might not have come to Palestine. And the emigrants escaped Germany with more of their property than they might otherwise have done; only slowly did it become clear that they owed their very lives to the agreement, as well.

The haavara system continued to function in one form or another until the middle of World War II. Some 20,000 people were assisted by it, and about \$30 million was transferred from Germany to Palestine. Not an earthshaking sum even then, but it gave a certain impetus to the country's economy and to the Zionist enterprise.<sup>26</sup> The immigrants themselves were forced to wait a long time for their money, sometimes as much as two or three years. They lost up to 35 percent of their capital, but according to calculations by proponents of the haavara, they would have lost more had they tried to transfer their capital in any other legal way.<sup>27</sup>

Nonetheless, the haavara was dealing with the devil, and it aroused fierce disputes and conflicts that lasted as long as the agreement itself: a left-wing national leadership versus a right-wing opposition that did not have to prove its rhetoric in policy; pragmatic activism versus emotional populism; the need to rescue Jews and build Jewish settlement versus the desire to preserve the national honor; Zionist interests in the Land of Israel versus worldwide Jewish solidarity. Nothing provoked sharper divisions among Jews at that time than the haavara agreement, David Ben-Gurion commented.<sup>28</sup> The debate was further inflamed by battles for prestige and ideological supremacy, intrigues and accusations, threats, deception, obstruction, blackmail, extortion, and a murder that would haunt Israeli politics for another fifty years.



At that time Zionist politics in Palestine were deeply influenced by the ideological currents in Europe, both left and right. Almost everything written in the left-wing press about the rise of the Nazis reflected a sense of social-democratic solidarity and the fear created by the destruction of Weimar democracy. Thus the Mapai weekly *Hapoel Hatsair*, not con-

fining its attention to the danger the Jews were facing, described Nazism as a "black reaction meant to draw Germany back to the darkest ideas of the Middle Ages."<sup>29</sup>

The Revisionist right, by contrast, had long been sympathetic to Benito Mussolini's Fascism and now and then even to Adolf Hitler's Nazism—except, of course, his anti-Semitism. Betar, Jabotinsky's youth movement, fostered classic Fascist ideas and forms. In 1928, Abba Ahimeir, a well-known Revisionist journalist, had a regular column, "From the Notebook of a Fascist," in the newspaper *Doar Hayom*. In anticipation of Jabotinsky's arrival in Palestine, he wrote an article titled "On the Arrival of Our Duce."<sup>30</sup>

Four years later, in early 1932, Ahimeir was among those brought to trial for disrupting a public lecture at the Hebrew University. The incident and the resulting trial are worthy of note only because of a declaration by defense attorney Zvi Eliahu Cohen in response to a speech by the prosecutor comparing the disruption of the lecture with Nazi disturbances in Germany: "The comment on the Nazis," Cohen said, "went too far. Were it not for Hitler's anti-Semitism, we would not oppose his ideology. Hitler saved Germany." This was not an unconsidered outburst; the Revisionist paper *Hazit Haam* praised Cohen's "brilliant speech."<sup>31</sup>

When it came to the struggle between the Nazis and their Communist opponents, the right-wing press in Palestine had a clear preference. Ahimeir heralded the Führer's appointment with an article that placed Hitler among other "shining names": Mustafa Kemal Atatürk, Jozef Pilsudski, Eamon De Valera, and Benito Mussolini.<sup>32</sup> "Hitler has still not caused us as much evil as Stalin has," asserted *Hazit Haam* a few weeks after the change in the German government; there was a difference between the attitude of the Zionist left toward the Nazis and that of the Revisionists: "Social democrats of all stripes believe that Hitler's movement is an empty shell," the newspaper explained, but "we believe that there is both a shell and a kernel. The anti-Semitic shell is to be discarded, but not the anti-Marxist kernel." The Revisionists, the newspaper wrote, would fight the Nazis only to the extent that they were anti-Semites.<sup>33</sup>

Jabotinsky, however, was less sympathetic than some of his followers: He chastised the editors of *Hazit Haam*: the articles on Hitler were "a knife in the back," "a disgrace," and "verbal prostitution"; such articles, he insisted, must no longer be published. Within a few weeks, his followers, too, learned to forsake the distinction between shell and kernel.<sup>34</sup>

The haavara agreement was a central issue in the elections in the summer of 1933 for representatives to the Eighteenth Zionist Congress. The Revisionists rejected any contact with Nazi Germany. It was inconsistent with the honor of the Jewish people, they said; Jabotinsky declared it "ignoble, disgraceful, and contemptible."<sup>35</sup> The Revisionist press now castigated the Zionist Organization and the Jewish Agency as "Hitler's allies," people "who have trampled roughshod on Jewish honor, on Jewish conscience, and on Jewish ethics, . . . dark characters who have come to trade on the troubles of the Jews and the land of Israel, . . . low types who have accepted the role of Hitler's agents in Palestine and in the entire Near East, . . . traitors, . . . deceivers who lust after Hitler's government."<sup>36</sup>

The Zionist establishment found it hard to counter the emotional Revisionist opposition to contact with Germany. As would happen more than once thereafter, the Mapai leadership advocated a more temperate approach than most of its voters wanted; for this reason it tried, as it would also do in future controversies, to conceal the details of its contacts, including those concerning the haavara agreement. These details were acknowledged only after they were leaked to the press. And then the leaders offered purely practical justifications; what they proposed was not

\* In the tense battle between left and right, party leaders often compared their opponents to the Nazis; Adolf Hitler's name thus penetrated public consciousness not only as a danger but also as an all-purpose political insult.

David Ben-Gurion was in Berlin for a conference at the time of elections for the fifth Reichstag on September 14, 1930, when the Nazis became the second-largest faction in the Weimar parliament. He wrote the next day that "the deafening victory of the 'German Revisionists' was greater than anyone had feared." After reading the Nazi party newspaper, Ben-Gurion wrote, it seemed to him that he was reading the words of Zeev Jabotinsky in *Doar Hayom*: "the same things, the same style, and the same spirit."<sup>37</sup>

Zionist leader Chaim Weizmann, later the first president of Israel, spoke out that same year against "Hitler-style" political hysteria and stated that Revisionism resembled "Hitlerism in its worst form."<sup>38</sup> In 1932, the editor-in-chief of the Mapai weekly depicted the Revisionists as "children playing with a Jewish swastika."<sup>39</sup> Later that year, Jabotinsky returned the compliment in an anti-Mapai article entitled "The Red Swastika."<sup>40</sup> Two months after Hitler came to power, Ben-Gurion, speaking at a rally in Tel Aviv, called Zeev (born Vladimir) Jabotinsky "Vladimir Hitler."<sup>41</sup>

So they would speak throughout the period of Nazi power and for years to come. Long after the grisly details of the Holocaust became known, Ben-Gurion compared Menahem Begin to Hitler.<sup>42</sup> Berl Katznelson, by contrast, sharply condemned comparisons between the Revisionists and the Nazis.<sup>43</sup>

clothed in glory or crowned with national honor; they spoke only of realistic goals, of what was possible, what could be done. The pragmatists pointedly reminded the Revisionists of the agreement that Jabotinsky had negotiated with the anti-Communist government of Simon Petlura to create a Jewish gendarmerie, even though Petlura's followers had massacred Ukrainian Jews. They quoted Jabotinsky's declaration that for the Land of Israel he was willing to make a pact with Satan himself.<sup>44</sup> Ben-Gurion proposed to his party that it publish a special pamphlet containing the details of the agreement between the Revisionist Hanotea and the German authorities, in order to denounce the hypocrisy of the opponents of the haavara policy.<sup>45</sup>

As the election campaign for the Eighteenth Zionist Congress intensified, the Revisionist newspaper *Hazit Haam* published an article in which it charged that the Hebrew nation's honor, rights, security, and position in the world "had been sold to Hitler for a whore's wages," unconditionally and without anything in return. The Jewish people, the newspaper threatened, "will know how to respond to this odious act."<sup>46</sup> Among the villains condemned for having a hand in the agreement was Haim Arlosoroff.

That same day, June 16, 1933, Arlosoroff had lunch with Sir Arthur Wauchope, the British high commissioner for Palestine; two days earlier, Arlosoroff had returned from conducting haavara business in Germany. That evening he went for a walk on the Tel Aviv beach with his wife, Sima. Two men loitering there approached them. While one shone a flashlight in Arlosoroff's face, the other pulled out a pistol and shot him. Arlosoroff was rushed to the Hadassah Hospital, where he died on the operating table soon after midnight. Mapai accused the Revisionists of murder; the incident poisoned relations between the two parties for many years thereafter.\*



\* One of the odder decisions of the Begin administration was to establish an official commission of inquiry in 1982 to determine whether there was any truth to the claim, made anew in Shabtai Teveth's biography of Ben-Gurion, that two members of the Revisionist movement were partners in the murder of Arlosoroff. The commission concluded that the men named were neither murderers nor accomplices to murder. Yet the commission also held that the evidence did not allow it to determine the identity of the murderers or whether the death had been a political assassination.<sup>47</sup> The mystery remained unsolved.

Instead of dealing with the Nazis, the Revisionists proposed banishing Germany from the family of nations and imposing an international economic and diplomatic boycott. This idea was born in America; it was belligerent and proud but had no hope of toppling Hitler's regime. The Nazis, though, did not make light of the ability of the Jews to cause them damage; they threatened the Jewish leadership in America, organized a one-day counterboycott against Jewish stores in Germany, and speeded up the negotiations on the *haavara* agreement. One of their goals was to divide the Jewish world between the supporters of the *haavara* and the supporters of the boycott—and the division indeed occurred.<sup>48</sup>

When the Zionist Congress convened in Prague in August 1933, it in effect approved the *haavara* policy. Yet when it adjourned, many of the delegates and functionaries went on to Geneva for an international Jewish conference called by Rabbi Stephen Wise of the American Jewish Congress to make plans for the boycott of Germany.\* The purpose of the boycott was to force the Nazis to halt their persecution, so that Jews could continue to live in Germany. Ben-Gurion and his associates, by contrast, wanted German Jews to settle in Palestine, and they saw the *haavara* policy as a means toward that end.

In Palestine too, the debate continued. "What's happened to you?" Ben-Gurion exploded when the *haavara* was challenged at a meeting of the Vaad Leumi (National Council) in 1935: "Have you lost your minds?"† What had happened to Judaism, he wondered, always so pragmatic and commonsensical? Did the members want to assist Hitler?<sup>49</sup> Years later, this same style, sometimes the very same words, shaped the debate over the reparations agreement between West Germany and Israel.

In his impassioned speech, Ben-Gurion called for the rescue of German Jewry, "a tribe of Israel," and their transfer to Palestine, rather than action against Hitler. "I do not believe that we can oust him and I am not interested in anything other than saving these 500,000 Jews," he said.<sup>50</sup> Ben-Gurion saw the debate between rescue and boycott as a debate between Zionism and assimilation, between the nationalist interests of Jewish settlement in Palestine and the international war against anti-

\* This was the second meeting of its kind, the first having been convened the previous year, before the Nazis came to power; the third came a year later. These conferences, in part, laid the groundwork for the World Jewish Congress.

† The Vaad Leumi, the elected National Council of the Jews of Palestine, oversaw Jewish municipal governments, handled internal matters such as the school system, and, along with the Jewish Agency, supervised the Haganah, the clandestine Jewish defense force.

Semitism.<sup>51</sup> The assumption implicit in his words was that the war against anti-Semitism was not part of the Zionist mission. "The difference between the Exile [as the Diaspora was called] and Zion is that the Exile, fighting for its life, wishes to overcome the evil Haman in his country," explained Yehoshua Radler-Feldman, a well-known columnist who wrote under the pen name Rabbi Benyamin. The Exile, he continued, "wants the Jews to remain in Germany despite all the troubles and persecutions and victims. . . . Zion wants to uproot them. It washes its hands of a war with Haman, which in its eyes is but a Sisyphean task, its whole interest being only in illegal and legal immigration, despite all the anguish and sacrifice on the way to Zion."<sup>52</sup>

According to Ben-Gurion, there was within every Jew both a Zionist and an assimilationist. The struggle between the two, he said, was the "most urgent moral national issue" facing Jewry at that particular moment.<sup>53</sup> "The assimilationists have always declared war on anti-Semitism," he said.

Now this is expressed in a "boycott" against Hitler. Zionism has always [advocated] the Jewish people's independence in its homeland. Now some Zionists have joined the chorus of the assimilationists: a "war" against anti-Semitism. But we must give a *Zionist* response to the catastrophe faced by German Jewry—to turn this disaster into an opportunity to develop our country, to save the lives and property of the Jews of Germany for the sake of Zion. *This* rescue takes priority over all else.

To concentrate now on a boycott, he concluded, would be a "moral failure" of unprecedented proportions.<sup>54</sup>

Ben-Gurion's words provoked strong reactions. "All this enthusiasm from the left would not have been were institutions affiliated with Mapai not benefiting [from the haavara agreement]," huffed *Doar Hayom*.<sup>55</sup> The more moderate right-wing *Haboker* described Ben-Gurion's speech as "banal, vain talk," both irresponsible and insulting. There would always be Jews living in other countries, the paper stated, describing the use of the term *assimilationist* as "the height of demagoguery."<sup>56</sup>

Even among the Zionist leadership, Ben-Gurion's position was not unanimously supported. Some Jewish Agency leaders charged that the agreement with the Germans was liable to encourage the Poles to attack their Jews as well. Yitzhak Gruenbaum, a member of the executive and



formerly a Jewish leader in Poland, demanded an end to the *haavara*. "We must begin an open war against Nazi Germany without giving any consideration to the fate of the Jews in Germany," Gruenbaum said. He proposed examining the possibility of "smashing the windows in all their embassies" and organizing mass demonstrations. "German Jewry will obviously pay for this," he noted, "but there is no alternative. If we do not do it now, the fate of the Jews of Poland and Romania tomorrow will be like that of the Jews of Germany today."<sup>57</sup> Gruenbaum felt that settlement should not be rushed: "We need the Exile for at least another fifty years," he said, and warned that Jews should not be encouraged to flee their countries: "A nation in flight cannot build a homeland."<sup>58</sup>

Other Jewish Agency leaders continued to argue that there was no contradiction between the boycott and the *haavara* policies and that both had a part to play in a single strategy. This was, of course, illogical. Ben-Gurion was right: the movement to boycott Germany did in fact reflect a rather pathetic attempt to maintain Jewish rights wherever Jews lived, including Nazi Germany. To make his point, Ben-Gurion used harsh language that would in time be employed by anti-Zionists: "If I knew that it was possible to save all the children in Germany by transporting them to England, but only half of them by transporting them to Palestine, I would choose the second—because we face not only the reckoning of those children, but the historical reckoning of the Jewish people."<sup>59</sup> In the wake of the *Kristallnacht* pogroms, Ben-Gurion commented that "the human conscience" might bring various countries to open their doors to Jewish refugees from Germany. He saw this as a threat and warned: "Zionism is in danger!"<sup>62</sup>

The *haavara* debate thus led to collective soul-searching among the Jews in Palestine and to a deep crisis of identity. Who are we, they asked—humans, Jews, or Zionists? What are our privileges and our duties? Each party found support for its own claims in Jewish history.

\* Shabtai Teveth, Ben-Gurion's biographer, made a great effort to put this statement in a different light. Two years previously, Ben-Gurion had said the opposite, and he was in the habit of phrasing his positions with gross overstatement, in the form of a *reductio ad absurdum*, the loyal biographer explained. Ben-Gurion knew that he had no way of saving these children, either in Palestine or in England. He did not intend the horrifying connotation that future events would give to his words. All he wanted to say was that the only possible deliverance for the Jewish people was in Palestine, Teveth wrote.<sup>60</sup> In any case, the *haavara* agreement with the Nazis was based on the condition that the Jews go to Palestine.<sup>61</sup>

"History," *Haboker* said, "will always relate proudly and with admiration the story of an exceptional woman, Doña Gracia Mendes, who initiated (in the sixteenth century) the movement to boycott the adversaries of the Jewish people. Were she to hear speeches like those of David Ben-Gurion to the Vaad Leumi, she would hang her head in shame."<sup>63</sup> Others said that there was no reason not to negotiate with Adolf Hitler to save German Jews and bring them to Palestine; after all, Moses had had no qualms about negotiating with Pharaoh to take the children of Israel out of Egypt.<sup>64</sup>

In this struggle for control of the Zionist movement, the proponents of the *haavara* agreement prevailed. The next Zionist Congress, meeting in Lucerne in 1935, reaffirmed the policy. The Vaad Leumi, in the end, also rejected the boycott.<sup>65</sup>

5

The *haavara* agreement would in the end shore up the Jewish Agency—then almost bankrupt—and grant it renewed momentum. But this victory was not without cost; it effectively isolated the *yishuv* from the dominant current of world Jewish response to the rise of the Nazis. Nevertheless, the pragmatists were convinced that the boycott of Germany could not advance the interests of Palestine, that their ends could best be accomplished through contact with the Nazis. Thus the leaders sought to keep relations with Nazi Germany as normal as possible: Two months after Hitler came to power the Jewish Agency executive in Jerusalem had sent a telegram straight to the Führer in Berlin, assuring him that the *yishuv* had not declared a boycott against his country; the telegram was sent at the request of German Jewry in the hope of halting their persecution, but it reflected the Jewish Agency's inclination to maintain correct relations with the Nazi government. Many years later, Menahem Begin revealed that the Zionist Organization had sent Hitler a cable of condolence on the death of President Hindenburg.<sup>66</sup>

There were further contacts with the Nazis over the years. Working in cooperation with the German authorities, the Jewish Agency maintained immigration agents in Nazi Berlin.<sup>67</sup> Georg Landauer, for example, carried a letter, in German, certifying that the Jewish Agency had authorized him to conduct negotiations with the Third Reich about vocational training for prospective immigrants and arrangements for the transfer of their capital. The letter was signed by Arthur Ruppin and David Ben-Gurion.<sup>68</sup>

The Zionists also cultivated public relations in Germany. In the spring of 1933, they invited Baron Leopold Itz von Mildenstein, an engineer and journalist of Austrian extraction and one of the first members of the SS, to come to Palestine with his wife, to write a series of articles for *Angriff*, Joseph Goebbels's newspaper. The von Mildensteins came, accompanied by Kurt Tuchler and his wife. Tuchler was active in the Zionist Organization of Berlin and was in charge of relations with the Nazi party. "Our goal," he would later recall, "was to create, in an important Nazi newspaper, an atmosphere that would advance the cause of Zionist settlements in Palestine." According to Tuchler, Zionist "authorities" approved his initiative.<sup>69</sup>

The goals were fully realized: Von Mildenstein toured the country from one end to the other, met large numbers of Arabs and Jews, and was also the guest of several kibbutzim. He was deeply impressed. His articles, titled "A Nazi Visits Palestine," exuded sympathy for Zionism.<sup>70</sup>

The *Angriff* attached such importance to this series of articles that it cast a special medallion to commemorate von Mildenstein's journey: one side displayed a swastika and the other a Star of David. Von Mildenstein also took several recordings of Hebrew songs back with him; Tuchler heard one of the records playing during one of his visits to Gestapo headquarters. Von Mildenstein did more than promote Zionism to the German public. From time to time he also passed on useful information to Tuchler. He kept in contact with the Tuchler family even after they settled in Palestine. Each year he sent them greetings, in Hebrew, for Rosh Hashanah, the Jewish New Year.<sup>71</sup>

Von Mildenstein headed the Office of Jewish Affairs; on his staff was the man who would be his successor: Adolf Eichmann. Eichmann himself set out to visit Palestine in 1937, but the British would give him only a transit pass good for a single night in Haifa. Traveling on to Cairo, he summoned a Jew from Jerusalem, one Feibl Folkes. A report Eichmann wrote of his trip and the record of his interrogation by the Israeli police decades later indicate that Folkes was a member of the Haganah—the clandestine Jewish defense force—and a Nazi agent. On one occasion he even met with Eichmann in Berlin. The Nazis paid him for his information, mostly rather general political and economic evaluations. Among other things, Eichmann quoted Folkes to the effect that Zionist leaders were pleased by the persecution of German Jewry, since it would encourage immigration to Palestine. During his meeting with Folkes, at

the Groppi coffeehouse in Cairo, Eichmann asked about the absorption of German Jews in Palestine.\*

The Reich annexed Austria in 1938. After the *Anschluss*, Eichmann was put in charge of Jewish affairs there and, in this capacity, met more than once with Jewish representatives and Zionist functionaries, including Teddy Kollek, later one of Ben-Gurion's chief assistants and mayor of Jerusalem. The meeting took place in the spring of 1939 in Vienna, where Kollek had grown up. Eichmann's staff was housed in a wing of the Rothschild mansion.

"My appointment with Eichmann was the first time I had ever visited the home of the Rothschilds," Kollek later recalled. "I walked through a large, elegant, wood-paneled room up to a desk, and there he was, a neatly dressed, clean-shaven young man in a black uniform with the swastika on his arm. He gave the impression of being a minor clerk—not aggressive, not loud, not impolite. But he kept me standing throughout the interview." Kollek notified Eichmann that he had entry permits to England for young Jews who were then in an agricultural training camp. He asked that they be allowed to leave Austria, with Palestine as their ultimate destination. "Eichmann was very businesslike and asked me a few technical questions," Kollek wrote. "How many English entry permits could I provide? How soon could the people leave? Would the permits include both boys and girls?" After about fifteen minutes Eichmann approved the request and sent Kollek on his way. "He did not make any special impression on me," wrote Kollek, who did not see Eichmann again until twenty-one years later, when he was in charge of arrangements for the trial in Jerusalem.<sup>73</sup>

Less than a month before the war started, Jewish Agency representatives were still talking with Eichmann about an agreement—never carried out—to allow ten thousand Jews to leave through the port of Hamburg.<sup>74</sup>

Other Zionist notables also had contact with the Gestapo, including its first commander, Rudolf Diels. They did not accomplish much, but

\* It is hard to be certain what position Folkes held in the Haganah, if any. He claimed that the entire story was a fabrication and that he had met with Eichmann and his associates for business purposes, at his own initiative. The Haganah archives produce a note written by Shaul Avigur, a Haganah leader, to Yehuda Slotzki, the organization's official historian, stating that, based on an examination conducted with the assistance of the Israeli security services, Avigur had reached the conclusion that the Folkes-Eichmann meeting had been "a passing episode of no significance."<sup>72</sup>

sometimes they helped free prisoners and ease the work of the Central Organization of German Jews, which was established on the orders of the Nazis and which included German Zionists. A number of these contacts grew out of personal acquaintances made before the Nazis came to power, often between people who had gone to the same school.<sup>75</sup> Jewish Agency official Haim Arlosoroff once considered taking advantage of his acquaintance with Magda Friedlander, a classmate who had married Joseph Goebbels.<sup>76</sup>

Ironically, the Revisionists also had fairly wide-ranging links with the Nazis. The Betar youth movement was active in Berlin and several other German cities. About half a year before the Nazis came to power, the movement's leadership distributed a memorandum to its members that was both commonsensical and cautious. The Nazis should be treated politely and with reserve, the memorandum instructed. Whenever Betar members were in public, they should remain quiet and refrain from vocal debates and critical comments. Under no circumstances should anyone say anything that could be interpreted as an insult to the German people, to its institutions, or to its prevailing ideology.<sup>77</sup>

The Nazis allowed Betar to continue its activities—meetings, conventions, summer camps, hikes, sports, sailing, and agricultural training. Members were allowed to wear their uniforms, which included brown shirts, and they were allowed to publish mimeographed pamphlets, including Zionist articles in a nationalistic, para-Fascist tone, in the spirit of the times. The German Betar pamphlets focused on events in Palestine, and their exuberant nationalism targeted the British, the Arabs, and the Zionist left. They contained no references to the political situation in Germany. With this exception, they were similar to nationalist German youth publications, including those published by the Nazis. Jabotinsky decried the influence Hitlerism was having on the members of Betar.<sup>78</sup>

As the Revisionists pushed for a boycott, they could no longer openly support their youth movement in Germany. German Betar thus received a new name, Herzlia. The movement's activity in Germany required, of course, Gestapo approval; in fact, the movement operated under the Gestapo's protection. A group of SS men once attacked a Betar summer camp. The head of the movement complained to the Gestapo, and a few days later the secret police announced that the SS men involved had been disciplined. The Gestapo asked Betar what compensation would be appropriate. The movement asked that a recent prohibition forbidding

them to wear their brown shirts be lifted; the request was granted.\*<sup>79</sup>

Betar was active in Austria as well. Its members continued to meet even after the *Anschluss*. This required regular contacts with Gestapo representatives and with Adolf Eichmann. Betar leaders sent the German secret police a memorandum offering to organize the emigration of Austrian Jews. The assumption was that the Nazis and Betar had common interests, just as the Nazis and the Jewish Agency had. The Nazis allowed Betar to open an emigration office and even helped by supplying the emigrants with foreign currency. Most of these emigrants were meant to enter Palestine illegally on boats chartered by Betar.<sup>80</sup>

In the second half of 1940, a few members of the Irgun Zvai Leumi (National Military Organization)—the anti-British terrorist group sponsored by the Revisionists and known by its acronym Etzel, and to the British simply as the Irgun—made contact with representatives of Fascist Italy, offering to cooperate against the British. Soon the Etzel split, and the group headed by Avraham "Yair" Stern formed itself into the Lehi (from the initials of its Hebrew name, Lohamei Herut Yisrael—Fighters for the Freedom of Israel), also known as the Stern Gang. A representative of this group met with a German foreign ministry official and offered to help Nazi Germany in its war against the British. The Germans understood that the group aimed to establish an independent state based on the totalitarian principles of the Fascist and Nazi regimes.<sup>82</sup> Many years after he tried to forge this link with the Nazis, a former Lehi leader explained what had guided his men at the time: "Our obligation was to fight the enemy. We were justified in taking aid from the Nazi oppressor, who was in this case the enemy of our enemy—the British."<sup>83</sup>

All this indicates that the Revisionists were no less pragmatic than the Zionist leadership. They were simply more cynical. The inflammatory arguments the Revisionists used to condemn relations with Hitler's Germany were meant to advance their own political interests. To that end, they organized public rallies and processions and even a "referendum" against the *haavara*, a kind of mass petition condemning the agreement. The Jewish Agency responded with large, unsigned placards calling for "political maturity" and charging that the Revisionists were exploiting

\* Other groups more loosely affiliated with the right wing also considered contact with Germany. As the Berlin Olympics of 1936 approached, the sports pages of the Hebrew press were full of debate over whether the Maccabee sport club in Tel Aviv should take part in a series of competitions with the Berlin branch of the organization. In the end, the athletes did not go.<sup>80</sup>

the tragedy of German Jewry: "Jews!" cried the Jewish Agency broadside. "Do you want to help them sacrifice German Jewry? Do you want to aid the extermination of German Jewry?" This was the first time in the nation's history, the placard stated, that the yishuv was being given a chance "to save an entire persecuted tribe."<sup>84</sup>

Zionist logic dictated that Jews needed their own independent country because they would always face discrimination and persecution anywhere else. The Zionist dream conceived of a "new man" in a new society, who would come to the Land of Israel in search of personal and national salvation. Those who came only because they had no other choice, however, did not fit this image and often found themselves objects of condescension and contempt. This paradox was built into Zionist ideology and colored the mentality of the yishuv. "There was this guy named Hitler, in Germany," Ben-Gurion once commented derisively. "Hitler appeared and the Jews began to come."<sup>85</sup> Though most of the immigrants from Germany, and their children after them, stayed in Israel, most did indeed come against their will, as refugees; they were not Zionists. As a result, they found themselves from the start in conflict with the fundamental values of the yishuv. They were called "Hitler Zionists."