The Beginning of Two Crises: the Jewish Immigration and the Partition of Palestine in 1937

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Abstract

This study examines the relationship between two European powers: Nazi Germany and Great Britain and two main elements of the Palestinian Question before 1948: Zionism and Palestinian Nationalism. It explores German policy, particularly the Ha'arava Agreements, toward two major Palestinian crises that began in 1936. These crises were turning point in the modern history of Palestine. The first crisis involved the increase of the Jewish immigration to Palestine from Germany after Hitler's rise to power. The second was the Palestinian demand for national independence like other Arab countries in the area. The views of Nazi Germany concerning Palestine are important to an understanding of the struggle and how Britain dealt with it.
Adolf Hitler saw Zionism as a central part of the international Jewish conspiracy to dominate the world that pervaded his thinking. Hitler expressed his fear and hatred of Zionism in his book *Mein Kampf* when he wrote:

[W]hile Zionism tries to make the other part of the world believe that the national self-consciousness of the Jew finds satisfaction in the creation of a Palestinian State, the Jews again most slyly dupe the stupid Goiim [Gentiles]. They have no thought of building up a Jewish State in Palestine, so that they might perhaps inhabit it, but they only want a central organization of their international world cheating, endowed with prerogatives, withdrawn from the seizure of the others: a refuge for convicted rascals and a high school for future rogues.¹

Palestine occupied an exceptional place in German strategic thinking long before Hitler’s rise to power, indeed before his birth. Ashkenazi Jews from Germany and Poland established a small religious community in Jerusalem around 1800. They lived in abject poverty, supported by contributions from fellow Jews in Europe, and devoted all of their time to religious study. In 1858 they numbered about 5,000 persons, all of whom were considered foreigners by the Ottoman authorities, even those born in Palestine, and they enjoyed the immunity from Ottoman jurisdiction accorded to foreigners under the Capitulations. German Christians had a tremendous religious interest in Palestine as well. In 1841 the governments of Prussia and Great Britain agreed to establish a bishopric of the Anglican Church at Jerusalem under joint Prussian-British control. The Anglican and Lutheran churches agreed to share a church building in Jerusalem and cooperate in their missionary activities.² The arrangement lasted until 1887, when Kaiser Frederick William IV of Prussia cancelled it. From that date the German Lutheran religious mission in the


Holy Land operated independently of the British. A small millenarian Protestant sect, the Deutscher Tempel, or the German Temple Society, established an unauthorized agricultural colony near Nazareth in 1867. The Templers received permission from the Ottoman government to establish a small colony at Sarona, near Jaffa, and another at Haifa in 1868. Actual founding of the Jaffa and Haifa colonies coincided with German unification in 1871. By the early twentieth century the Templers numbered about 1,200 people in colonies at Jaffa, Haifa, Nazareth, and Jerusalem. Germans also had a strong commercial presence in Palestine. Jaffa boasted a German commercial colony that was separate and apart from the Templers at Sarona. Three of Jaffa’s five hotels were owned by Germans, and Germans were prominent among Palestine’s tour operators and foreign business community.

Kaiser Wilhelm II and the intellectual visionaries who fashioned the ideological concept of the Drang nach Osten, Germany’s drive to the East, envisioned a German Empire that would extend from the North Sea, through Central Europe, the Balkans, and Anatolia, and down the Tigris and Euphrates valleys to the Persian Gulf. Wilhelm II wanted Palestine to be part of it, a desire that he did not attempt to conceal. Along with its political, economic, and geo-strategic imperialism, the Drang nach Osten had strong Christian religious overtones that meshed with Jewish political Zionism.

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3 Karl Baedeker, *Palestine and Syria, with the routes through Mesopotamia and Babylonia* (Leipzig: Karl Baedeker, 1906), 21.


6 Evans Lewin, *The German Road to the East; an account of the “Drang nach Osten” and of Teutonic Aims in the Near and Middle East* (New York: George H. Doran Co., 1917), 99-110.
From its beginning, German Jews were prominent in the Zionist movement. In the years leading up to the First World War, the British government believed that a group of wealthy Jews of German origin secretly controlled the Committee of Union and Progress, the revolutionary clique known as the “Young Turks” that from 1908 ruled the Ottoman Empire from behind a constitutional façade. Sir Gerard Lowther, the British ambassador in Constantinople, went so far as to accuse the American ambassador, Oscar Straus, whose family was of German Jewish origin, of being one of the principal leaders in the Jewish conspiracy. Further, several important figures in the British government believed that pro-Zionist Jewish financiers wielded tremendous political influence in the United States. Fear that Germany would issue an endorsement of Zionism in order to win the support of American Jews in the expectation that they would use their influence to curtail American support for Britain and France was the critical factor that prompted the British government to issue the Balfour Declaration on November 2, 1917.

After the First World War, Great Britain held the mandate over Palestine, and an official goal of British policy was to create a Jewish national home in keeping with the promise made to the Zionists in the Balfour Declaration. The immigration of Jews to Palestine and their purchase of land was an inseparable political element or Zionism. During the 1920’s about 80,000 Jews entered Palestine as permanent residents. By 1932 when Jewish immigration reached 11,300 Jewish populations had tripled since 1918, growing to 200,000 and constituting about twenty percent of the total population of

7 David Fromkin, *A Peace to End All Peace; The Fall of the Ottoman Empire and the Creation of the Modern Middle East* (New York: Henry Holt and Company, 1989), 41-44.

8 Ibid, 296-297.
Palestine. Jewish land ownership doubled in the same period, although this represented only about four percent of the total land area.⁹

Affairs in other Arab countries revolved around their internal problems as related to British and French imperial policies in the Mediterranean. In Palestine, however, the situation in Europe, particularly in central Europe, exerted a very potent influence.¹⁰ The difficult economic situation and the nationalistic policies of the governments of newly independent countries with large Jewish populations, such as Hungary, Poland, and Czechoslovakia impelled Jewish emigration. The link between Palestinian affairs and the situation in central Europe became particularly accentuated after the Nazis came to power in Germany in 1932. In other European states the local Fascist and anti-Semitic elements began to regard Germany as showing the way to the solution of the Jewish question and many introduced their own anti-Jewish policies.¹¹

Nazi policy in the 1930s was to compel the Jews to leave Germany. In the early years of Nazi rule in Germany, a number of measures where introduced to facilitate the emigration of German Jews to Palestine. In 1933 the Jewish Agency and the Reich Ministry of Economics reached an agreement whereby German Jews who emigrated to Palestine were allowed to take out some money and part of their property in the form of goods produced in Germany. An organization called Haavara (from the Hebrew word ha’avara meaning “transfer”) received a virtual monopoly on the import of German

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goods into Palestine. The Haavara agreements permitted German Jews immigrating to Palestine to deposit their assets in a special account in Germany. Funds from the account were used to pay for German goods exported to Palestine. The Jewish emigrant was then reimbursed by the importer. It was hoped that this arrangement would nullify the effects of an anticipated Jewish boycott of German goods in Palestine.\textsuperscript{12} Ernst Marcus, a Zionist who dealt with German officials in connection with these agreements, believes that they received Hitler’s blessing.\textsuperscript{13} Marcus is probably referring to a speech of October 24, 1933, in which Hitler, without naming the Haavara agreements, noted that Germany, in contrast to Britain, was aiding Jewish emigration.\textsuperscript{14}

About 175,000 European Jews migrated to Palestine between 1933 and 1936, about one-fourth of them from Germany. The increase in Jewish immigration aroused growing opposition among Palestinian Arabs. Along with increased immigration, Jewish economic dominance also increased.\textsuperscript{15} Tension in Palestine further at the end of 1935 when to the British government decided, under Jewish pressure, postponed plans to form a Palestinian state. Nationalist demonstrations and strikes erupted in the neighboring Arab countries. In March 1936 the British government issued an assurance that it would recognize the independence of Egypt. France issued a similar pledge in relation to Syria.


\textsuperscript{15}Abu Logud, 95-96.
These pledges to neighboring countries fanned the flames of Palestinian nationalism.\footnote{16}{Michael Cohen, “British Strategy and the Palestinian Question”, Journal of contemporary History 19 (Sept. 1972), 167.}

Such was the internal and international situation when the Arab Revolt began in April 1936. It lasted for three years and was more serious than previous protests against British domination and Jewish colonization. The revolt was organized by the Arab Higher Committee a coalition of Arab parties and groups under the leadership of the Mufti of Jerusalem, Hajji, Muhammad Amin El-Huseini.\footnote{17}{Abed Al-Wahab Al-Kayali. The Palestinian Problem (The House of Science for Millions: Beirut, Lebanon, 1991), 72-73.} At first the revolt assumed the form of a prolonged Arab strike, with occasional attacks on Jews. The Committee demanded that the British end Jewish immigration, prohibit the purchase land by Jews, and replacement of the Mandate Government by a responsible Palestinian National Government. When the British failed to meet the Committee’s demands the revolt escalated into guerrilla warfare. During the Arab Revolt the sympathy of the whole Arab world for the Arabs of Palestine first expressed itself. In cities throughout the Arab world, committees for the defense of Palestine were formed; money was subscribed and volunteers enlisted for the armed struggle. In the later period of the struggle it was indeed directed from Syria, Lebanon and Iraq. It served as a focus for all the political energy of the Arab world and did more than anything else to encourage the movement for unity. The most important Arab conferences held during that period (Bloudan, July 1937, and Cairo, November 1938) were convened with the explicit purpose of taking measures to deal with the Zionist danger.\footnote{18}{Al-Difa’, (Palestinian Newspaper, Daily Arabic newspaper, 1921-1967), 1st December 1938. This was a report about a handbook entitled The Future of Palestine, published after the Cairo conference of 1938.}
The Third Reich tracked developments in Palestine with interest. Official German policy was sympathetic toward the Palestinians, but that was the limit of German support. Foreign Minister Neurath opposed giving any kind of assistance to the Arab Revolt. Consequently, the Foreign Ministry did not respond to proposals from Hajj Amin al-Husseini, the Mufti of Jerusalem and leader of the majority of the Palestinian Arabs, to establish Arab-German collaboration in Palestine and elsewhere. In August 1937, von Weizsacker, head of the Political Department, rejected a suggestion that Germany give direct support to the Palestinian Arabs in the form of arms or money. Weizsacker wrote, “As soon as we become visibly active, the effect will be the opposite from the one desired by us.”

In January of 1937, Fritz Grobba, the German minister to Iraq, met a delegation of Palestine Arabs had told him that continued Jewish immigration would in five years create a Jewish majority and, eventually, a Jewish state based on German Jews. The Arabs sought German help against the Jews and British. Grobba replied that although Germany understood the plight of the Arabs, she also desired good relations with Britain, and could therefore not intervene in Palestine. The Arabs’ warning to Grobba was confirmed by a German source when in late March, Dohle, the German consul in Jerusalem, told Berlin that if Germany persisted in the policy of supporting Jewish

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20 Ibid., 755-57, 778-79.

21 Ibid., 764, Weizsacker.

emigration by the Haavara agreements she would not only lose the good will which she had theretofore enjoyed among the Arabs, but might very well be confronted with a Jewish State which would become a center of German phobia, would boycott German goods, and would seal the fate of German institutions and settlements in the Holy Land.  

On June 1, 1937 in response to these and similar reports, Foreign Minister von Neurath formulated German policy on Palestine.  He began by dutifully paraphrasing Hitler’s views:

The formation of a Jewish State or a Jewish-led political structure under British mandate is not in Germany’s interest, since a Palestinian State would not absorb world Zionists it would create an additional position of power under international law for international Jewry.  Somewhat like the Vatican State for political Catholicism or Moscow for the Comintern.

This being the case, Neurath continued, it was in Germany’s interest to strengthen the Arab-Palestinians.  For the moment, however, Grobba was instructed to simply put more emphasis on German sympathy for the Arabs, without making any promises.  Dohle was informed that his proposals for modifying the Haavara Agreements were reserved for later decision.  Neurath also instructed his ambassador in London to inform the British government that Germany’s support for Jewish emigration to Palestine was not to be constructed as German approval of a Jewish State there.  Germany, on the contrary, did not feel that such a development would not be beneficial to the international situation.

The British government sent a special committee known as the Peel Commission

\[\text{\textsuperscript{23}}\text{Nazi Germany Archive, G.F.O.P.A., Buero Reichsaußenminister (hereafter. Beuro R.A.M.), 'Palastina'}\]

\[\text{\textsuperscript{24}}\text{Nazi Germany Archive, D.G.F.P., Series D, V, 746-47.}\]

\[\text{\textsuperscript{25}}\text{Nazi Germany Archive, D.G.F.P., Series D, V, 746-47.}\]
to investigate the situation in Palestine. After hearing the representatives of the Mandate administration, Jews, and Arabs the Peel Commission made its report on July 7, 1937. The commission proposed terminating the mandate and dividing Palestine into three parts: a Jewish state to embrace about one-fifth of the area and an Arab state composed of the rest of Palestine and including Jordan. A small area was to remain under British control.26

The Peel Commission summarized the Arab position as follows:

They deny the validity of the Balfour Declaration. They have never admitted the right of the powers to entrust a mandate to Great Britain. They hold that the authority exercised by the mandatory is inconsistent with the Covenant of the League of Nations and with the principle of self-determination embodied in that Covenant.27

The Arab witnesses maintained that the rights and position of Arabs in Palestine had been prejudiced by the fall of their numerical majority from about 90 percent in 1922 to about 70 percent in 1936. They argued that their aspiration to self-rule and national independence had been frustrated by the mandate system and that implication of the Balfour Declaration threatened their national existence through the massive immigration of an alien people. The desire of Palestinian Arabs for national independence and their hatred and fear creation of a Jewish National Home were incompatible with the British Mandate and the Balfour Declaration.28

Jewish grievances were expressed to the Peel Commission based on the conviction that the Mandate system was not being faithfully carried out and that the

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26 Cohen, 169-71.
28 Al-Kayali, 107-108.
British authority were obstructing the establishment of a Jewish National Home. It was charged that British officials displayed pro-Arab claims and that the administration tolerated subversive activities, especially those of the Mufti of Jerusalem. Furthermore, British authorities were criticized for not making more land available to Jewish development and facilitating Jewish immigration.29

The Peel Commission report concluded that the conflict between Arab and Jewish nationalism and continued British rule necessitated a drastic revision of the postwar settlement in Palestine. This conclusion was based in part on the realization that the wartime promises to Arabs and Jews had been contradictory and that neither the Jewish nor the Arab communities were prepared to accept minority status in an independent Palestine. The report stated:

Nor do we suggest that the obligation Britain undertook toward the Arabs and the Jews some 20 years ago have lost in moral or legal weight through what has happened since. The trouble is that they have proved irreconcilable; and, as far ahead as we can see, they must continue to conflict. To put it in one sentence, we cannot – in Palestine as it now is – both concede the Arab claim to self-government and secure the establishment of the Jewish National Home. Manifestly the problem cannot be solved by giving the Arabs or the Jews all they want. The answer to the question which of them in the end will govern Palestine must surely be neither. We don’t think that any fair-minded statesman would suppose, now that the hope of harmony between the races has approved untenable, that Britain ought either to hand over to Arab rule 400,000 Jews; or that, if the Jews should become majority, a million or so of Arabs should be handed over to their rule. But, while neither race can justly rule all Palestine, we see no reason why, if it were practicable, each race should not rule part of it.30

In early July 1937, the German Foreign Ministry learned that the Peel


Commission would propose partition of Palestine and the creation of a Jewish State which “might have fateful results for German foreign policy.” 31 The Foreign Ministry instructed German diplomats to inform Berlin if “Jewry” was attempting to influence the governments to which they were accredited in favor of such a settlement. 32 It appears that by October 1937 Foreign Minister Neurath had accepted the partition plan proposed by the Peel Commission, and simply restated the long standing policy that the security of German settlers in the proposed Jewish area would have to be guaranteed. 33

Despite ominous talk of a “Jewish Vatican” and its “fateful results,” the actions of the German government and Nazi Party during the 1930s indicate that such fears were not taken very seriously, even by Hitler. Nowhere is this more clearly seen than in the argument that erupted over whether or not to continue the Haavara arrangement, by which Germany was actively co-operating in the building of the Zionist state. Despite the increasingly favorable balance of trade that it facilitated, the agreement with Haavara was criticized by some German officials who charged that it constituted the export of German goods without an equivalent return in hard currency. 34 The loss of foreign currency allegedly sustained by the German economy was most probably minimal, since the Haavara agreement prohibited the export of goods produced from foreign raw materials or which involved other costs in foreign currency.


The threat that the Haavara arrangement presented to Germany’s relations with the Arabs was more serious. In January 1938, Consul General Dohle reminded Berlin that this matter was still pending, and warned that Arab opinion, once overwhelmingly pro-German, was showing signs of souring and might turn completely anti-German if Germany’s role in the Haavara system became widely known.35

The Haavara agreements became a bone of contention between the professional diplomats in the German Foreign Ministry and the Nazi Party. In June 1937 the Auslandsorganisation (Nazi Party Foreign Affairs and Propaganda Organization) told the Foreign Ministry of its long opposition to the Haavara agreements.36 The arrangement provided for in the Haavara agreements were clearly at odds with the Nazi Party’s anti-Jewish ideology. The Party propaganda agency complained:

Haavara transfers amount economically to draining off goods without an economic quid pro quo either in foreign exchange or in the form of goods. Politically it means valuable support for the formation of a Jewish national State with the help of German capital.37

In March 1938 the Referat Deutschland, the German Foreign Ministry office concerned with the implementation of Nazi Party policy in foreign affairs, added its warning that the Jewish State which Haavara agreements were helping build in Palestine would, as Hitler and Neurath had said, become a center of “International Jewry,” meaning a headquarters and safe haven for the global Jewish conspiracy that was the central premise of Nazi anti-Semitism. The Referat Deutschland further complained that

a Jewish State would absorb very few German Jews, which in 1937 had contributed only 15,000 immigrants to Palestine.\footnote{Ibid., 785-87. The official British figure is 13,611.}

The Haavara agreements also had their champions in the German government. In December 1937 the Foreign Exchange Control Office presented a report showing that in terms of foreign exchange this system provided the least costly method of encouraging the emigration of the greatest number of Jews. This report claimed that of the approximately 120,000 Jews who had left Germany since 1933, 40,000 had gone to Palestine, and held out the hope that in the future the Haavara system might enable 20,000-25,000 Jews to immigrate to Palestine annually. These facts, the report concluded, “not only justify but demand the continuation of the activities of Haavara.”\footnote{Ibid., 772-77.}

In the Foreign Ministry the Haavara system was strongly supported by von Hentig, head of Political Department VII (Middle East affairs). Hentig was an “old school” diplomat who opposed much of Nazism’s program, albeit not very actively.\footnote{Abraham Marcus, \textit{Yad Washem Studies}, II, Hebrew University Press (1958) 131-135.} In a document written in late 1937, Hentig used Nazi ideological thinking to advance an argument that dispersing German Jews to many countries was more harmful to Germany than concentrating them in Palestine. Hentig argued that the establishment of a Jewish State would enable Germany “when...attacked by Jewry, to deal with official irresponsible elements.” Hentig claimed that the current rate of emigration to Palestine was 30,000-40,000 per annum.\footnote{Ibid., 137.} If it continued at that rate, in ten years Germany would be rid of her Jews.\footnote{Ibid., 137.}
The conflict over Haavara within the German government and Nazi Party meant that the question would have to be decided by Hitler himself. Basing their assumptions on the fears that Hitler had expressed of a “second Vatican” Hentig prepared a report for Hitler showing the relative unimportance of German Jews in Palestine.\(^43\) Hitler evidently kept changing his mind about whether or not to allow German Jews to emigrate to Palestine. In July 1937 a representative of the Ministry of the Interior reported that Hitler had decided that Jewish emigration to Palestine should be encouraged, because this would create “only one center of Jewish trouble in the world, a center which would be weakened by internal strife, would be easier for Germany to influence, and which could be opposed by concerted German counter-measures.”\(^44\) Later, in January 1938, an official of the Foreign Ministry’s Economic Policy Department reported that the Hitler had decided that Jewish emigration was to be promoted by “all available means.”\(^45\) Hitler never provided a clear directive, however. Without a clear decision from Hitler, the dispute continued, and in November 1938 the Auslandsorganisation was still urging “the long-overdue abolition of the Haavara Agreement.”\(^46\)

There is no doubt that the role played by Nazi Germany and her activity on the international arena created a favorable climate for the Arab uprising in Palestine. On the other hand, the Nazis’ rabid anti-Semitism strengthened the position of the Jews in their


\(^{43}\) Marcus, *Yad Washem Studies*, II (1958), 190-93.

\(^{44}\) G.F.O.P.A., P.A. VII, 'Beziehungen Palastinas ze Deutchland'

\(^{45}\) D.G.F.P., Series D, V, 784.

\(^{46}\) D.G.F.P., Series D, V, 798.
relations with the British. But there is no doubt that the Germans wanted to benefit from
the Palestinian situation, in order to strike a blow at Britain's international prestige.

The Palestine question seemed to be made to order for the needs and aims of Nazi
anti-Jewish policy and propaganda. On the one hand, the persecution of the Jews in
Germany compelled European Jews to emigrate and stimulated the efforts of the Zionists
to pressure the British for larger immigration quotas. On the other hand, Nazi propaganda
could use any success that the Jews achieved to strengthen the idea that world finance
and politics were controlled by an international Jewish conspiracy among Arab
nationalists.

Yet the Germans did not utilize radio broadcasts, the most effective propaganda
medium, until the spring of 1939. Instead they supplied Arab press with information
bulletins and paid advertisements, established personal contacts with influential Arabs,
and encouraged Arabs to travel to Germany, including sponsoring students to study in
German educational institutions. It is sufficient to glance at the Arab press at that time to
notice the propaganda themes borrowed from the Nazis. In May 1937, for instance, on
the occasion of the observance of Mohammed’s birth, German and Italian flags were
displayed as well as portraits of Hitler and Mussolini, although in 1935 the Arabs had
demonstrated in many localities against the Italian aggression in Abyssinia.

Cooperation between the British and the Jews to suppress the Arab Revolt and the
Peel Commission’s anti-Arab statements improved the opportunities of German

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47 Yisraeli, 346.
48 Yisraeli, 80-82.
49 Yisraeli, 348.
50 Abu Logud, 94.
diplomacy in the Arab countries and facilitated the work of subverting British interests in Palestine and other countries of the Arab East. For prior to that Report, the Arabs had expected that events in Palestine and their effect on the whole Arab and Muslim world would compel the British to make far-reaching concessions to Arab demands. The Peel Commission proposals changed the situation: the Arab politicians now began to seek new ways to check the weakening of the Arab position in Palestine. This situation afforded Nazi Germany great possibilities. The Germans could now to adopt a clear position against partition and unleash an unambiguous propaganda campaign.  

The Germans had a strong base of support in Palestine from which to operate. In 1937 there were about 2,000 ‘Aryan’ Germans in Palestine, mostly descendants of the nineteenth century Templer colonists. All were citizens of the German Reich. The German government and Nazi party treated the German settlements as outposts of the Third Reich. The Germans had their own churches and schools, which in accordance with the prevailing custom were utilized also by the local population, mainly Arabs. By 1937 the Palestinian Germans were completely under the influence of local Nazi Party organizations. Permanent return to Germany was discouraged and the sale of land, especially to Jews, was prohibited.

Relations between the German colonists and the Jews in Palestine were good before Hitler came to power. German landed property in Palestine amounted to only 43 square kilometers, not enough to arouse Arab concerns. The German colonies and

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51 Klause Hildebrand, The Foreign Policy of the Third Reich and the Arab East. (Berkley: University of California Press, 1973), 117.

52 Hildebrand, The Foreign Policy of the Third Reich and the Arab East., 42-43.

53 Hildebrand, The Foreign Policy of the Third Reich and the Arab East, 42-43.
enterprises suffered much from the Jewish boycott of German goods and Germans settlers generally greeted the Arab rebellion with sympathy.\textsuperscript{54} Then Palestinian Germans had become convinced that the further growth of the Jewish community in Palestine would make their existence more difficult, and that a pro-Jewish solution of the Palestine question would compel them to leave the country. Some of them actually thought of leaving and bought land in neighboring Arab countries and in Cyprus. The German consul-general at Jerusalem noted that a if a Jewish State were to come into existence, “the German colonist’ would be compelled to emigrate and German institutions to close their gates”\textsuperscript{55}. After the Peel Report, German colonists feared that their settlements would fall within the borders of the proposed Jewish state.\textsuperscript{56}

Until mid 1937 neither Germany’s political perspectives and possible propaganda successes in Arab countries nor the interest of the German colonies in Palestine inclined Nazi leaders to take a political interest in Palestine affairs. Only after the Peel Report of outlined the possible partition of the area and creation of a Jewish state, did the Germany government take a new look at the question. For the recommendations of the Peel Commission showed that European, and in particular German, anti-Semitism might result in entirely unexpected consequences, including the possible emergence of a Jewish state.\textsuperscript{57} Available documents indicated that it was this circumstance that prompted the German authorities to take a new approach. In June 1937, Konstantin von Neurath,


\textsuperscript{56} 'Abd al-Ghani, 'Abd al-Rahman. \textit{Almaniya al-Naziyah wa-Filastin, 1933-1945}, 162.

\textsuperscript{57} 'Abd al-Ghani, 'Abd al-Rahman. \textit{Almaniya al-Naziyah wa-Filastin, 1933-1945}, 168.
Germany's Foreign Minister sent special instructions to the London Embassy, to the Consulate-General in Jerusalem and to the Baghdad Legation. Around the same time a circular letter was dispatched by the German foreign office to all German Posts abroad. Both documents dealt with the Palestine question. This was before the Peel Report was made, but they already commented on its basic idea-partition of Palestine and creation of a Jewish state.\(^58\) Both documents declared that Germany's relation to Palestine affairs had hitherto rested on internal political premises. Thus, the first of the above-cited documents says:

> Heretofore it was the primary goal of Germany's Jewish policy to promote the emigration of Jews from Germany as much as possible. In order to achieve this goal sacrifices are even being made in foreign exchange policy. The formation of a Jewish state or a Jewish led political structure under British mandate is not in Germany's interest, since a Palestinian state would not absorb world Jewry, but would create an additional position of power under international law for international Jewry, somewhat like the Vatican state for political Catholicism or Moscow for the Comintern.\(^59\)

The circular letter emphasized Neurath’s negative attitude towards the planned creation of a Jewish state:

> In reality...it is of greater interest to Germany to keep Jewry dispersed. For when no member of the Jewish race is settled on German soil any longer, the Jewish question will still not be solved for Germany. Rather, the developments of recent years have shown that international Jewry will of necessity always be the ideological and therefore political enemy of National Socialist Germany. The Jewish question is therefore seemed one of the most important problems of German Foreign policy.\(^60\)

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Neurath’s instructions further declared, “Germany therefore has an interest in strengthening the Arab world as a counterweight against such a possible increase in power for world Jewry.” 61 In implementing this new policy Neurath directed the German embassy in London (Ribbentrop was then Ambassador) to inform the British government of Germany’s interest in the Palestine question and of her negative position on the creation of a Jewish state there. The instructions read, “We do not believe that the effort to tranquilize the international situation would be aided by the formation of a Jewish state in Palestine.” 62

Fritz Grobba, the German envoy to Baghdad, received a directive to the effect that ‘the German understanding of Arab national aspirations should be expressed more clearly than before, but without making any definite promises. Moreover, all German missions were to make reports on their observations of any activity on behalf of a Jewish state. 63

Both Von Neurath’s instructions and the German Foreign office letter contained the important reservation: “It is not to be expected that direct German intervention would influence essentially the development of the Palestine question.” 64

The German Foreign Ministry did not believe Germany had the ability to prevent the implementation of Britain’s plans to partition Palestine. The question of the country’s partition was at first considered as settled. On October 26, 1937, Neurath in a discussion with the British charge and affaires in Berlin raised the question of guarantees to the


German colonies in Palestine in the event of partition being accomplished. 65

The logical result of Germany’s negative attitude to the creation of a Jewish state should have been to change her policy towards Jewish emigration to Palestine and to the transfer of Jewish capital from Germany. According to Neurath’s instructions of June 1, 1937, decisions on these matters were to be made later on. The exchange of opinion in various German governmental agencies on the question of the further destiny of Jewish emigration had barely commenced at that time. At the beginning of 1937, Consul-General Dohle at Jerusalem demanded a radical change in policy. Dohle wrote an elaborate report in which he outlined his reasons and sent it to Berlin. A year later Dohle was still complaining that no steps had been taken to halt Jewish emigration or the transfer of capital to Palestine. 66

During July and August 1937 there were several conferences of representatives of interested German agencies. A demand was advanced to halt Jewish emigration and transfer of capital to Palestine. Advocates of this position were of the opinion that a Jewish state was being built as a result of Jewish immigration to Palestine with the help of German money and the knowledge and skill the Jews had acquired in Germany. 67 The alleged harm to the German economy from the transfer of capital was pointed out. The long-run economic and political effects of this state of affairs were strongly emphasized. 68 According to anti-immigration advocates, the increasing emigration of


68 Abd al-Ghani, `Abd al-Rahman. Almaniya al-Naziyah wa-Filastin, 1933-1945, 228. Hentig’s
German Jews could be maintained without official support or the transfer of capital. Those opposed to prohibiting emigration and capital transfer maintained that if the Jews were not able to immigrate to Palestine, Hitler’s order to maximize the exodus of Jews from Germany could not be fulfilled. They argued that Palestine had been absorbing Jews of moderate means, the poverty-stricken and the youth, whereas the rich Jews had found asylum in the United States and in other Western European countries. They contended that Jewish emigration to Palestine cost the Germans relatively little. The transfer of Jewish property to Palestine caused no special harm to Germany’s economy, since that transfer was anyway being more and more limited, and the export of German goods under the Haavara agreement supplied employment to German workers. 69 Fear was expressed, mainly by representatives of the Reich Economic Ministry, that the abolition of Haavara would revive the Jewish boycott on German goods. Jewish emigration to Palestine, emphasized the opponents of its prohibition, was a lesser evil for Germany. An official of the Foreign Ministry pointed out that the emigration of Jews to the United States influenced intellectual life in the direction of strengthening anti-German feeling, and the Jewish immigrants in the Latin America caused the Germans much economic, propagandistic and political harm. 70

For the same reasons, German port authorities and the National Socialist organizations in Latin America demanded the prohibition of Jewish emigration. But in Palestine, argued those same officials, the Jews could not harm the Third Reich.

Notes, Berlin August 23, 1938.


opponents of prohibition maintained that Jewish immigration need not necessarily lead to the emergence of a Jewish state in Palestine, and that the stopping of emigration from Germany could not prevent it in any case, since it would result in increased emigration from Poland and Rumania. By time the discussions took place, these questions were to a great extent devoid of substance, for the British authorities had already dropped the partition plan and seriously limited Jewish immigration to Palestine.

In formulating their policy toward Palestinian affairs, Nazi Germany faced a multifaceted dilemma, one that they never resolved. The Germans wanted to encourage the Arabs in their resistance to the Mandate as a way to damage British influence in the Middle East. However, they did not want to risk a premature confrontation with Britain that direct assistance to the Arabs might provoke. The Haavara arrangement with the Zionists presented Hitler and the Nazi Party with the ideological contradiction of assisting in the founding of a Jewish State in Palestine while facilitating the expulsion of Jews from Germany.

Arab leaders never comprehended the function that the Haavara arrangement served for the Zionists. As a result they hardly ever raised the question of Jewish emigration from Germany or the flow of money from German Jews to the Zionists in Palestine. Nazi Germany gave the Arabs just enough support to keep their friendship, but not enough to help them in their struggle with the Zionists and the British.

In conclusion, the following factors played a significant role in Third Reich policy on Palestinian affairs in 1936-39. On the one hand, the relationship with the Zionists and the implementation of the Haavara agreement; and on the other considerations of relations with Britain. Palestinian affairs were of secondary importance to the Nazis,
while they at the same time desired to maintain cooperation with the Arabs in the deepest secrecy in the interests of both sides. In general, Palestinian demands did not go beyond the question of the partition of Palestine. Thus, Palestinian politicians hardly ever raised the question of Jewish emigration from Germany. The newspaper *al-Jamiaha al-Islamiyya*, for instance, actuated by certain dissatisfaction with the limitation of the export of Palestine citrus fruit to Germany and the low prices, wrote: “Many Arabs consider that Germany is a friend of the Arabs. This friendship is perhaps the result to the German hatred of Jews. Germany’s anti-Jewish policy has caused a strong outflow of emigrants to Palestine-German Jews. This is the good that Germany did us.”  

Shortly after the Munich conference, when the ruling elite of the Arab countries came to understand the gravity of the Anglo-German conflict, Taufiq al-Suwaidi, the Iraqi Minister of Foreign Affairs, stated to the German envoy Grobba that Germany’s measures against the Jews unfavorably affected the situation of the Palestinian Arabs. Between 1936-39 Nazi Germany did not take into account the benefits of collaboration with the Arab nationalists. The influential Arab elite such as of Egypt and Iraq perhaps with the exception of the Palestinians, who supported Hajj Amin al-Husini, were not inclined to tie themselves firmly to Britain’s opponents since they regarded Great Britain as the world’s strongest power. The Nazi Germany attitude changed by 1938 when its policy in the Middle East became more active. This change did not result however from the struggle against the partition of Palestine. For by that time the British government

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72 Taufiq al-Suwaidi. *My life*. Beirut, 1966, p.359 and see also; Grobba’s report, Bagdad Nov. 16, 1938-1541/375500-502. Taufiq al-Suwaidi had in mind the events in the fall of 1938 when the Nazis organized pogroms against the Jews, burned down synagogues, robbed and sacked Jewish stores (the so-called Krystalnacht) and perpetrated other terrorist outrages, such as the mass deportation of Polish Jews living in Germany.
gave up the Royal Commission plan; and its retreat culminated in the publication of the White Paper of 1939, in which Palestinian demands were conceded. As the Nazi plan for an early war ripened, and the international situation matured, their interest grew in utilizing every possibility of conducting subversive activity against their western opponents. By the end of 1938 the Germans started thinking to supply the Palestinian rebels with arms but it never been through.\textsuperscript{73} In 1939 they commenced broadcasts in Arabic, entered into diplomatic relation with Saudi Arabia and decided to deliver arms to the Saudi’s army. The Reich’s anti-Jewish policy played a marginal role in the above steps. However, the contacts established in 1937-38 as a result of the threat of partition were the beginning for Germany's further activities during World War II.