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Pricking Their Conscience: Winter 1933–34

McDonald could boast of no major initiatives to his colleagues and supporters in the United States when he returned for the holiday season. The national governments represented on the High Commission's Governing Body had shown little more than their inflexibility on the refugee problem, and for all of McDonald's efforts to work with British and European Jewish agencies, no common, cooperative strategies for assisting refugees came of them. The Joint Distribution Committee, however, was committed to McDonald's work because of the new opportunities the High Commission presented for developing its programmes of relief and rehabilitation for European Jews. It alone had put a substantial effort into devising a strategy that, if realized, could provide the necessary funds to finance major relief and resettlement projects, and therefore unify the competing agencies in a common cause.

Felix Warburg and three of his associates from the Joint Distribution Committee called on McDonald at his home in New York on Christmas morning, 1933, to discuss the plans they had devised for a refugee finance corporation. The objective was to raise money to finance resettlement schemes over the long term. With, 'possibly', as much as \$50 million to \$100 million raised by securities bought partly as investment and partly as charity, the corporation would fund philanthropic programmes anywhere in the world. As a corporation, established and operated on a sound financial footing, it was thought possible that large capitalist enterprises, investors and philanthropic foundations could be encouraged to contribute. The scheme appealed to McDonald, as it gave him a strategy for promoting the cooperation of private organizations, governments and the general community on specific schemes for refugee aid and resettlement. It would elevate the refugee problem beyond one requiring charity alone. 'It was vast in conception,' McDonald noted, but it offered such

substantial promise that it would change the 'attitudes of governments towards refugees'.¹

McDonald could not yet point to any programme that the High Commission had itself devised or had negotiated with any of the major aid organizations. But this is not to say that there were no relief activities. Many small-scale programmes were being put into place in Europe and the United States. Jewish organizations were making the greatest efforts. The Joint Distribution Committee continued to provide assistance through its European office in Paris, while the Jewish Colonization Association continued to plan for refugee resettlement in new lands. The Central British Fund had guaranteed the support of German Jewish refugees entering the United Kingdom. Agricultural retraining programmes had been created in France to reorient middle-class professionals for a life on the land and resettlement schemes were being devised to place refugees in under-populated rural areas. Meanwhile, various national refugee aid committees across Europe, with public funds raised from philanthropists and from public appeals, stepped forward to provide welfare and relief for newly arrived refugees. Despite the hopes held for them, however, retraining programmes failed, mainly because they lacked ongoing finance. Programmes in France also failed because the French government suspected that they would only encourage the entry of more refugees, which, it was feared, could lead to the creation by stealth of permanent Jewish colonies in the French countryside.²

The problem of financing refugee relief services was evident well before the League of Nations contemplated appointing a High Commissioner. The sudden demand from the first wave of refugees from Nazism drained the resources of the charitable agencies and new money had to be raised to continue this work. A conference of Jewish organizations on 3 November 1933 agreed on a funding drive with a view to raising \$10 million and to devise a plan to submit to the High Commissioner for endorsement at the first meeting of the Governing Body. The organizations were confident that they could raise this amount and then use it to implement various resettlement projects. However, they were yet no more than ideas. One of the more realistic plans envisaged the resettlement of some 65,000 refugees on the British Crown Colony of Cyprus.³ The money to finance it would have to come from the general public, and include contributions from non-Jewish philanthropic sources. The success of the funding drive would therefore rely on how it would appeal to non-Jewish interests. It therefore had to promise assistance for both Jewish and non-Jewish refugees forced to leave Germany. Too great an emphasis on non-Jewish refugees, however, could have the unintended consequence of alienating Jewish philanthropists.

Within a month of launching the drive, \$1,226,346 had been raised to aid some 600,000 'victims of the anti-Semitic Hitler regime'.⁴

The corporation plan devised by the Joint Distribution Committee developed this funding scheme further and attempted to put it on a more secure financial basis, thereby making it more attractive to non-Jewish contributors. As presented to McDonald, the corporation scheme sketched out, over four typescript pages, how existing and future refugee settlement schemes could be financed.⁵ It would build upon the work of retraining and re-education and stimulate planning for larger, more capital-intensive schemes. It would provide funds for land acquisition and industrial development in order to create jobs and facilitate settlement. There were already several options for colonization that would demonstrate what was possible. Settlement in Palestine was viable with an investment of as little as £300,000, if it was planned carefully and the refugees were given proper training for working the land. Other possibilities lay in South America. The Jewish Colonization Association had already owned large parcels of land in Argentina that were ripe for development. Opportunities for industrial development existed in less remote locations, even within Europe itself. The corporation would be a conduit between charitable relief and capital investment. Both Jewish and non-Jewish victims of Nazism would benefit. It would have trustees in the United States, Britain and Europe to promote its work and to seek out investors. It could be established in any country, although Britain and the Netherlands had more favourable taxation arrangements. The trustees could be drawn from Jewish and non-Jewish societies or businesses. Funding would be raised by subscriptions or direct contributions. The plan recognized, nevertheless, that as an investment strategy the corporation's returns would be low, or might not be realized at all; it would therefore need to appeal to charitable sensibilities as well as to investors. A large amount was needed indeed, at a time when there were many appeals for charitable relief. But a start had already been made with the conference of Jewish organizations on 3 November 1933 and its funding appeal. The Joint Distribution Committee had already raised about 12 per cent of the appeal's target of \$10 million.⁶

The scheme set out a vision of possibilities. If successfully implemented, it could break open all the barriers to refugee relief and resettlement. It was not opportune, however, to consider whether it was driven more by idealism than a realistic appraisal that the target could be reached, when economic conditions were such that already hard-pressed relief organizations struggled to finance their activities. There was nevertheless an urgent need for a programme that held some promise, which could harness the disparate efforts for refugee relief and assistance

and channel them towards a common purpose. One that held great promise could embolden reluctant investors and philanthropists.

The corporation proposal added substance to McDonald's public engagements in New York over the course of that winter. There was a real need, he warned a group of Jewish leaders, for a programme that would 'turn the refugees into assets' for countries where they could start new lives. But the 'piffling' amount raised thus far by the American and English committees gave a real sense of how ambitious the scheme was. Still, the corporation proposal allowed McDonald to speak of 'possibilities', and therefore highlight some of the emerging development and colonization opportunities in Argentina, South West Africa, Angola, Brazil, Panama and the autonomous Jewish region of Birobidjan in the south-east Soviet Union.

Critical observers of the recent past would have been wary of the proposal for the refugee corporation since its promise and the funding required to realize the promise were far beyond what might have seemed possible. Not only had previous efforts to raise such vast amounts to finance resettlement and colonization been disappointing, large-scale refugee resettlement efforts themselves had enjoyed little success. It was best not to dwell of the prospect of failure, however, when there was so much reason to offer hope.

A successful model for the corporation and uses to which its money could be put could be found in the Greek Refugee Resettlement Scheme of 1923–24, for the repatriation of around one million Greeks expelled from the Turkish Republic. This, however, was a very different scheme to the Joint Distribution Committee's proposed refugee corporation. A Greek Refugee Commission was established by the League of Nations and raised a loan of £10 million to resettle displaced Greeks on the land and in towns across the mainland. It was an investment in human capital and was an outstanding achievement. It was an initiative of the League of Nations, supported and underwritten by member states; it was also a scheme of repatriation rather than of resettlement, as the Greeks of Asia Minor were 'brought home' to the Greek homeland. In comparison, there was no one state in which the refugees from Germany could be resettled. Zionists like Weizmann imagined Palestine as the Jewish homeland, but world politics worked against this vision. The Greek Resettlement Scheme furthermore had the benefit of the same propitious economic climate of the 1920s that had helped in the dispersal and settlement of the refugees from Russia and Armenia.

More instructive of the challenges facing a project so vast in conception was a scheme launched in 1923 for the resettlement of Armenian refugees on virgin lands in Soviet Armenia. Advanced by Fridtjof Nansen, League of Nations

High Commissioner for Refugees, it aimed to settle some 50,000 Armenian refugees then languishing in camps around the eastern Mediterranean in new colonial settlements on undeveloped land north of Yerivan. The Soviet government agreed to set aside the land, so funds were sought for irrigation and other preparations were made for new settlers. The League of Nations was asked to assist through financial guarantees but few governments or enterprises were prepared to contribute enough to make the scheme viable.⁷ The Lord Mayor's Fund in London, the Save the Children's Fund, Friends of Armenia, and the Society of Friends together raised establishment costs, but this was not sufficient for the scale of the plans and their implementation over the longer term. By 1928 the League of Nations had supervised the settlement of only 7,660 Armenian refugees.⁸ Nansen maintained his belief in the scheme and revised it twice to satisfy the demands of prospective contributors, but ultimately he had to concede its failure.⁹

A scheme of the scope of the refugee finance corporation would require wide support and contributions from a large number of organizations even to reach an ambitious minimum target of \$25 million. Even then it would come to nothing if governments were still unwilling to admit refugees in sufficient numbers. So McDonald's first discussions to try to persuade potential contributors to back the enterprise were not encouraging. He approached the Rockefeller Foundation only to be told that it had not been established for the purposes of this kind. Raymond Fosdick, its chair, told McDonald as well that the Jews 'could, if they wanted, meet the needs'.¹⁰ During a series of meetings and luncheons in New York and Chicago with the interested and the curious, McDonald found much support for the corporation's intentions, but a great deal of reluctance when it came to making commitments. He was told on more than one occasion that the low estimates of between \$25 million and \$50 million were too conservative.¹¹ Hard-headed financiers and investors also told him that he would need to provide much more detail than the general proposal he had outlined: only specific plans and a breakdown of where the money would be spent would attract investor interest. He was also warned that non-Jewish contributions would have to be substantial, as he could not expect wealthy Jews, already under considerable financial strain, to continue their support indefinitely.¹²

America's isolation from the affairs of Europe, McDonald was acutely aware, gave its public an unrealistic impression of the refugee crisis and of Europe's ability to solve it on its own. The dangers of anti-Semitism in Europe, he found, were considerably underestimated in the United States. He therefore saw it as his duty, as an American Christian as well as the High Commissioner for the refugees,

to alert the American public to the true extent of refugee problem. British Jews, he explained, were truly fearful for the 'security of their own children'. And the refugee problem was something more than mere charity could solve. It had to be 'viewed in the largest terms', he stressed; it was a challenge to Americans and to all Christians, not simply a problem for Europeans and the Jews.¹³

This was McDonald's message whenever he addressed the American public. In a piece for the *New York Times*, prepared while sailing back from Europe in December 1933, McDonald reminded Americans of how refugees had enriched their own history. 'It is for all of us, Jews and non-Jews alike', he wrote, 'who believe in the fundamental principles of equality before the law and of racial toleration', to assist in the resettlement of the refugees where they would 'have opportunities to build a new life for themselves and to enrich materially and culturally their new homelands'. His first statement to the Governing Body was reprinted below the article in order to stress the need for coordinated responses and funding to match to size of the task at hand.¹⁴

McDonald's audiences were sympathetic to his work but reluctant to contribute. He turned to harder language to prick their conscience.¹⁵ 'I wish I had the power to give the Christian people of this country a realization of their responsibility', he told one audience. 'The crime against the Jews is committed in the name of Christianity and of "Aryanism" ... The non-Jewish people of America have a real responsibility to show the world that they are not parties to such persecution'. They could take on their responsibility, he urged, over the next few weeks and months when their help and their financial support would be called upon.¹⁶

Broadcast radio took his message to a larger audience. When president of the Foreign Policy Association, McDonald had given weekly broadcasts on current events for the National Broadcasting Corporation (NBC) on a programme called *The World Today*.¹⁷ NBC offered him a spot in its schedule on the afternoon of Saturday 14 January 1934 for a fifteen-minute national broadcast.¹⁸ In a talk he called 'Christian Responsibility towards German Refugees' he again appealed to the Christian sympathies of the general American public. The German refugees, 'Gentile and Jew', he said, shared a common distress. They were professors, writers and students, intellectuals to be sure, but also working people, small shopkeepers, merchants, clerks, artisans and day labourers, people for whom America, 'as a land of refuge', was 'living justification of [its] open door to the oppressed'. All had a shared responsibility, he insisted, 'but those of us who are Christian, believing in the ethical principles of charity and brotherly love ... have a special obligation towards the victims of anti-Semitism'. Christians,

moreover, had a 'special responsibility', he said, for the perpetrators of the anti-Semitic persecutions 'boast that they are Christians while violating the elementary ethical principles taught and practised by the founders of Christianity'.¹⁹

In order to promote its funding campaign for the refugee corporation, the Joint Distribution Committee published an 'Illustrated Handbook on the Needs of the Jews in Germany and Other Lands', an educational resource used to inform the public of the consequences of anti-Semitism and the persecution of the Jews.²⁰ Many of the funding commitments the corporation received, however, were little more than vague promises, but some were quite surprising. While in New York, McDonald was visited by Lord Marley, deputy speaker of the British House of Lords and chairman of the World Committee to Aid Victims of German Fascism. Marley was concluding a speaking tour of the United States, during which he had raised \$25,000 for use in refugee assistance.²¹

McDonald was the corporation's most active advocate outside Jewish circles. He addressed many meetings to promote it and to plead for contributions. He urged the general public to open their hearts and their wallets.²² One major step was taken with the launch of the United Jewish Appeal to raise \$3 million to finance 'reconstructive aid'.²³ A collaborative effort of the Joint Distribution Committee and the American Palestine Campaign of the Jewish Agency for Palestine, the appeal was launched in the ballroom of the Astor Hotel on 22 March 1934, with 'nearly a half an hour of posing and speech-making for the Movietone', McDonald recalled.²⁴ McDonald's address to the launch of the appeal was broadcast live on NBC.²⁵

Some Christian groups responded to his calls, but with poor results. An American Christian Committee was launched in early 1934 with an establishment loan from the Joint Distribution Committee, as part of a campaign to raise \$15,000 for refugee relief from American Christians. By mid-May, it abandoned its efforts, having raised no more than \$200. It then joined the United Jewish Appeal, and in November 1934 it reported that of the \$1.6 million the United Appeal had raised, no more than \$8,000 had come from Christian sources. After expenses, and the repayment of its loan to the Joint Distribution Committee, the Christian appeal had registered a loss of \$870.²⁶ McDonald himself appealed personally to some one hundred Christian philanthropists and past contributors to the Foreign Policy Association. This raised just \$1,240.²⁷ The Christian Committee could put its failure down to economic conditions, which had badly affected people's personal finances and exhausted their spirit of generosity. McDonald was less forgiving, however. 'I am fed up on Christian protestations of interest and the empty holding out of the hand of fellowship', he protested.

'It is high time that Christian leadership took its obligation seriously.'²⁸ Despite McDonald's appeals to Christian conscience, the refugee problem was seen as a Jewish problem. Even then, the United Jewish Appeal itself fell terribly short of its \$3 million target. There was a general malaise when it came to public appeals for funds. The public was being asked repeatedly to give their money when there was no apparent solution.

The responses to fundraising campaigns in Britain were much the same. An appeal of the English churches for refugee relief had raised little more than £750 by early January 1934.²⁹ Furthermore, British Jews were as unenthusiastic about the refugee corporation proposal as were the New York philanthropists. Lionel and Anthony de Rothschild, whose support McDonald could not question, criticized the lack of detail in the proposal presented to them. There were no specific projects set out in the plan and the finer details of finance would need to be worked out before contributors would be willing to come forward. Even then they were not optimistic of raising between \$5 million and \$10 million in Britain alone, as the plan anticipated.³⁰ British Zionists were even less enthusiastic, not only the passionate Weizmann but also the more measured Simon Marks. Both argued their belief that opportunities for Jewish resettlement existed only in Palestine, and feared that the corporation would do no more than drain their agencies of resources for unspecified purposes of little value.³¹

McDonald had returned to London for the first meeting of his Advisory Council Bureau and Permanent Committee of the Governing Body on 29 January 1934. His staff, Herbert May, André Wurfain and Norman Bentwich, had now moved their offices from Lausanne to London in preparation. Now three months into his High Commission, McDonald had little to show except for these general plans for the corporation scheme devised and advanced by the Joint Distribution Committee in New York. Robert Cecil warned McDonald that he had to show some progress on the refugee problem itself, otherwise the Governing Body would start to lose patience with him. He would have to explain, Cecil told him, not so much what had been done, but what would be done.³²

The Jewish Colonization Association, the Jewish Agency, and the Joint Distribution Committee were the largest contributors on the Advisory Council Bureau. Non-Jewish representatives spoke on issues relating to intellectual, academic and professional refugees. No Catholic spokesperson attended its first meeting, while a representative of the Bishop of Chichester spoke on behalf of the Anglican Church.³³ McDonald reported on his recent engagements in the United States and his efforts to stir Christian opinion, and explained again the

proposed corporation and the plans to raise funds to finance refugee resettlement schemes. He could report few examples of progress, however, and what positive outcomes there were to report did not come about from his own activities.

There were some developments to note, all the same. Information from the State Department in Washington pointed to a modest liberalization in American immigration policy from which refugees would benefit. Labour bonds, imposed to prevent immigrants from becoming a public charge, were being relaxed for the refugees from Germany, and American consular staff in Germany had been instructed to interpret entry visa regulations more liberally. It was estimated, McDonald reported, that the number of German refugees admitted to the United States could almost double, possibly to 12,000 in 1934, but he cautioned that there was no reason to think this marked a shift in American opinion: it would be dangerous, he warned, if the European states misunderstood this gesture as the United States' reopening its doors to immigrants.³⁴

There were also some modest successes of various organizations in placing refugees. Four farms in France had received 150 refugees each year for agricultural retraining, and 200 refugee students had been placed in French technical schools. In the Netherlands, land and buildings had been provided in the reclaimed land of Zuyderzee for a combined agricultural and technical school for 300 refugee students. In England, over 100 young refugees had been apprenticed in technical trades.³⁵

These were small results and in no way could be considered breakthroughs. Instead, they demonstrated, if more evidence was needed, how difficult it was to settle refugees in Western Europe. Overseas colonization, Cecil observed, was 'the solution par excellence'. Discussions consequently turned to the question of how overseas colonization could be realized. Weizmann jumped in to promote his plans for Palestine, but Cecil, representing of the British government, refused to discuss Palestine as only the Colonial Office could determine emigration there. 'So', he continued, 'it was necessary to think about other emigration possibilities'.³⁶ Felix Warburg of the Joint Distribution Committee, who attended as a guest of its European director Bernard Kahn, took the opportunity to promote the refugee corporation. Corporation funding would provide new capital for the development of lands for refugee settlement, Warburg explained to the Permanent Committee of the Governing Body, and the countries that agreed to open their doors would be assured that new immigrants would not become a public charge. It was therefore essential, he said, that the High Commission now 'open the doors of immigration into countries that are still undeveloped'.³⁷ Louis Oungre of the Jewish Colonization Association spoke in more specific

terms. 'Palestine is not the only land of immigration,' he started. 'Other outlets could be found,' such as in the 'new' lands of Argentina, Brazil and Uruguay, 'where there are already small settlements of Jews'. Returning to the persistent problem, he summed up the dilemma they all faced: 'All emigration programs would be dead letters if there are not enough means to put them into effect'. Sir Osmond d'Avigdor-Goldsmid, president of the British Board of Deputies and the Jewish Colonization Association, and chairman of the Jewish Agency for Palestine in London, made a very brief statement that put the High Commission on notice: 'The English Jewish organizations,' he said, 'have placed great hope in Lord Cecil and the High Commissioner, and hope that they can succeed in opening these new doors to immigration.'³⁸ In other words, he demanded, in the best diplomatic language, evidence of progress to ensure that McDonald retained the confidence of British Jews.

These discussions were about remote possibilities, not immediate opportunities. To assist planning, these meetings agreed to establish a Central Information Bureau in the High Commission to collect information on emigration and resettlement possibilities. Its research would determine the feasibility of settlement plans and recommend which ones were more or less ready to proceed. It would provide, in short, the details required by potential contributors to the refugee finance corporation, and show where resources could be best directed. Other technical matters left outstanding from the full Governing Body were resolved. The 1927 Document for Travel and Identity of the League of Nations Organization on Communications in Transit was formally recommended as a travel document for the refugees from Germany.³⁹ The Permanent Committee also approved McDonald's plans of travelling to Berlin to open negotiations with the Reich on the conditions of Jewish emigration.⁴⁰

At the end of these meetings, McDonald again let himself to be distracted by the interests of Jewish organizations. He proposed inviting two more into the Advisory Council Bureau, one American and one British, which increased its membership to ten, more than half the number of organizations on the full Advisory Council. Cecil objected, and an argument ensued between him and McDonald about the authority of the High Commissioner and the Governing Body on appointing representative organizations. McDonald relented, conceding the argument to Cecil, but only after causing further disaffection among Jewish groups, who believed that they had McDonald's assurances of the expanded membership of the bureau.

To be fair to McDonald, he and the effectiveness of the High Commission were utterly dependent on Jewish support, especially their financial support.

Although McDonald had tried to extend his interests beyond the Jewish organizations by appealing to American Christians, the financial backing for the refugee corporation would ultimately be a matter for British and American Jews. Even so, when invited to speak about the corporation to a select audience of fifty prominent British Jews at the London offices of the Rothschilds, he felt that he was ‘talking against a blank wall’, once he mentioned the size of the contributions that would be required to reach even its minimum target.⁴¹