Chapter 2:
Germany's China Policy, Forced Emigration and the Search for Alternative Destinations

The German regime’s obsessive preoccupation with the “Jewish Question” was indirectly related to its interests and policies in East Asia. Thus the fact that thousands of German and Austrian Jews were able to land in Shanghai between 1938 and 1939 has as its background the relationship between Germany and China on the one hand, and Japan on the other. Complex considerations involving Germany’s economic relations with China, internal power struggles, international diplomacy, and attempts to rearm both in Germany and in China – all these played a role between 1933, when the first small group of Jews arrived in China, and 1938, when thousands more embarked on the journey. This chapter will do no more than merely outline some of the major issues in Sino-German and German-Japanese relations. To these considerations must be added the question of German dissatisfaction with the speed of Jewish emigration and the steps undertaken to bring about a more rapid departure of Jews, accompanied by the confiscation of their property. Together with these questions, I will also ask what other destinations in Asia were being sought by various sources.

The First Jewish Arrivals in China, 1933–1934

Years of political instability characterized the Chinese scene after the successful Republican revolution in 1911 under Sun Yat-sen (1866–1925), and the establishment of the Republic of China in 1912. The country came to be, for all practical purposes, divided between competing strong men – the so-called warlords – none of whom could muster the military strength to unify the country and establish a government with sufficient authority. A major change occurred, however, in 1928, when Chiang Kai-shek (Jiang Jieshi, 1888–1975) brought large portions of south and central China under the control of his Guomindang (Nationalist) government with its seat in Nanjing. Although Chiang’s authority continued to be challenged by contenders for power in the north as well as in several provinces, the government was internationally

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1 The communists were the most formidable among Chiang’s adversaries. After their abortive revolution in 1927 and the several uprisings thereafter they established a number of bases in southern and central China. But by 1934, the year they embarked

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recognized. Nanjing’s consulates continued to function in many European
countries throughout the 1930s, as well as after 1937, following Chiang’s retreat
into the interior.

The group of German-Jewish professionals who arrived in China shortly
after Hitler had come to power in January 1933 would hardly have been aware
of the problems facing China which, in any event, must have seemed less
formidable compared to those they left behind. Moreover, professionals, like
doctors and dentists, who attempted to pursue their calling, were obviously
more visible than others were. They were the initial immigrants, having lost
their positions in state institutions as soon as the Hitler regime came to power.
It began with the boycott against them of April 1, 1933; next came the decree
of April 7, 1933, which stipulated that officials of “non-Aryan” descent were to
be retired. The definition of non-Aryan was issued as a regulation on April 11,
1933 and stated that a non-Aryan was anyone with a Jewish parent, grandpar-
ent, or who belonged to the Jewish religion. Thus, well before the Nuremberg
laws were drafted in the fall of 1935, which defined more concisely who in the
Nazi regime’s view was a Jew, numerous professionals had already lost their
positions and livelihood. Not that leaving Germany was inexpensive even in
1933. The “tax for fleeing the Reich” (Reichfluchtsteuer) had been enacted in
July 1933. Later other so-called taxes would be added causing many erstwhile
well-off Jews to become paupers.

The fact that twenty-six families, among them five well-known physicians,
decided to go to Shanghai in the fall of 1933 in preference to some other coun-
try, was presumably because they had read in a Berlin newspaper about
China’s shortage of doctors. Although these arrivals represented but a tiny

2 Esriel Hildesheimer, Jüdische Selbstverwaltung unter dem NS-Regime, der
Existenzkampf der Reichsvertretung und Reichsvereinigung der Juden in Deutschland,
Tübingen: J. C. B. Mohr (Paul Siebeck), 1994, pp. 9–10; Raoul Hilberg, The Destruction
Research currently under way in Germany about the function of the Reich Finance
Ministry should add considerably to our knowledge how confiscated Jewish money
contributed to the German economy. See the extensive article by Rainer Hank, “Die
Grosse Plünderung,” Frankfurter Allgemeine Sonntagszeitung, no. 44 (November 7,
2010), pp. 42–43. I thank Professor Wolfgang Kubin for making this article available
to me.

3 SMP, D5422 (c), Police Report dated November 7, 1933. The five physicians were
doctors Rosenthal, Loewenberg, Hess, Elchegrün and Keinwald. According to a letter
from December 1933, thirty Jewish families had arrived from Germany by the end of the
year. CAHJP, DAL 48, Braverman to HIAS-ICA-EMIGDIRECT, Paris, December 13, 1933
fraction of Jews leaving Germany in 1933 and 1934,\(^5\) (even if their numbers had apparently grown to eighty physicians, surgeons, and dentists by spring 1934),\(^6\) apprehensions about their presence in China were voiced in German diplomatic circles, seemingly not taking account of their government’s policies. One, as stated by a Dr. Mohr of the Hamburg-Bremen East Asian Association (Ostasiatischer Verein Hamburg-Bremen E. V.) in August 1933, was that Jewish professors or physicians in China cannot represent Germany’s best interests. After all, having been fired from their positions in Germany, they would hardly sing Germany’s praises. Indeed, a Chinese student wrote Mohr, who had studied with a now dismissed Professor Kaestner, had advised him to go to China “where he would surely find a position and where he would be treated with the greatest respect.”\(^7\)

Furthermore, in December 1933 the German consulate in Beijing, sent a telegram warning of the influx of Jewish physicians.\(^8\) Dr. Ludvig Rajchman, a financial and China expert, who was in contact with the Chinese Finance Minister T. V. Soong in summer 1933 when the latter visited Europe, was accused of being behind the idea of recruiting Jews for China.\(^9\) Also, as stated by Oskar


\(^6\) CP, November 26, 1938, p. 3.

\(^7\) YVA, JM 11701, Mohr to Altenburg, Foreign Office, East Asian Division, Berlin, August 8, 1933.

\(^8\) The telegram, dated December 4, is mentioned in YVA, J4, JM57, M. Fischer, Peiping, to the Foreign Office, Berlin, March 17, 1934.

\(^9\) YVA, JM 11701, Altenburg to the Minister of Foreign Affairs, August 11, 1933. Rajchman had a one-year appointment from the League of Nations as adviser to the National Economic Council, which was to coordinate technical aid to China. See also Paul W. Frey,
Trautmann, Ambassador to China, Jewish physicians can have a detrimental effect on the activities of German physicians and on German cultural work in China generally. According to a German embassy report of March 1934, concerns were even voiced by the Chinese Nanjing government, which had been informed by the mayor of Shanghai (?) of extensive recent arrivals of Jewish doctors. Although the Chinese were more concerned about communist leanings of the new arrivals, they considered limitations on licensing them. Presumably, the Chinese government was, in addition, keeping an eye on Ezra (meaning no doubt the owner of Israel’s Messenger, N.E.B. Ezra) who “was diligently working to find places for his race in China.” Thus by the beginning of 1934, the German Foreign Office had concluded that while dismissal was desirable, emigration was a mixed blessing. Immigration to China, it was admitted, could not be prevented. However, German consulates in China were requested to supply the Foreign Office with accurate data of immigrants working in hospitals, universities, and similar institutions. Moreover, Germany’s position on Jews was to be explained abroad, and anti-German sentiments, hostility to Germans and German interests were to be monitored. Clearly, Foreign Office views, which supported trade with China, did not accord entirely with Nazi policies. As will be shown below, as late as May 1939, when the Foreign Office had already come under the control of Joachim von Ribbentrop (1893–1946), the issue of trade versus Jews would be raised again.

Meanwhile, in 1933 the Jewish presence in China was seen as distinctly threatening to German interests. There were the persistent calls to boycott German goods in Shanghai’s Jewish paper, Israel’s Messenger, and on May 13, 1933, a delegation of the China League for Civil Rights came to Shanghai’s...
German Consulate General with a letter, protesting anti-Jewish activities in Germany. The delegation was composed of well-known intellectuals, writers, journalists, and scholars, among them the only Jew, 23-year old Harold R. Isaacs (1910–1985). Aware, no doubt, that he was Jewish, Isaacs was the only one threatened in the German account of the visit, which specified, “We urgently advise him not to poke his fingers in German domestic politics ... he is liable to easily burn them.”¹⁴ Other protests and declarations of solidarity with German Jews were also noted by the German consulates in Mukden and Harbin. Although these were organized by the Jewish communities and were significantly different from Isaac’s protest, they too were perceived as a threat. When the Mukden Jewish community declared that they would do everything to support German Jews, it was understood as a contemplated boycott.¹⁵

Germany’s East Asian Politics between China and Japan

There is of course a contradiction between the Nazi Party’s eventual attempts at forcing Jewish emigration, to be discussed below, and the Foreign Office’s concern about the emigrants’ anti-German sentiments. Other contradictions existed regarding foreign policy and economic interests, not because the Foreign Office’s Nazi inclinations were weaker, but mainly because of differences in basic premises.

In China, the Foreign Office saw its aim as both diplomatic and economic. The two were closely intertwined and for both the Germans and the Chinese the major issue was military supplies. Indeed, as pointed out by Bernd Martin, in China in the 1930s, “Next to the diplomatic experts, the military and the economists were to the same degree involved in the formulation of German interests and their implementation.”¹⁶ German political and commercial inter-

¹⁴ YVA, JM 11701, M. S. E., “Frau Dr. Sun Yat Sen auf dem deutschen General-Konsulat! Haende weg von der deutschen Innenpolitik!” Deutsche Schonghai Zeitung, May 16, 1933. The delegates were: Song Jinling, Sun’s widow and head of the League; Cai Yuanpei, president of Academia Sinica and Yang Quan, the vice-president; authors Lu Xun and Lin Yutang; the reporter Agnes Smedley. I suspect that it was Harold Isaacs who had organized the protesters; he was a unique personality whose strong convictions about human and civil rights were expressed later in many books and articles. The delegation’s visit was publicized in IM, Vol. 30, no. 4 (June 2, 1933), p. 7, and no. 5 (July 1, 1933), p. 4.
¹⁵ YVA, JM 11701, signature illegible, German consulate to German embassy, Peiping, June 15, 1933.
¹⁶ Bernd Martin, “Das deutsche Militär und die Wendung der deutschen Fernostpolitik von China auf Japan,” in Franz Knipping and Klaus-Jürgen Müller, eds.,
ests in China had begun in the nineteenth century when Germany, too, was one of the colonial powers anxious to gain a territorial foothold in China.\textsuperscript{17} Although Germany lost her colonial possessions after World War I, a decade of important military relations began during the Weimar Republic and after the government of Chiang Kai-shek assumed power in Nanjing.

After Hitler came to power these earlier contacts were continued with increasing vigor while the Foreign Office under Constantin Freiherr von Neurath (1873–1956) championed a strong pro-China and pro-Chiang Kai-shek foreign policy. This was partly for reasons of commerce and trade, but had the additional aim, as suggested by John Garver, of including China “in a chain of anti-Communist states on the periphery of the USSR.”\textsuperscript{18} Being aware of the Nazi regime’s anti-Communism, some leading Chinese Nationalist figures and intellectuals, in turn, became seriously interested in fascism and the fascist theory of strong leadership. But a fascist movement never emerged in China; it was rather a vogue and was seen entirely from a Chinese perspective.\textsuperscript{19} For this topic, therefore, merely the coincidence of ideological and military interests on the part of both regimes, which figured in these Sino-German short-lived though significant contacts, is important. Germany needed exports at the time of her foreign currency crisis to pay for imports and to launch her rearmament program. Chiang had also needed arms to destroy the Communist contenders for power in their several strongholds (or base areas) since 1931, and he needed a trained and disciplined army to ultimately confront the Japanese invader.

Despite concerted and generally successful efforts between 1933 and 1938, years during which German military missions went to China, Chinese diplomatic and economic missions went to Germany, together with increasing trade, the relationship gradually unraveled in favor of Japan. Four crucial events mark Germany’s turn to Japan: the German-Japanese anti-Comintern Pact, signed November 25, 1936 (and joined by Italy a year later); the German an-

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nnouncement of recognition of Japan-dominated Manchukuo on February 20, 1938 (Italy had extended de facto recognition in November 1937); the Tripartite Agreement between Germany, Italy, and Japan of September 27, 1940; Germany’s recognition of the Japan-sanctioned Wang Jingwei (1883–1944) regime on July 1, 1941. I do not include here the outbreak of the Sino-Japanese War in July 1937 because at that point Germany was more interested in trying to mediate between the two contenders.  

Behind the scenes negotiations to bring Japan and Germany together in an anti-Communist pact had already begun in 1935, without the Foreign Office or its head, Konstantin von Neurath, knowing anything about it. The negotiations were the work of Joachim von Ribbentrop, whose rise to power began in 1933 when Hitler set him up in an advisory office on foreign policy. Ribbentrop had met Oshima Hiroshi (1886–1975), then military attaché in Germany, in the summer of 1935. Both men were interested in a German-Japanese alliance and the two began talks with the aid of Hermann von Raumer, who headed the Eastern section of Ribbentrop’s “Dienstelle” at the time, and who had lived in Manchuria. As neither the German nor the Japanese Foreign Offices had been consulted, the talks were shelved until the following year. However, the anti-Comintern Pact, when signed in 1936, marked the beginning of the end of Neurath’s pro-Chiang policy and, indeed, of Neurath himself, who was replaced by Ribbentrop in February 1938.

Chiang Kai-shek played down the importance of the new alliance. He optimistically asserted that Germany could not afford to ignore China’s friendship. There were, however, more cautious assessments. China would feel the effects of the anti-Comintern Pact, it was argued, although one could not yet

21 See Mark C. Elliot, “The Limits of Tartary: Manchuria in Imperial and National Geographies,” JAS, Vol. 59, no. 3 (August 2000), pp. 603–646, for the complex history of the place name Manchuria, which is usually referred to as the Northeast (Dongbei) in Chinese sources. In these pages I will refer to the three northeastern provinces – Liaodong, Jilin, and Heilongjiang – as Manchuria before the Japanese conquest, and as Manchukuo (rather than the Chinese Manzhouguo) after 1932.
23 Chiang’s speech is quoted in, “Situation in Far East Unchanged,” NCH, December 2, 1936, p. 346.
know what the consequences would be for the participants. The *North China Herald* stated on its front page: “An effective offsetting of Russian influence must of necessity mean the strengthening of the Japanese position in Asia, and ... tend not toward greater stability but plunge this country into ever greater difficulties.” With hindsight these words seem prophetic.

The reaction to Hitler’s announcement in the Reichstag of Manchukuo’s recognition on February 20, 1938 was not as equanimous as it had been two years earlier to the anti-Comintern Pact. The Chinese government, which had fled to Hankou after the outbreak of the Sino-Japanese war in July 1937, roundly denounced the announcement. “Germany’s action in forsaking China’s friendship and justice at this hour will never be forgotten by the Chinese,” declared the *Da-gong Bao.* Sino-German relations, while not yet frozen, were becoming colder.

The events leading up to the Manchukuo recognition had been complex and took place within the German requirements for soybeans, needed for edible oils and animal fodder. According to a report of 1932, Manchuria produced 61% of the world’s soybeans, and bean products were 86.6% of the total exports from Harbin alone. Nonetheless, Germany was unable to obtain soybeans in sufficiently large amounts and a German trade mission in Japan in 1935, also conducted talks with Manchukuo early in 1936. The results were unsatisfactory and the bean demand, no doubt, had a role in the 1938 decision. But despite having recognized Manchukuo, German firms were no more successful even one year later in obtaining larger imports, though it was apparently realized by then that Japan controlled the bean market and was not about to reduce its imports in favor of Germany.

There were other considerations as well. Gerhard Weinberg writes that Manchukuo recognition was already discussed some years earlier, especially after Germany withdrew from the League of Nations in October 1933 and dis-

24 “Ri De xieding yu Zhongguo (The Japan-German agreement and China),” *DGB*, November 27, 1936, p. 2.
29 YVA, JM 2.040. This is a “strictly confidential” report by a delegation dispatched to Manchukuo in December 1939. Its report seems to be addressed to various firms and the cover letter is on I. G. Farbenindustrie Aktiengesellschaft stationary. Nonetheless, Manchukuo continued to be a major soybean supplier to Germany. See “Japan Supplies Food to Germany; Sends 1 500 Tons Daily Via Russia,” *The New York Times*, June 4, 1941.
Discussions about the soybean trade had begun. Recognition may have been shelved at the time while the arms trade with the Nanjing government was getting underway and the influential military adviser, Hans von Seeckt (1866–1936), (about whom more below) visited China and became a staunch supporter of Chiang Kai-shek. Jeopardizing valuable and lucrative commercial contacts for soybeans was, no doubt, not in Germany’s interests at that time. The outbreak of the Sino-Japanese war in July 1937, the subsequent fall of Nanjing, and the retreat of the Nationalist government to the interior, the elimination of the pro-Chiang faction from the German Foreign Office, and the appointment as foreign minister of the pro-Japanese Ribbentrop in February 1938 brought about a vastly changed situation.

Manchukuo, or the Northeast, had come to be considered an integral part of China after the establishment of the Qing (Manchu) dynasty in 1644. Japan’s invasion and occupation of Manchuria was, therefore, the invasion of Chinese territory. Japan’s establishment of a puppet government in Manchuria, or what was now called Manchukuo, did not alter this fact, and German recognition of Japan’s outlaw behavior as legitimate should have produced a rift between Chiang Kai-shek’s government and the Nazi regime. But despite the fact that Germany and Japan were obviously moving closer, the break between Chiang and Germany came three years later. In the interim, the conclusion of the Tripartite Pact, which brought Italy, Germany, and Japan into an alliance in September 1940, can be seen as one further step in cementing relations with Japan. In fact, it represented a rearrangement of political forces with Japan now firmly allied against the United States and Great Britain. But equally important, if not more so, was Germany’s invasion of European countries earlier in the summer of 1940, which had raised concern in Japan over the status of these countries’ Asian colonies, an issue that was dealt with in the Pact.

Although the clouds of the impending cataclysm were clearly gathering – Germany had invaded Poland in September 1939 and Italy had joined the Ger-

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31 This process and the cartographic implications are ably described by Elliot, “The Limits of Tartary.”

32 Italy had already begun rethinking her support for Chiang at the end of 1936 and the break came in the fall of 1937. See Frey, Faschistische Fernostpolitik, pp. 255, 262–263.

man war in June 1940 – reactions in China to this new alliance were mixed. It signaled, according to one Guomindang writer, that the Sino-Japanese conflict in China was part of the European conflict, although the Pact affected America, Russia, and England more than China. It was also seen as a warning, “The alliance designed by Germany to paralyze the United States into immobility and hasten the attempted dismemberment of the British Empire, will have far-reaching effects on the future of the Far East.” But, on the other hand, the alliance was considered not to make much of a change in the international situation, its purpose being to improve relations between Japan and Russia. Not obvious at the time, though, was the fact that Germany and Japan were never able to coordinate their policies, as Johanna Meskill astutely observed. The 1940 Tripartite Pact did not cement relationships, despite the 1936 anti-Comintern Pact; Germany did not welcome Japan’s attack on China in 1937, and the 1939 Russo-German Pact had come as a shock to Japan.

The final twists in the reshuffling of alliances came in 1941. First the so-called “neutrality” or “non-aggression” pact between Japan and the USSR in April 1941, stipulated that both parties would maintain strict neutrality in case either was attacked. Then, on July 1, Germany and Italy recognized the Wang Jingwei regime in Nanjing. The former would have an unintended benefit for the Russian-Jewish communities after the start of the Pacific war, putting them in the category of neutrals in the conflict. The latter brought Sino-German relations to the breaking point. The foreign minister of the Nationalist government, then in Chongqing, declared indignantly that both Germany and Italy “have committed a gross injustice to China and have thereby forfeited any claim to the friendship of the Chinese Government and people.” Although relations were not definitively severed until the outbreak of the Pacific war in December 1941, all three governments recalled their diplomatic personnel.

36 “The Triple Alliance,” NCH, October 2, 1940, pp. 5–6. Johanna M. Menzel, “Der geheime Deutsch-Japanische Notenaustausch zum Dreimächtepakt,” Vierteljahresheft für Zeitgeschichte, 5 (1957), pp. 182–193. Menzel shows that the Pact left many open questions that demanded reexamination. Hence the secret notes, which, however, raised further perplexities. Frey, Faschistische Fernostpolitik, p. 303 adds that Italian diplomats were not even involved in the Berlin–Tokyo negotiations, since it was assumed that Italy would sign. See also Bloch, Ribbentrop, p. 306, who sees the Pact as a “bluff” intended to frighten the Americans into isolation.  
37 Meskill, Hitler and Japan, pp. 3–10.  
38 “Dr. Quo Tai-chi Condemns Axis Recognition of Wang,” SEPM, July 3, 1941, pp. 1,3.
Wang Jingwei, Chiang Kai-shek’s erstwhile ally, had established his puppet government in March 1940 in Nanjing with Japan’s blessing, and both Germany and Italy recognized his regime more than a year later. To be sure, Chiang had ceased to be a partner in trade; his control of several hinterland provinces was insignificant compared to Japan’s control over most of China in 1941. Yet Japan’s dominant position had not netted Germany appreciable gains and the Nazi regime’s expectations for increased trade after the outbreak of the Sino-Japanese war in 1937 remained unfulfilled. Nor did the signing of the Tripartite Pact in September 1940 and Japan’s increasingly dominant position in French Indo-China and Thailand later in 1940 lead to German access to Southeast Asian raw materials, including tungsten. On the other hand, after Hitler’s reshuffling of his government early in 1938, the departure of Neurath from the Foreign Office and the semi-retirement of Trautmann, there was no longer an active pro-China lobby. Perhaps it was felt that recognizing Wang made little difference one way or another and would be seen by Japan as a good-will gesture. Recognizing Wang may also have been an attempt to enlist Japan (despite the neutrality pact) in Germany’s war against the Soviet Union. Or was recognition thought to be a gesture of appeasement to counteract Japan’s tendency to desert the Axis partnership? While Shanghai’s thermometers registered a sweltering 95 degrees, and Spain, Rumania, Bulgaria, and Hungary rushed to follow Germany and Italy’s recognition, and while diplomats were recalled from Chongqing, Berlin, and Rome by their respective governments, H. G. W. Woodhead, the popular British editorialist with a fine sense for the absurd, hoped that the Charlie Chaplin movie, “The Great Dictator,” banned earlier by Chongqing, would now be shown after all.

Money, Trade, Arms, and Military Missions

The Sino-Japanese war had a major role in precipitating Germany’s switch from a pro-China to a pro-Japan policy. However, the die was cast in neither 1937

39 Sommer, Deutschland und Japan, p. 457, writes that Japan nonetheless hesitated in recognizing Wang’s regime, still hoping to make peace with Chiang. Recognition was extended November 30, 1940.
40 Ibid., pp. 482–485.
41 Hjalmar Schacht, minister of the economy, resigned in November 1937 and was replaced in February 1938; that same month, Ribbentrop replaced Neurath, and Ambassador to China Trautmann went on indefinite leave.
43 CP, editorial, July 3, 1941, p. 10.
44 SEPM, July 1, July 2, 1941; H.G.W. Woodhead, “As Briton Sees It,” July 3, 1941, p. 7.
nor 1941, but in 1938. In that year Hitler reshuffled his government and assumed full control over the armed forces and Japan was seen as the Asian ally in Germany’s European expansion. It was also the year when forcing Jews out of the Reich moved into high gear (discussed below), and when confiscation of Jewish wealth and properties began at last to ease Germany’s foreign currency shortages. To understand this better, let us look briefly at Chinese-German trade relations as an integral part of foreign policy.

As mentioned earlier, Chinese-German commercial relations had a considerable history, having been pursued prior to WWI as well as afterwards during the years of the Weimar Republic. German military visits and the dispatch of advisers had an important role in trade relations, starting with retired Colonel Max H. Bauer’s (1875–1929) visit to China from November 1927 to March 1928 and again in November 1928. Bauer’s visits were not officially sanctioned by the German Foreign Office, which looked askance at this and other visits by military men, but there was nothing it could do to prevent them. The Nationalist government’s attempts to acquire armaments and to build and outfit a modern army were welcomed by German industrialists, who in turn were eager to rebuild Germany’s shattered economy. However, after 1933 trade with China changed significantly and for the next five years became an important source in Germany’s economic recovery and her efforts to rearm. Commercial relations thus paralleled political relations, as was pointed out above.

Bauer’s visits to China were followed by two visits by General Hans von Seeckt in the summer of 1933 and again in 1934–35. A career soldier, von Seeckt was the architect of Germany’s post-war army (Reichswehr) and he and Chiang Kai-shek got along well. Whether by chance or design, von Seeckt’s arrival in China in May 1933 coincided with Chiang Kai-shek’s determination to launch his fifth and final campaign against the Communists entrenched in

45 For the importance of that year in modern Jewish history, see Joseph Tennenbaum, “The Crucial Year 1938,” Yad Vashem Studies, no. 2 (1958), pp. 49–77.
48 The German military establishment pursued similar interests in mineral-rich Guangdong (Kuangtung) province, which until mid-1936, was not controlled by Chiang’s Nanjing government. Indeed, von Seeckt who, despite negotiating with Nanjing also kept his eye on the southern province, considered China as “Germany’s only escape from its raw material plight.” For Foreign Office fears that negotiations with the Guangdong generals would interfere with Nanjing negotiations, see Ratenhof, Die Chinapolitik, p. 427.
Jiangxi (Kiangsi) province. In fact, von Seeckt had journeyed to Guling where Chiang had taken personal charge of the preparations. No doubt, the two men at the time discussed the secret treaty they would sign the following year, in August 1934, which included provisions for supplying Germany with tungsten. To assure von Seeckt of an unimpeded supply from the Xihua (Hsihua) mountains mine in Jiangxi province, prudence might have dictated the urgent removal of the Communist base areas from their relative proximity to the mine.

Be that as it may, it was during von Seeckt’s second visit that a treaty was signed and major steps were taken to modernize Chiang’s army by using German advisers, and to lay the foundation for a military-industrial partnership whereby Germany delivered weapons, industrial installations, and railway equipment in exchange for raw materials, especially tungsten, which was indispensable for steel production. General Alexander von Falkenhausen (1878–1966) who succeeded von Seeckt and became Chiang’s adviser in 1935 continued the work begun by von Seeckt until the outbreak of the Sino-Japanese war. Clearly, however, Germany, which by the summer of 1937 was increasingly trying to draw Japan into an alliance, could not continue supplying arms and advisers to the Nationalist government in its “undeclared war” against Japan. After mid-1937, therefore, the political unraveling described above was accompanied by Germany’s economic retreat and finally by the withdrawal of the military advisers in mid-1938.

Before examining some of these points in greater detail, it should be pointed out that not only Germany, but Italy too was actively engaged in contributing to Chiang’s rearmament effort by supplying planes and parts together with the dispatch of aviation missions to train Chinese fighter pilots. But like

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50 Spence, Search for Modern China, p. 400.

51 Approximately 60% of the world tungsten supply was in Jiangxi and Guangdong, with Xihua Mountain close to the Hunan province border and the railway line to Guangzhou (Canton). Several of the base areas (Rujin, Yudu, for example) were located in an approximately 100–150 km. radius from the Xihua range. My measurements are, however, highly approximate. For details of the base area locations, see Furuya, Chiang Kai-shek, pp. 381, 382, 419.


in the German case, the political turnabout was accompanied by the economic one, although the Italians terminated their trade relations more abruptly. The Italian advisers left in December 1937, and weapons deliveries destined for China, which were already on the high seas in September, were turned over to the Japanese.\textsuperscript{54} Italy’s trade in war materials with China, like Germany’s, lasted no more than five years.

Taking now a closer look at German and Chinese trade, the first significant point is the foreign currency shortage experienced by the Nazi regime. Just how crucial the foreign currency question was surfaced, for example, in a Foreign Office report of August 1938 sent to the Qingdao (Tsingtao) consulate, which stressed that Jewish capital transfers abroad must be forbidden “from economic considerations of our foreign currency interests.”\textsuperscript{55} Avraham Barkai has argued that a more aggressive export policy by Germany would have alleviated the problem, and German industrialists certainly supported more exports to offset the expense of consumer imports.\textsuperscript{56} Others have argued, however, that a more aggressive export policy would not have solved the foreign currency crisis evident since 1934. Even hopes for weapons exports, permitted since November 1935, were exaggerated. Armaments were merely 1% of Germany's total exports and earned little foreign currency.\textsuperscript{57}

In view of these general considerations, how important in fact were exports to China? In 1937, the year that exports to China were at their all-time high,\textsuperscript{58} they brought in 82,788,600 RM. Moreover, 37% of Germany’s total armament exports went to China, which meant that China was Germany’s major weapons buyer.\textsuperscript{59} Aside from arms, a number of large industries, like IG Farben, Krupp, Siemens, and Daimler-Benz, were doing business in China; there were several railroad projects; entire factories were shipped to China and steel and chemical industries made investments. In part, these German exports were

\textsuperscript{54} Ibid., pp. 263–264.
\textsuperscript{55} YVA, J4 JIM7, Foreign Office, Berlin, August 13, 1938, p. 7. This document is a long report on the Evian conference.
\textsuperscript{58} Ratenhof, \textit{Die Chinapolitik}, table, p. 562.
paid for by the Chinese with foreign currency;\(^6^0\) in part they came under a “barter agreement,” concluded in 1936, whereby raw materials were exported to Germany. Most important among these was tungsten, of which in 1937 Germany imported 72\%, or nearly all of China’s exports.\(^6^1\) Whereas barter agreements did not alleviate foreign currency shortages, at least by 1937 German exports exceeded imports. And, we should remember that even if Manchukuo did not provide Germany with larger soy imports, as discussed earlier, the barter agreement with the puppet state did not excessively drain foreign currency reserves either.\(^6^2\) But in 1938 Germany discovered another solution to its foreign currency shortages: forced emigration and confiscation of Jewish property, with assets remaining in Germany.\(^6^3\)

Despite some arguments to the contrary, the China trade was important to German industrialists and to the military establishment, especially after the initiation of Hermann Göring’s Four-Year Plan of rearmament in 1936. The China trade, therefore, together with maintaining strong political ties to the Nationalist government in Nanjing were firmly supported by the Foreign Office. Although the topic of the Chinese destination for Jewish emigration will be taken up later, we might note here that when it was first mentioned in 1936, both the Foreign Office and the industrialists’ interests may have had a role in the suggestion not being taken up at the time.\(^6^4\) Political and especially economic considerations apparently still predominated. Nonetheless, 1938, a year after the outbreak of the Sino-Japanese war, was the turning point. The rela-

\(^{60}\) Ratenhof, *Die Chinapolitik*, pp. 420–421.

\(^{61}\) Martin, “Das Deutsche Reich,” p. 359. Between 1936 and 1938, German tungsten imports had nearly quadrupled. See H. G. W. Woodhead, ed., *The China Yearbook 1939*, Shanghai: China Daily News, 1939, p. 64. The complex maneuvers in Guangdong by Hans Klein and HAPRO (Handelsgesellschaft für industrielle Produkte), of which he was director, need not concern us here. Suffice it to say that by 1936 HAPRO came under army control and the competition between Klein and the army ended. By 1936 also Jiangxi province, with reputedly the largest tungsten mine, had come under Chiang Kai-shek’s control. Both events guaranteed the unimpeded flow of tungsten to the German army even after Germany had turned to Japan. 500 tons were still delivered in 1940 to Germany. See Ratenhof, *Die Chinapolitik*, pp. 445, 522.

\(^{62}\) “German-Manchu Trade Accord Concluded,” *NCH*, July 27, 1938, p. 153. However, German imports from Manchukuo continued to exceed her exports. See “Reich Manchukuo’ Trade Ends Year Favorably for Puppets,” *CP*, August 7, 1939, p. 7.

\(^{63}\) Barkai, *Das Wirtschaftssystem*, pp. 177, 211–213, See also YVA, 14 JM57, Foreign Office, Berlin, August 13, 1938 to the German consulate in Qingdao, p. 7.

tionship with China was terminated in favor of Japan and the major figures who had championed a pro-China policy were dismissed. Military shipments to China were ordered stopped in April 1938, and the military advisers were recalled in May. Meanwhile, the Nazi regime created new realities in Europe when the German army marched into Austria and into parts of Czechoslovakia in March 1938; when the first Austrian refugees were preparing to leave with no more than 20 RM in their pockets, and when Kristallnacht (the Night of Broken Glass) was only six months hence. Once thousands of Austrian and German refugees started arriving in Shanghai, Japan, now Germany’s East Asian partner rather than China, had to decide how to deal with this massive Jewish influx expelled by its none too trustworthy ally.

Ending military shipments to China meant foreign currency losses as well as abandoning a relatively lucrative market for German goods. On the other hand, by 1938 foreign currency losses were to some extent offset by foreign currency gains from confiscations of Jewish assets. Moreover, toward the end of 1937 those engaged in the China trade may have been persuaded that Japan was winning the war in China and that soon Germany would have new markets in Japanese-occupied territories. To these might be added Barkai’s suggestion that economic considerations were, in any event, subordinated to ideological ones and that German foreign trade and foreign currency management were dictated by politics.

Forced Emigration

By the end of 1938 both the policy and the institutional basis for the forced emigration of Jews came into being. The annexation (Anschluss) of Austria to Germany was complete March 13, 1938. Three days later, March 16, Adolf Eichmann (1906–1962) arrived in Vienna, and soon thereafter set about creating what came to be known as the Central Office for Jewish Emigration (Zentralstelle für jüdische Auswanderung), which began to function in August 1938. On May 8, he had already written to Herbert Hagen (1913–1999), director of the Jewish Section of the SD, that the reorganized Jewish community organizations in Austria work toward the aim of emigration. Eichmann did not exag-

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65 The first fifteen arrived on the Conte Biancamano in Shanghai on August 15, 1938, IM, 32, no. 6 (September 1938), p. 6.
gerate. The brutal persecution of Austrian Jews, aided by the successful anti-Semitic mobilization of the population; the “Aryanization,” that is the expropriation of business enterprises; the confiscation of dwellings owned by Jews and their virtual pauperization within the short period of six to seven months, induced many to flee to more hospitable parts. Presumably 50,000 Austrian Jews had been forced to emigrate by October 1938.68

The Évian conference of July 1938, called by President Roosevelt to mobilize international support to solve the refugee crisis, further strengthened the conviction of the Nazis that the Jews must be expelled one way or another from Germany and Austria while revealing to Jews the hopelessness of their situation.69 The United States was not prepared to increase quotas for German and Austrian Jews, but nearly all the countries present were unwilling to admit Jewish refugees without means. The Intergovernmental Committee, appointed subsequently to deal with ways and means of resettling refugees, neither offered hope nor led to concrete results. Emil Schumburg’s report to Germany’s foreign representations considered that the Évian conference had failed because it had not solved the two major problems of how to systematize emigration and its destination.70

Two events in the autumn of 1938 contributed significantly to making forced emigration a reality: the expulsion of Polish Jews from Germany to Po-


69 President Roosevelt had invited representatives from thirty-eight countries to Évian—les Baines. The countries represented included Australia, France, Great Britain, Canada, and Sweden, as well as South and Central American countries. The conference, which met from July 6 to July 15, was also attended by around three dozen Jewish organizations. For an extensive summary of the conference and the negotiations that followed, see Henry L. Feingold, The Politics of Rescue, The Roosevelt Administration and the Holocaust, 1938–1945, New Brunswick, N.J.: Rutgers University Press, 1970, pp. 22–68. For a recent evaluation of the conference, see “Der Fehlschlag von Evian,” Süddeutsche Zeitung, no. 134 (June 14, 2005), p. 14. I thank Knut Walf for bringing this article to my attention.

70 YVA, JM 4857, from Schumburg, the Foreign Office to all diplomatic and consular representatives abroad, January 25, 1939, 14 pp. Schumburg coordinated all incoming secret information and by 1940 coordinated the entire Jewish policy of the Foreign Office. In the Foreign Office he was considered the representative of the SS and of RSHA. See Hans-Jürgen Döscher, Das Auswärtige Amt im Dritten Reich, Diplomatie im Schatten der “Endlösung” Berlin: Siedler Verlag, 1987, p. 131.
land on October 27 and 28, and Kristallnacht on November 9. The former revealed the ease with which Jews could be rounded up and in coordinated moves expelled. As pointed out by Trude Maurer, “It was the first large-scale deportation requiring coordination between the police, the Reichsbahn railway, diplomats, and financial authorities.”

The latter confirmed the correctness of Eichmann’s procedures in Vienna and that similar measures would have to be instituted in Germany itself, according to discussions held on November 12 under the chairmanship of Hermann Göring. This was reiterated more forcefully in a Foreign Office circular of January 25, 1939, stating that Germany’s Jewish policy was a “condition and consequence of foreign policy decisions in 1938;” that the aim was emigration, and the “means, ways, and destinations of Jewish emigration” would have to be developed. Meanwhile, as was done in Austria and in the aftermath of Kristallnacht, Jews were systematically eliminated from the German economy, thus deprived of their means of livelihood, and many Jewish men were arrested and incarcerated in concentration camps. Release could be obtained by producing evidence of speedy departure from Austria or Germany, in accordance with a directive by Reinhard Heydrich (1904–1942) which stipulated that a detainee had to be in possession of emigration papers. One such victim, Howard (Horst) Levin, was arrested November 10, 1938 by the Berlin Gestapo when he sought to rescue his father who had been arrested earlier in the day. Howard was sent to Sachsenhausen concentration camp, but was released two months later when his sister showed the Gestapo a paid-up booking for Shanghai on the Biancamano.

Meanwhile, the German machinery for forced emigration was gradually created. Prior to Hitler’s assumption of power in January 1933 no single Jewish organization in Germany could speak for the various Jewish communities. Not

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73 Ibid., p. 126, document no. 58.
74 Ibid., pp. 115–116, document no. 52.
76 YVA, 078/72, Eber interview with Howard Levin, Jerusalem, October 14, 1988, pp. 1–8. In Vienna, similarly, the engineer Hugo Dubsky sought his release from Dachau with a visa from the Chinese consulate in Amsterdam, and Siegfried Cohen claimed to have visas for his two sons from the Chinese Consulate General in Vienna. CAHIP, A/W2689, 4, letter to the Vienna Kultusgemeinde, February 16, 1939; A/W2689, 3, letter to the Vienna Kultusgemeinde, February 3, 1939.
until September 1933 was the Reich Representation of German Jews (Reichsvertretung der deutschen Juden) established and this organization was forced to change its name after the passing of the Nuremberg Laws in September 1935 to Representation of Jews in Germany (Reichsvertretung der Juden in Deutschland). But just how representative the Representation was, in fact, is arguable and it was challenged by other Jewish organizations.\(^7\) The importance that the Nazi establishment ascribed to emigration can be seen in Hermann Göring’s ordering the establishment of a Central Office for Emigration January 24, 1939, after Kristallnacht. Reinhard Heydrich, chief of the Security Police (Sicherheitspolizei) was to head it, and Heinrich Müller was to be the responsible manager (Geschäftsführer). The Central Office commenced work February 11, 1939.\(^7\) Although in February, if not earlier, a Jewish organization in place of the Reich Representation was contemplated, the so-called Reich Association of Jews in Germany (Reichsvereinigung der Juden in Deutschland) was not established until July 1939.\(^7\) By establishing the Central Office for Emigration first, it was assumed that all Jewish emigration would be channeled through – and thus controlled – by this office. Advice and instruction on how to go about emigrating would be available from the emigration section (Auswanderungsabteilung) of the Reich Association. That this is not what happened and that the Nazis never managed to control emigration will be discussed in Chapter 3.

As mentioned above, in 1936 Herbert Hagen, director of the Jewish section of the SD from 1936 on, suggested China as one of the destinations for Jewish emigration, claiming that a number of Jewish immigrants had already arrived there. His suggestion was not taken up at the time, perhaps because of opposition from the Foreign Office and its pro-Chiang Kai-shek faction. Matters had changed considerably two years later. Now it was Adolf Eichmann who, within the context of forcing emigration, decided to vigorously pursue the China destination. Toward that end he sent Heinrich Schlie, head of the Hanseatic Travel Office in Vienna,\(^8\) to the Japanese and Chinese embassies to ascertain their

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attitudes to Jewish emigration to China. Schlie reported to Hagen on February 17, 1939, that he had spoken to the Japanese about one week earlier:

Generally speaking there is from the Japanese side no enthusiasm about Jewish emigration ... mainly because of many cases of Jewish immigrants making themselves available to the Chinese for spying. Other arguments that European artisans have a higher standard of living and [therefore] cannot compete with native artisans were also voiced.81

In a subsequent report, forwarded by Eichmann to Hagen, Schlie explained that the Japanese were also not keen about having Jewish refugees in cities other than Shanghai, claiming that matters had not sufficiently developed in them.82 (In fact, in November 1938 Consul General Horinouchi had advised from Hsinking, the capital of Manchukuo, that Jewish refugees be prevented from leaving Shanghai for other parts of North China).83 But, wrote Schlie, he had better luck with the Chinese. They were not opposed to bringing large numbers of Jews to Tianjin or Guangzhou – Schlie apparently did not realize that Tianjin was controlled by the Japanese and that Guangzhou had been under Japanese occupation since October 1938 – nor did the Chinese object to special refugee ships. Furthermore, Schlie was assured that Jewish refugees would receive pro-forma visas for illegal immigration to Palestine. The cost and bribe would be determined shortly in Berlin by the responsible chancellor in the passport office, but “absolute discretion is required. For this reason negotiations should take place between him [Schlie] and ... the chancellor under four eyes.”84 Apparently this offer was not taken up by Schlie.

At the same time, the Foreign Office sent a rather curious inquiry to the Central Office urging it to decide clearly about whether to support Jewish immi-

81 YVA, 051/0SO/41, Schlie to Hagen, February 17, 1939.
82 In a follow-up letter to the Japanese embassy Schlie reiterated that it would be a catastrophe for Shanghai and the immigrants if all came to the metropolis. Therefore, it would be best if they went to other places as well. Jews, moreover, he generously conceded, would be valuable for contributing to the rejuvenation of the economy in war-devastated areas. YVA, 051/OSO/41, copy of letter Schlie sent to the Japanese embassy, February 17, 1939.
83 JFM microfilm Series S, reel 413, frame 771, Horinouchi to Foreign Minister Arita, November 26, 1938.
84 YVA, 051/0SO/41, Report from Schlie, forwarded by Eichmann to Hagen, March 5, 1939. YVA, 051/0SO/41, Eichmann to Hagen, June 2, 1939, telegram, Eichmann added to Schlie’s report that anyone with a German passport, no matter what his race or religion, can come to Shanghai. Eichmann, moreover, was clearly aware, and stated so, that the Chinese cannot stop immigration “because the Japanese sit in all Chinese ports.”
migration to China. This must be decided, stated the inquiry, because, according to the Foreign Office’s views, continued immigration could lead to the loss of the Chinese market. What is odd about this inquiry is that by the end of May, when the letter was sent, commercial relations with China had for all practical purposes ceased already a year.85 Perhaps this missive reflects, as Dalia Ofer, remarks, the Security Service (Sicherheitsdienst) of the SS’s attempts to expel Jews, not caring where they went, whereas the proponents of emigration in the Foreign Office considered the Jews’ final destination of foremost importance.86

Being obviously aware of the limitations of shipping space (to be discussed later) Schlie paid a visit in June to Director Zar in charge of Italian shipping lines. Schlie’s aim was to persuade Zar to take on additional Jewish passengers by converting accommodations on every ship sailing for Shanghai. Zar agreed that as many as two hundred per ship could be accommodated; however, Germany would first have to deal with its large debt to the Italian account.87

Even if Schlie’s hopes to enlist more extensive Italian aid did not materialize, he did manage to charter a German merchant ship, the Usaramo, for exclusive Jewish use from the Deutsch-Ostafrika line. The ship arrived in Shanghai on June 29, 1939.88 Both Schlie and Eichmann intended to follow up the Usaramo success with further chartered ships, capable of transporting 1,000 to 1,500 Jews. But here they encountered a major problem: foreign ships could not be chartered for Reichsmark, requiring payment in foreign currency. German ships, in turn, used imported fuel oil which also had to be paid for with foreign currency.89 Schlie commented, “The North-German Lloyd was prepared to furnish one or two of its large ships for Jew transports to Shanghai. But the project failed because we could not raise the sum of 250,000 RM in foreign currency for the necessary fuel.”90 Clearly, Germany was not about to use its

87 YVA, 051/050/41, Schlie to Hagen, June 2, 1939.
88 CP, June 28, 1939, p. 2. According to the China Press, the Usaramo landed 339 passengers. According to SMP, D5422 (c), reel 18, Police Reports on Ship Arrivals, January–July 1939, 459 passengers landed. The Usaramo presumably had a capacity of 250 passengers in all classes, and usually carried 126 ship personnel. See Claus Rothke, Deutsche Ozean-Passagierschiffe, 1919 bis 1985, Berlin: Steiger, 1987, p. 47. Whether the Usaramo carried 339 or 459 passengers, there is no question that the ship was crowded beyond capacity. The IM’s report of May 1939 that three German vessels had been chartered to transport Jewish refugees is apparently erroneous. “Four Hundred Emigres Arrive Here Eve of Passover,” IM, Vol. 36, no. 2 (May 5, 1939), p. 10.
89 YVA, 051/050/41, signature illegible, Vermerk from Il 112, July 14, 1939.
90 YVA, 051/050/41, Schlie to Hagen, July 7, 1939.
scarce foreign currency reserves on behalf of Jews and, in the end, the Usaramo would be the only chartered ship transporting them to the safety of Shanghai.

Without knowing any of the details, Ernst Pollak wrote regretfully in 1940, “If double, triple, as many ships would have sailed, double and triple as many people would have come.”

Neither Eichmann, Hagen, nor Schlie were interested in saving Jewish lives. To them, what mattered was carrying out Göring’s policy of forced emigration. That forced emigration was one way of saving lives was apprently not understood by the Jewish leadership abroad. Nor was Shanghai considered by many a suitable place for Central European Jews. And Norman Bentwich of the British Council for German Jewry wrote, for example, that in 1938 German Jews were “dumped” in Shanghai. But where else could Jewish refugees go in 1938 and 1939? Were there other destinations in Asia aside from Shanghai that were considered more favorable?

**Alternative Destinations:**

**Manchukuo, the Philippines, Yunnan**

Aside from the legal and illegal emigration to Palestine, described by Dalia Ofer in *Escaping the Holocaust*, a variety of schemes and plans were proposed for Jewish emigrants. Among these, a Jewish reservation was contemplated in Madagascar and was especially championed by the Nazis following the invasion of France. Like Angola or British Guiana, Madagascar never materialized. More successful destinations were the Dominican Republic and Bolivia, and

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91 Ernst Pollak, “Menschen die uns halten,” *Shanghai Jewish Chronicle*, special number, March 1940, p. 6.
92 Instead of considering Japan as a life saving destination, Baerwald of the JDC suggested as late as October 1940 that Jews not be booked on Japan lines. They “were better off in Germany for the time being, than they would be in Japan.” JDC, RG 33–44, File 59, “Meeting of the JDC Administration Committee,” October 9, 1940.
95 See Leo Spitzer, *Hotel Bolivia, The Culture of Memory in a Refuge from Nazism*, New York: Hill and Wang, 1998, p. 203, n. 2. Spitzer estimates that perhaps as many as 20,000 refugees arrived in Bolivia, a figure that he bases on a tally of immigrant tally
Martinique. Not exclusively meant for Jews, but for anti-Nazi intellectuals and artists, six ships landed on the island in early 1941. Significantly, in these and other cases, expulsion amounted to rescue, as Eric Jennings remarks.96

Several destinations in Asia were considered and among these only one, the Philippines, was moderately successful. Questions about Siam (Thailand) were raised, but nothing came of them.97 In Shanghai, whether Manchukuo could be considered was explored with the Japanese Vice-Minister of Foreign Affairs as early as 1933, but the idea was abandoned the following year. Individuals could settle in Japan’s recent acquisition, Mamoru Shigemitsu presumably replied, but a large-scale emigration was at present out of the question. When next the issue of 50,000 German refugees was raised with the Foreign Office in Tokyo, the answer was similarly negative.98 James McDonald, Special High Commissioner of the League of Nations, moreover, indicated that the League could hardly approve settling refugees in a country conquered by Japan.99

Nonetheless, by November 1934, eight German Jewish physicians had opened practices in Harbin and by 1935 there were seventeen German refugees in Manchukuo.100 Yet the Manchukuo consulates in European cities, like Rome, Berlin, or Hamburg, did not pursue a consistent policy. Visas might be ob-

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98 “Dr. Yotaro Sugimura Discusses World Jewish Problems,” IM, November 3, 1933, p. 9. The issue of settling 50,000 Jews in Manchukuo was raised peripherally as part of an interview with Sugimura who was unofficially in Shanghai, and “Manchukuo Fades as Centre of German-Jewish Settlement,” IM, Vol. 31, no. 7, October 5, 1934, p. 8.
100 CAHJP, DAL 53, from Froomkin, Harbin, to Dr. Lurje, Frankfurt/Main, November 22, 1934, and, “Refugees from Germany Go to the Far East,” IM, Vol. 33, no. 3 (June 5, 1936), p. 10. It would seem, however, that the Japanese presence in Manchuria prevented HIAS, Harbin, from making concerted efforts to settle refugees in Manchukuo. A sheaf of letters from DALJEWCIH, Harbin, written in September and November 1935 to various Jewish organizations in Hong Kong and Shanghai attest to the fact that Meir Birman and others were trying to settle refugees in Chinese cities rather than in Manchukuo, CAHJP, DAL 57 and DAL 52.
tained at one, while none were issued at another, even though the official policy presumably was that a visa could be issued upon evidence of a work contract, and there was no official prohibition on immigration into Manchukuo. For example, a Dr. Goldhammer arrived with a visa from Rome and was already working in January 1939, and another family received their visa in Hamburg.\footnote{CAHJP, 76.1, Hilfsverein, Berlin to DALJEWCIB, Harbin, signed by Dr. Arnold Israel Horwitz, May 11, 1939; DAL 76, Birman to Swedish Mission, Mission Station, Vienna, January 26, 1939; DAL 76, DALJEWCIB to Vienna Emigration Section, signed Birman, January 25, 1939.} Apparently there were also cases of Manchukuo visas being issued without special difficulties in Dairen (Dalian), if the person had a work invitation.\footnote{CAHJP, 76.1, from DALJEWCIB to Hilfsverein, February 18, 1939. See also CAHJP, 86.2, Memorandum from CAEJR to Far Eastern Jewish Central Information Bureau, Harbin, September 7, 1939 with a cable from the Dairen Hebrew Society, “Abstain from sending here refugees destination Harbin, Tientsin.”} Clearly however, Manchukuo could not be counted on as a destination for large-scale Jewish immigration and, as reported in the \textit{Shanghai Times}, Manchukuo “does not welcome Jewish mass immigration. Still, it will not discriminate against Jews due to their race or creed, even if Jewish immigrants may infringe on Japanese interests due to their “peculiar commercial ingenuity.”\footnote{“Jewish Influx Being Studied by Japanese,” \textit{Shanghai Times}, May 24, 1939.} Also, in 1940 and 1941 the Jewish agencies both in Shanghai and in Europe were more concerned procuring Manchukuo transit visas rather than visas to the puppet state. Despite these difficulties, Lew Zikman, a Polish Jew and resident of Qiqihar (Tsitsihar), was persuaded in 1938 or 1939 to try to interest the Manchukuo authorities in settling 200 Jewish refugee families that were already in China. He suggested they establish a leather goods manufacturing plant with US money. Zikman would donate the land and an unfinished brick structure for that purpose.\footnote{Japan FM, reel 414, frames 1158–1160, from Lew Zikman to?. The first page of this document is missing.} Unfortunately, it is impossible to say how many Central European refugees eventually found a sanctuary in Manchukuo.

Although it is similarly impossible to say with any degree of accuracy how many refugees arrived in the Philippines, the case of the islands is quite different. In 1939, the Philippine islands were not an independent, sovereign state. Ceded to the United States in the Spanish-American War of 1898, they had become the Philippine Commonwealth under the Tydings-McDuffie Act of 1934, which stipulated that the U.S. would withdraw from it in 1945, at which time it would become the Republic of the Philippines. WWII intervened, however, and the islands were occupied by the Japanese in December 1941. Meanwhile,
in 1935, Manuel Quezon was elected the first president of the Philippine Commonwealth, and the islands received its first U.S. high commissioner.

Jews had arrived in the Philippines during the period of Spanish rule, but an actual community did not come into being until after WWI, when the Temple Emil Congregation was formally incorporated and when a synagogue was constructed in Manila in 1924. A Jewish Refugee Committee was established in 1937 and a rabbi and cantor were hired from among the German refugees, who began arriving at the end of the 1930s. There was some interest in supporting immigration to the Philippines, as there was “no direct law” forbidding it, which presumably depended on the American consul in Manila, and it was especially tempting because after five years residence a person could immigrate to the U.S. without coming under a quota. Accordingly, in January 1937, information on the Philippines was sent to Paris which estimated the Jewish community at perhaps 800–1000 people of various nationalities: American, French, Baghdadi, Dutch, German, British, and Eastern European.

By July 1938, forty-some families had made their way to the Philippines on their own initiative, and plans were under way to allow 200 families to settle. Here, however, problems developed. Although the high commissioner was informed by Washington that “victims of German and Austria anti-Semitism” were to be admitted, a meeting at Temple Emil in Manila decided that at first only one hundred families were to be allowed to come, and these should be professionals. Visas were to be obtained in Washington upon presentation of a letter of invitation from a permanent Philippine resident. But apparently the initiative to have one hundred families come was not that of the Manila community. It had been proposed by High Commissioner, P.V. McNutt, at whose request “these assimilated American and foreign Jews assembled to discuss this problem of immigration of refugees.” It is difficult to know whether

106 YIVO, HIAS-HICEM, I, MKM 15.57, file XV, D-1, Shapiro, Manila to Birman, Harbin, December 24, 1936.
109 YIVO, Ibid., From Birman, Harbin to P.S. Frieder, Temple Emil Congregation, Manila, July 5, 1938.
110 YIVO, Ibid., from Philippine Islands to HICEM, Paris, July 8, 1938. Twenty physicians, twenty-five nurses, and five dentists were selected who were to arrive in three groups. According to CAHJP, 76.1, Horwitz to DALJEWCI, December 24, 1938, forty-two persons altogether were approved. See also YIVO, Ibid., James Bernstein, Paris to HIAS, New York, September 6, 1938, who writes that McNutt acted on the personal advice of President Roosevelt.
the high commissioner or the Manila Jews was to blame for the indifferent attitude to the refugee crisis. Meir Birman in Harbin commented that not a single letter of invitation was received from the Philippines, concluding that Jews live there wealthy and happy, without worry, far from the troubles across the ocean. The Philippine Jews “do not feel” that they want to care for the Nazi victims.\(^{111}\) Later in fall, Layzer Epstein commented that the Manila Refugee Committee did not want to invite too many Jews “as they are under the impression that it may affect their own status.”\(^{112}\)

Nor was there sufficient encouragement from abroad. The Assistant Secretary of the Refugee Economic Corporation Bruno Schachner’s insistence that people be selected for the Philippines was counterproductive when saving people’s lives was the issue.\(^{113}\) Moreover, President Manuel Quezon’s offer in February 1939 to resettle 10,000 Jewish refugees on the islands of Mindanao or Polillo came too late and may have been half-hearted. Possibly, Quezon’s offer was the reason why the Germans evinced some interest in the Philippine option, though they indicated that a large Jewish emigration might endanger the local economy.\(^{114}\) The German Consulate General in Shanghai gleefully indicated that, despite American negotiations in Manila, Philippine leaders fear that the Jews will not take to agriculture, but instead will monopolize coffee and rubber production as well as buy up land and become landowners.\(^{115}\) In the end, only 750–900 Jewish refugees may have arrived in the Philippines.\(^{116}\)

The influx of large numbers of Jewish refugees into Shanghai was also seen as inherently unproductive and possibly dangerous by the Chinese Nationalist authorities who, it will be remembered were, however, no longer in control of the city in 1939. A plan was apparently discussed in Chongqing early in 1939 to settle Jewish refugees in China’s south- or northwest, Yunnan, Guizhou, Sichuan, and Xikang being mentioned.\(^{117}\) Possibly as a result of these discus-
sions, Mr. Dijour, secretary of the HIAS bureau in Paris, went to see Chinese Consul General Huang Tianmai on April 22, 1939. According to Dijour’s report of the conversation, which lasted more than two hours, Huang told him that he had taken the initiative of proposing to Chiang Kai-shek a concrete plan for organizing immigration to China. Specialists such as doctors, mining engineers, architects, and capitalists who would create industries or exploit mines came under consideration. Huang mentioned Ningxia and Qinghai provinces in China’s northwest and Xikang province in the south.\textsuperscript{118} Significantly, Dijour reported that the Chinese offer was not made solely for altruistic reasons:

The Consul General admitted to me that besides the purely practical considerations which prompted the Chinese authorities to make us such proposals, they also expected to be able to interest the influential Jewish centers of the democratic countries and the United States to the lot of China, who, as a victim of Japanese totalitarianism, has the right to expect the sympathy from the democratic countries.

The Jews, Huang argued in conclusion, would make a large contribution to the reconstruction of China once there was peace.\textsuperscript{119}

Nothing came of Huang’s proposal. And upon closer examination, it was neither particularly generous nor did it sufficiently consider the kind of immigrants who would be coming to China. Ningxia, Xikang, and Qinghai were established as provinces only in 1928, when the Nationalist government assumed power in Nanjing. Qinghai and Xikang are mountainous borderlands at the ascent to Tibet with sparse populations and Ningxia is part of Inner Mongolia. Qinghai was then and still is an arid region of deserts, grazing lands, and severe cold. There was little irrigated land, and even in 1949 the area lacked major roads.\textsuperscript{120} Huang’s proposal may have reflected (as had the earlier notice in the \textit{China Press}, mentioned above) discussions that were held between February and May by the Nationalist government in Chongqing about resettling Jews in China, the area of settlements, and their legal status. On March 7, 1939,

\textsuperscript{118} The transcription is not always clear and I was unable to identify “Houel-Chow,” also mentioned by Huang, which may be Guizhou in the south.

\textsuperscript{119} YIVO, HIAS-HICEM I, MKM, 15.57, file XV, C-4, from D.J. Bernstein to HIAS New York, April 27, 1939. English translation of report of conversation with the Chinese Consul General, Huang Tianmai, April 22, 1939. The cover letter for the English translation by Dijour emphasizes that the matter is in its very beginning.

Sun Fo (1891–1973), Sun Yat-sen’s son and president of the Legislative Yuan, proposed settling Jews in the southwest border region, that is Yunnan province which was one of the regions under Nationalist control, to alleviate the “unregulated entry into Shanghai.” Sun Fo said that “the Jewish people have a strong financial background and many talents,” and that settling them in Yunnan province would gain a favorable attitude for China from the British and Americans. The proposal was then discussed by several ministries (Interior, Foreign Affairs, Military, Treasury, Economics, Education, and Transportation), and having passed the fifth discussion, the report was submitted by Kong Xiangxi (H.H. Kung, 1881–1967) for “official endorsement.” There are no further documents to show whether and in what form the resolution was ever endorsed.

A similar proposal by Jacob Berglas was probably made in response to the Chongqing deliberations, which began early in 1939, whereas Berglas’s plan was first noted several months later, in May or June, but definitely after the Chongqing deliberations were concluded. Berglas, a 52-year old German refugee (it is not entirely clear that he was, in fact, a refugee) in Shanghai, had been a banker and textile industrialist. He apparently had contacts with persons in Chongqing and in Yunnan and, having first visited China in 1935, had

121 [Di Jin, Diane Rabinowitz and Michael Rabinowitz, trans., Bi Chunfu and Ma Chendu, eds., “A Plan to Settle Jewish Refugees in China,” Sino-Judaica Occasional Papers, Vol. 2 (1995), pp. 67–84. The documents were published in Chinese in Minguo dang’an shiliao (Historical materials from the archives of the Nationalist period), Vol. 3 (1993), pp. 17–21. Courtesy of Anson Laytnr and Al Dien. I read the final sentence of the Chinese document by Kong Xiangxi as submitting the resolution for “consideration” rather than for endorsement. See also Peter Merker, “Israel in Yunnan – zu den Plänen der GMD-Regierung, in Südwestchina ein jüdisches Siedlungsgebiet einzurichten,” Newsletter, Frauen in China, no. 9 (August 1995), pp. 10–12, where Merker summarizes these documents. See also Xu Xin, “Sun Fo’s Plan to Establish a Jewish Settlement in China During World War II Revealed,” Points East, Vol. 16, no. 1 (March 2001), pp. 1, 7–8. Xu Xin introduced and translated Sun Fo’s proposal only and stated that the plan was approved. See also Xun Zhou, Chinese Perceptions of the ‘Jews’ and Judaism, A History of the Youtai, Richmond: Curzon, 2001, p. 122, who states that the Nationalist government in Chongqing accepted Sun’s proposal. It was not put into practice because China was at war and the government was short of funds.

122 Ristaino, Port of Last Resort, pp. 117–118 assumes to the contrary that the Chinese government acted upon Berglas’s plan. A Chinese version of the plan is in the Shanghai Municipal Archive and is dated May 26, 1939. It is a handwritten document, but beyond stating “Chinese Government” (Zhonghua Minguo), there is no mention of the document’s provenance. It is labeled “Yizhi Zhong Ou Youtairen lai Hua zhih jihu (The Plan to Colonize China by Means of European Jews coming to China),” YVA, 075/107, 5 pp.
Bernhard Kahn, of the New York JDC, who had several conversations with Berglas when he was in New York in the autumn, added some further details. There were four Berglas brothers and two sisters, but the Berglas family “is not conspicuous in social work in Germany.” The Berglas’s had investments abroad and a factory in England; Berglas said that he was in China “at the invitation of the Chinese government to be their financial adviser in some activities.” These scanty bits of information do not tell us much about the man.

The Berglas proposal, as revealed at a press conference in Shanghai’s elegant Cathay Hotel, envisioned a planned society with a planned economy for 100,000 refugees both Jewish and “any victims of current circumstances who were without a home.” He had tentatively selected Kunming with its 300,000 inhabitants as the location for the colony which would be an extension of the city. Each immigrant would need initially three British pounds per month support but within one to two years he would be able to establish himself in his vocation and would be self-supporting. Funds in RM could be obtained from blocked accounts in Germany. A portion of the funds the refugees would bring along could be used for industrial development. However, war industries would be absolutely excluded. Berglas proposed the establishment of a cooperative bank and a transportation company responsible for bringing immigrants from port to city, and he stressed Kunming’s favorable location; the Saigon (Vietnam, then Indo-China)-Kunming railway is under construction, he said; about 10,000 km of highways will be ready in 1940. The Yunnan provincial government is in favor of the plan and the Chinese government is presently discussing it.

The plan was widely commented on in Shanghai’s foreign press. John Ahlers wrote in the China Weekly Review that Yunnan was chosen because it was remote from hostilities and the Japanese were unlikely to invade it. Yunnan, however, is extremely conservative and the Nationalist government is only partly in control. General Lung Yun and his conservative administration are the chief powers in the province. Jewish refugees could not hope for special

123 YVA, 078/106, “Berglas Publishes Plan for Settling 100,000 Jewish Refugees in China,” August 5, 1939, p. 305. There is no indication where the plan was published.
124 JDC, file 458, B. Kahn, “Memorandum on Conversation with Mr. Jacob Berglas of China,” November 15, 1939.
125 “One Hundred Thousand Jews May Find Home in China,” IM, Vol. 36, no. 4 (July 14, 1939), p. 14; JDC, 1/033, file 458, from Berglas to JDC, Paris, June 15, 1939, 4 pp. The last is a printed version of the plan, “Immigration to China,” but consists of only two pages with the last two pages missing.
126 Lung Yun (1888–1962) was governor of Yunnan from 1928 to 1945, when he was deposed.
privileges, and “Zionist experiments could [not] be carried out anywhere in China.” Small groups might find a home there; doctors might be in demand, but not merchants. The North China Daily News was in favor of settling refugees in Yunnan “irrespective of nationalist, creed or political affiliation”, and the Shanghai Evening Post and Mercury thought that “The plan does not impress as impossibly utopian.” But an editorial in the China Press considered bringing 100,000 refugees to Yunnan as extremely ambitious. Moreover, the problem of political loyalty of such a large number of people was a paramount problem. Israel’s Messenger was cautiously optimistic, but warned that the Yunnan plan was not a substitute for Zionism; it was at best a temporary expedient.

The Gelbe Post gathered the views of a number of China experts in Shanghai on the feasibility of the plan, to which reactions were mixed with some outright negative, others non-committal and a few in favor. Thus the chief editor of the Shanghai Times, E. Morley, believed that the economic collapse of a colony of strangers in China’s interior was inevitable, whereas the businessman, Eduard Kann, was certain that neither Jewish farmers nor workers could succeed because there was no arable land and because they could not compete with Chinese labor. The chief editor of the Shanghai Evening Post thought that immigrants to Yunnan would have to be selected in accordance with their abilities. A thoughtful contribution by Julius R. Kaim pointed to the pleasant climate and the often spectacular scenery, but also to the problematic relationship between the Han Chinese and the native minorities. He concluded that European immigrants must always remember that they are in Inner Asia which is as remote as Tibet.

There were other reactions. A Chinese businessman in Hong Kong was not only negative, but also repeated several prevalent anti-Semitic statements. He wrote that such a venture will not be profitable for China, for Jews are looking

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128 SMP, roll no. 18, D-544 (c), “100,000 Emigrants to Settle Yunnan Province,” North China Daily News, June 21, 1939.
130 CP, August 1, 1939, p. 10.
133 Julius R. Kaim, “Neugierig auf Yunnan,” Gelbe Post, no. 6 (end of July 1939), pp. 122–123.
for quick profit, using the money to invest in industry in Shanghai, or to purchase stocks abroad. Better to be subjugated by other nations than by Jews and, comparing Jews to bacteria, he concluded significantly that it is best not to introduce bacteria into a sick body. Once the bacteria are in the person he dies a slow and painful death. There is no medicine. Yet there is also another letter, apparently from Shanghai, which considers the Berglas plan a very sensible one. Although the letter writer cannot be identified — there is no signature — he writes that he only now returned from Chongqing where he discussed the plan with Dr. Francis Liu and Director General Li. He suggests that 2,000–3,000 trucks and 500 buses be purchased for the transportation company in Germany. Half of the money for these will come from the immigrants’ accounts. “I have no doubt,” he concluded, “that the plan ... will be a sensational success for China and the emigration.”

Undaunted by the negative and hesitant reactions, Berglas next headed for New York and Washington to present his plan and to raise funds. Arriving in Vancouver in September 1939 aboard the Empress of Canada, he stated in an interview that he was about to organize a committee of international leaders to launch the immigrant colony. Each person would bring along about $250, enough for one year, after which the immigrant would become self-supporting. Still maintaining the uniqueness of a planned and cooperative society and economy, he now optimistically envisioned solving the jobless and émigré problem by providing a home for anyone regardless of creed, race, or religious belief. But the New York JDC had been already forewarned in August that the Berglas scheme was “of questionable practicality.” As reported by Bernhard Kahn, of the New York JDC, Berglas spoke in generalities, the figure of 100,000 refugees was most certainly exaggerated since experts believe that

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134 YVA, 075/107, from Chen Dewen (?), Hong Kong to Liusien, May 26, 1939. The letter is in German on stationary of the Kien Gwan Co., India, Ltd., which had branches in China, Southeast Asia, and London, 8 pp. Although the signature is not entirely clear, the content of the letter indicates that it was written by a Chinese who was apparently influenced by Nazi propaganda.

135 YVA, 075/107, to Mr. Chu Cha Chua, June 4, 1939. This letter too is in German. I have been unable to identify Drs. Cha and Francis Liu as well as director general Li.

136 “N.Y. Committee Planning for Jewish Colony in West China,” CP, September 22, 1939, p. 3.

137 JDC, 1/035, file 458, from Stephen V.C. Morris, Acting Chairman, Departmental Committee on Political Refugees to George L. Warren, Executive Secretary, President’s Advisory Committee on Political Refugees, August 18, 1939. The letter mentioning the cable from Shanghai was forwarded by Warren to Joseph C. Hyman of the JDC.
at most 1,000–2,000 persons could be settled, and Berglas only discussed a transportation company.\textsuperscript{138}

Did Berglas see Edward Warburg, as he told Kahn he wanted to? Did he confer with the Chinese division at the State Department in Washington, as was his intention? We do not know, for Berglas fades from the historical record. That a small number of Jewish refugees managed to reach Yunnan is clear, however, although we know nothing about them or how long they remained there. In August 1940, for example, several people received permission from the Chinese consulate in Berlin to travel to Yunnan. Presumably there was air travel between Alma Ata and Kunming, and the refugees were to leave September 11, 1940.\textsuperscript{139} A Max Kanner ended up in Kunming (address: POB 1600) as did Michael Nothman (address: POB 159), and Dr. Viktor Karfunkel, a physician.\textsuperscript{140} Nonetheless, neither the ambitious Berglas plan nor, for that matter, any other plan to save lives, succeeded. Whether it was human failure or indifference, the fact is that both the Jewish and non-Jewish establishments made no response to the gravity of the human plight.

As I tried to show, the small beginnings in 1933 and the large exodus of Jewish refugees in 1938 and 1939 had wider ramifications. They included Germany's international and commercial relations with China and Japan and the creation of a unified domestic approach to the “Jewish Question.” Ethnic cleansing, to be sure, was part of Nazi policy throughout the years under discussion, yet it could not be instituted as forced emigration as long as other problems had not been resolved. By no means a predetermined process, it was not obvious in, say 1934 or 1935, that Germany would forsake China in favor of Japan, or that Chiang Kai-shek would not be able to withstand the onslaught of Japan’s armed might. Nor was Nazi power as monolithic in 1934 and 1935 as it would be in 1938. The events of that year – the Austrian Anschluss, the expulsion of Polish Jews from Germany, and Kristallnacht – were instrumental in making Shanghai an option for flight to safety. Unfortunately, the Jewish leadership in Europe and America, in casting about for alternative destinations, did not seem to grasp just how grave and immediate the threat to Jewry in Germany and Austria was. That the several attempts to find Asian destinations ended in failure is perhaps less surprising than that nearly 20,000 Jews found a haven in Shanghai.

\textsuperscript{138} JDC, 1/037, file 458, B. Kahn, “Memorandum on Conversation with Mr. Jacob Berglas of China,” November 15, 1939.
\textsuperscript{139} CAHJP, 86.3, Birman to Reichsvereinigung, August 7, 1940.
\textsuperscript{140} CAHJP, 99, Birman to HICEM, Marseille, August 1, 1941. Marseille asked Birman to locate Max Kanner so that he could help his ex-wife, Herta Kanner, who was incarcerated in Gurs to reach Kunming. For a brief history of the Karfunkel family, see Appendix 5.