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Israel Education Fund. 1963-1964.

For more information on this collection, please see the finding aid on the
American Jewish Archives website.

Eban - Ed. Conf.

partners in revolt against
The tragedies of our past

we are bound to consider
not whether Israel would
exist, but how it would live

A nation can be small in
geography but great in history

as we brood upon the drama
of our nation's history

We are sons of a certain family. It is not only a Hebrew family.

It is a universal family.

Its age is etenity, its home the globe

its ? faith, its fate is suffering,

its happiness is self-sacrifice

its enemy is oppression

its banner is liberty

its name is equality.



EXCERPTS FROM THE REPORT TO THE LEGISLATURE OF VIRGINIA RELATIVE
TO THE UNIVERSITY OF VIRGINIA

August, 1818

In proceeding to the third and fourth duties prescribed by the Legislature, of reporting "the branches of learning, which should be taught in the University, and the number and description of the professorships they will require," the Commissioners were first to consider at what point it was understood that university education should commence. Certainly not with the alphabet, for reasons of expediency and impractability, as well from the obvious sense of the Legislature, who, in the same act, make other provision for the primary instruction of the poor children, expecting, doubtless, that in other cases it would be provided by the parent, or become, perhaps, subject to future and further attention of the Legislature. The objects of this primary education determine its character and limits. These objects would be,

THOMAS JEFFERSON believed the following to be the objectives of primary education;

To give to every citizen the information he needs for the transaction of his own business;

To enable him to calculate for himself, and to express and preserve his ideas, his contracts and accounts, in writing;

To improve, by reading, his morals and faculties;

To understand his duties to his neighbors and country, and to discharge with competence the functions confided to him by either;

To know his rights; to exercise with order and justice those he retains; to choose with discretion the fiduciary of those he delegates; and to notice their conduct with diligence, with candor, and judgment;

And, in general, to observe with intelligence and faithfulness all the social relations under which he shall be placed.

To instruct the mass of our citizens in these, their rights, interests and duties, as men and citizens, being then the objects of education in the primary schools, whether private or public, in them should be taught reading, writing and numerical arithmetic, the elements of mensuration (useful in so many callings), and the outlines of geography and history. And this brings us to the point at which are to commence the higher branches of education, of which the Legislature require the development; those, for example, which are,

To form the statesmen, legislators and judges, on whom public prosperity and individual happiness are so much to depend;

To expound the principles and structure of government, the laws which regulate the intercourse of nations, those formed municipally for our own government and a sound spirit of legislation, which, banishing all arbitrary and unnecessary restraint on individual action, shall leave us free to do whatever does not violate the equal rights of another;

To harmonize and promote the interests of agriculture, manufactures and commerce, and by well informed views of political economy to give a free scope to the public industry;

To develop the reasoning faculties of our youth, enlarge their minds, cultivate the arts, and administer to the health, the subsistence, and comforts of human life;

And, generally to form them to habits of reflection and correct action, rendering them examples of virtue to others, and of happiness within themselves.

These are the objects of that higher grade of education, the benefits and blessings of which the Legislature now propose to provide for the good and ornament of their country, the gratification and happiness of their fellow-citizens, of the parent especially, and his progeny, on which all his affections are concentrated.

Section 1. Whereas it appeareth that however certain forms of government are better calculated than others to protect individuals in the free exercise of their natural rights, and are at the same time themselves better guarded against degeneracy, yet experience hath shewn, that even under the best forms, those entrusted with power have, in time, and by slow operations, perverted it into tyranny; and it is believed that the most effectual means of preventing this would be, to illuminate, as far as practicable, the minds of the people at large, and more especially to give them knowledge of those facts, which history exhibiteth, that, possessed thereby of the experience of other ages and countries, they may be enabled to know ambition under all its shapes, and prompt to exert their natural powers to defeat its purposes; And whereas it is generally true that that people will be happiest whose laws are best, and are best administered, and that laws will be wisely formed, and honestly administered, in proportion as those who form and administer them are wise and honest; whence it becomes expedient for promoting the publick happiness that those persons, whom nature hath endowed with genius and virtue, should be rendered by liberal education worthy to receive, and able to guard the sacred deposit of the rights and liberties of their fellow citizens, and that they should be called to that charge without regard to wealth, birth or other accidental condition or circumstance; but the indigence of the greater number disabling them from so educating, at their own expence, those of their children whom nature hath fitly formed and disposed to become useful instruments for the public, it is better that such should be sought for and educated at the common expence of all, than that the happiness of all should be confined to the weak or wicked.

NOTES ON VIRGINIA

Another object of the revisal is, to diffuse knowledge more generally through the mass of the people. This bill proposes to lay off every country into small districts of five or six miles square, called hundreds and in each of them to establish a school for teaching, reading, writing, and arithmetic. The tutor to be supported by the hundred, and every person in it entitled to send their children three years gratis, and as much longer as they please, paying for it. These schools to be under a visitor who is annually to chuse the boy of best genius in the school, of those whose parents are too poor to give them further education and to send them forward to one of the grammar schools, of which twenty are proposed to be erected in different parts of the country, for teaching Greek, Latin, geography, and the higher branches of numerical arithmetic. Of the boys thus sent in any one year, trial is to be made at the grammar schools one or two years, and the best genius of the whole selected, and continued six years, and the residue dismissed. By this means twenty of the best geniuses will be raked from the rubbish annually, and be instructed, at the public expence, so far as the grammar schools go. At the end of six years instruction, one half are to be discontinued (from among whom the grammar schools will probably be supplied with future masters); and the other half, who are to be chosen for the superiority of their parts and disposition, are to be sent and continued three years in the study of such sciences as they shall chuse, at William and Mary college, the plan of which is proposed to be enlarged, as will be hereafter explained, and extended to all the useful sciences. The ultimate result of the whole scheme of education would be the teaching all the children of the State reading, writing, and common arithmetic; turning out ten annually, of superior genius, well taught in Greek, Latin, geography, and the

higher branches of arithmetic; turning out ten others annually, of still superior parts, who, to those branches of learning, shall have added such of the sciences as their genius shall have them led to; the furnishing to the wealthier part of the people convenient schools at which their children may be educated at their own expense. The general objects of this law are to provide an education adapted to the years, to the capacity, and the condition of every one, and directed to their freedom and happiness. Specific details were not proper for the law. These must be the business of the visitors entrusted with its execution. The first stage of this education being the schools of the hundreds, wherein the great mass of the people will receive their instruction, the principal foundations of future order will be laid here. Instead, therefore, of putting the Bible and Testament into the hands of the children at an age when their judgments are not sufficiently matured for religious inquiries, their memories may here be stored with the most useful facts from Grecian, Roman, European, and American history. The first elements of morality too may be instilled into their minds; such as, when further developed as their judgments advance in strength, may teach them how to work out their own greatest happiness, by shewing them that it does not depend on the condition of life in which chance has placed them, but is always the result of a good conscience, good health, occupation, and freedom in all just pursuits. Those whom either the wealth of their parents or the adoption of the state shall destine to higher degrees of learning, will go on to, the grammar schools, which constitute the next stage, there to be instructed in the languages. The learning Greek and Latin, I am told, is going into disuse in Europe. I know not what their manners and occupations may call for: but it would be very ill-judged in us to follow their example in this instance. There is a certain period of life, say from eight to fifteen or sixteen years of age, when the mind like the body is not yet firm enough for laborious and close operations.

If applied to such, it falls an early victim to premature exertion; exhibiting, indeed, at first, in these young and tender subjects, the flattering appearance of their being men while they are yet children, but ending in reducing them to be children when they should be men. The memory is then most susceptible and tenacious of impressions; and the learning of languages being chiefly a work of memory, it seems precisely fitted to the powers of this period, which is long enough too for acquiring the most useful languages, antient and modern. I do not pretend that language is science. It is only an instrument for the attainment of science. But that time is not lost which is employed in providing tools for future operations: more especially as in this case the books put into the hands of the youth for this purpose may be such as will at the same time impress their minds with useful facts and good principles. If this period be suffered to pass in idleness, the mind becomes lethargic and impotent, as would the body it inhabits if unexercised during the same time. The sympathy between body and mind during their rise, progress and decline, is too strict and obvious to endanger our being misled while we reason from the one to the other. As soon as they are of sufficient age, it is supposed they will be sent on from the grammar schools to the university, which constitutes our third and last stage, there to study those sciences which may be adapted to their views. By that part of our plan which prescribes the selection of the youths of genius from among the classes of the poor, we hope to avail the state of those talents which nature has shown as liberally among the poor as the rich, but which perish without use, if not sought for and cultivated. But of all the views of this law none is more important, none more legitimate, than that of rendering the people the safe, as they are the ultimate, guardians of their own liberty. For this purpose the reading in the first stage, where they will receive their whole education, is proposed, as has been said, to be chiefly historical. History, by

apprising them of the past, will enable them to judge of the future; it will avail them of the experience of other times and other nations; it will qualify them as judges of the actions and designs of men; it will enable them to know ambition under every disguise it may assume, and knowing it, to defeat its views. In every government on earth is some trace of human weakness, some germ of corruption and degeneracy, which cunning will discover, and wickedness insensibly open, cultivate and improve. Every government degenerates when trusted to the rulers of the people alone. The people themselves therefore are its only safe depositories. And to render even them safe, their minds must be improved to a certain degree. This indeed is not all that is necessary, though it be essentially necessary. An amendment of our constitution must here come in aid of the public education. The influence over government must be shared among all the people. If every individual which composes their mass participates of the ultimate authority, the government will be safe; because the corrupting the whole mass will exceed any private resources of wealth; and public ones cannot be provided but by levies on the people. In this case every man would have to pay his own price. The government of Great Britain has been corrupted, because but one man in ten has a right to vote for members of parliament. The sellers of the government, therefore, get nine-tenths of their price clear. It has been thought that corruption is restrained by confining the right of suffrage to a few of the wealthier of the people; but it would be more effectually restrained by an extension of that right to such members as would bid defiance to the means of corruption.

HUNTER
PARCHMENT

Negative ways of stating the problem

1. Israel's growth, phenomenal to this point, will be blunted and come to a halt, within a predictable number of years, unless the educational levels are pushed higher and more universally

~~2.~~
2. She will become a Levantine state, with a small elite and a poverty-stricken lower two-thirds, if present educational levels remain.

1. WE SAW A PROBLEM - no universal high school system

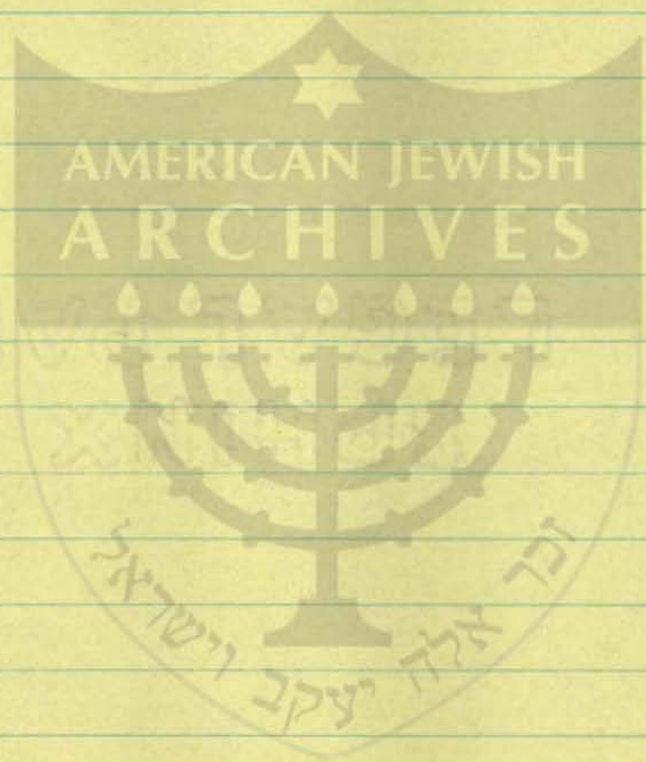
BC
Harman
Kollek
Pincus
Bensky
(G.H.)

2. WE STUDIED AND SURVEYED THE PROBLEM - Hyman report; mission report

EBAN; ARANN

3. WE CONSULTED - Council; our own agencies; KARGMAN; individuals

4. WE DECIDED ON A FORMAT



In a recent article in the New York Times Magazine Section, dealing with Civil Rights, the sub-title read:

"If Americans are not convinced that the Civil Rights Act is just and moral, then it will go the way of prohibition and other laws violated, ignored and unenforceable."

So with this Conference. If American Jews are not convinced that the need for education in Israel today is as crucial as was the need for bread fifteen years ago, any resolutions we pass will go unheeded, any lofty intentions will remain unexecuted, and the soft dust of ignorance will slowly drift over a portion of our people in Israel whose torpor will then pull down the standards of the whole and cause the noble experiment to wither before the century has run its course.

If, on the otherhand, our best and most generous souls in this imaginative American Jewry do quickly sense that they are being summoned to provide more even than arms or food or shelter, and that this thrust for knowledge is indeed the essence of life, they will respond in a measure which will surprise the most jaded.

A small people can be large only in that arena whose horizon is unlimited - the arena of the intellect. Science and art, new forms of human organization and higher forms of personal achievement, these can be pursued, discovered, passed on to others by any people, however small, devoted wholeheartedly to the task.

Knowledge is the hallmark of excellence.

Brilliance is the distinction of our tradition.

These must not die but be advanced.

We are laying the foundations for the spiritual future of the Jewish people in Israel. We are engaging in the spiritual revival.

*We must make a
nation out of
immigrants.*

2. RESPONSIBILITY

A. What Exists now

a network of private schools - ^{mostly} not State built - AMAL (Histadrut) vocational; ORT vocational; HADASSAH-WIZO; regional ^{committees} + municipal; Kibbutz. All this built by Israelis themselves

B. What is needed

more teachers; schools; subsidies for children; laboratories, libraries, centers for study

C. What is our share

to provide the "seed money", really, of developing a full secondary system with enough facilities (physical + human) to embrace all children aged 14-18.

D. Effect of our seed money

to force Israelis to spend more on education and thus junk the spiral upward. The new ^{education} budget for April is coming in with additional \$ 50 million request.

3. STRUCTURE + METHOD

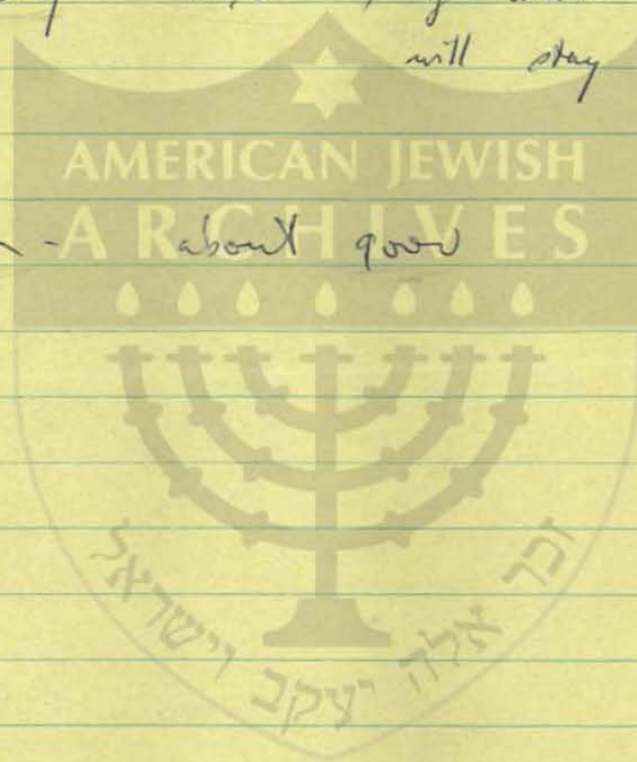
Attendance 1961-1962

elementary 370,000

~~6.9% of~~

secondary 78,000, of whom about half
will stay to the end

higher - about 9000



recognized by all

I. NEEDS

A. Economic -

to develop a highly skilled technologically advanced society - on the model of Scandinavian or other small countries - requires much more general ^{+ specialized} education than exists. Without this, it will be a constant struggle to make progress. Can't depend on oranges only.

B. Military -

modern defense requires a degree of training and skills in handling sophisticated electronic equipment which is almost unobtainable. A small nation can lose a war in its classrooms.

C. Political

democracy depends on stability - cool, good sense. The street mob, uneducated, is susceptible to hysteria and demagoguery. So far so good in Israel - but there is a long future - And there was one episode - Wadi Salib. Asian-African feeling of discrimination will curtail democracy.

D. Jewish traditional -

we are, after all, the People of the Book. We would be ashamed if the standards of learning remained this low.

E. The Making of a Nation

We have witnessed so far, and helped advance, a process of rescue and ingathering - also a process of state-building (army, foreign service with international contacts, factories, tourism, etc.) -

now we must start the people-building process.

High school system is a fool
in the making of a nation - U.S. in 1890's
Night & day schools made Americans out of
greenhorns.

FIRST PRESENTATION

1. We saw a problem - ^{universal} no secondary school system - ^{two} Israel's ^{both weak}
2. We studied + surveyed the problem - ^{Alt} report + mission report
3. We consulted with CJPWF + our own agencies
4. We decided on a format

FINAL PRESENTATION

1. WE WANT AND NEED TO ADVANCE EDUCATION IN ISRAEL FOR THE FOLLOWING REASONS:
 - A. Economic
 - B. Military
 - C. Political
 - D. Jewish Traditional
 - E. The Forging of a Nation
2. GIVE JEFFERSON'S RUBRIC OF PURPOSES OF EDUCATION
3. CLOSE WITH PERORATION.

✓ Stenberg - Youth Center - Yahud - 140,000

✓ Racossin - Vocational School (portion) - 100,000

✓ Rodman - Comprehensive (Small) portion - 250,000

● ✓ Artzt - Scholarship 500,000
(100,000 payable - 400,000 bequest)

✓ Burke - Teachers Training Scholarship 100,000

✓ N.Y.C. W.D. - Comprehensive Small ~~100~~ 900,000

● ✓ N.Y.C. - STCC - Comprehensive Small ~~900,000~~ 900,000

✓ Bensley - 100,000

~~Meyersoff - 100,000~~

140
100
250
500
100
900
900
100

2990

Five Stages of Sefer

5. oriental children - oriental parents
4. Israeli " - " "
3. " " - Israeli "
2. " " - European "
1. European " - " "



- a) 1/3 of nation in school
 - elementary - 55%
 - secondary - 33%
 - university - 10-12%
 - b) 50,000 graduates of elementary every year (5 stages per year)
 - c) Over 1/3 of Sefer is oriental (high number - low grades)
 - d) correlation between rise of family + educational achievement
- "Education is a golden key for social mobility"
 oriental parents want it for their children"

*education
file*

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March 2, 1964

Rabbi Herbert Friedman
United Jewish Appeal, Inc.
1290 Avenue of the Americas
New York 19, New York

Re: Israel Education Fund Campaign

Dear Herbert:

This is a summary of the conference held on February 24 at the Internal Revenue Department. The participants were Mr. Barber, Acting Head of the Exempt Organization Branch, Miss Barker, representing the branch ruling on deduction questions, Bill De Wind, Maurice Boukstein and myself.

Bill's presentation, in my opinion, was favorably received. It was made on the basis of the Jewish Agency for Israel, Jerusalem, instead of IFT, as the body having the responsibility for the administration of the fund as agent for the Jewish Agency for Israel, Inc.

In the conversation that followed these were among the points stressed:

1. No aid will be given directly or indirectly to the Government of Israel as a result of the program. As a corollary it was noted that the program is necessary because the Government does not provide secondary education.
2. The Government of Israel will either convey the land for schools in perpetuity or give long term leases of the land.
3. The representatives of the Internal Revenue Service wanted assurance that title to the schools would not be conveyed to the Government of Israel after the program is established unless, of course, the government should acquire title as the result of its exercise of the right of eminent domain and should in that event pay adequate compensation.

March 2, 1964

Rabbi Herbert Friedman
United Jewish Appeal, Inc.

Re: Israel Education Fund Campaign

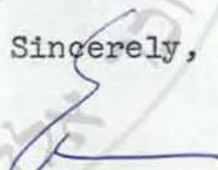
4. The Government of Israel will contribute to the maintenance of the schools, but their ownership and their administration will at all times be under the control of the Jewish Agency for Israel, Inc.

5. The schools will comply with the curriculum and such other educational standards prescribed by the Ministry of Education as may be necessary to qualify for certification.

6. As I mentioned in our telephone conversation, since we were not certain at the time of our conference as to precisely what the government's position may be concerning representation on the "Board of Education" or similar body organized by the Jewish Agency for Israel, Jerusalem, the door was left open for its possible representation on such board or body, provided, of course, that control by the Jewish Agency for Israel is not thereby diminished.

The procedure agreed upon was that an application for a ruling would be made jointly by UJA and the Jewish Agency for Israel, Inc., and that the ruling to be issued would be addressed to both organizations. It was indicated that it is unlikely that a ruling would be made in April because of the backlog of pending applications. The probability is that if an application is made this month, the ruling will be issued either in May or June.

Sincerely,



Edward Goodell

EG:eec

P.S. After writing this letter, I received in the mail a copy of the letter sent to you by Bill De Wind. I think, in general, his report and mine are in substantial agreement.

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

575 MADISON AVENUE, NEW YORK, N. Y. 10022

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H. RUSSELL WINOKUR
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ADRIAN W. DEWIND
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ALAN N. COHEN
JAMES L. PURCELL

*education
file*

ARTHUR J. COHEN
COUNSEL

RANDOLPH E. PAUL (1946-1956)
LOUIS S. WEISS (1927-1950)

February 29, 1964

Rabbi Herbert A. Friedman
United Jewish Appeal, Inc.
1290 Avenue of the Americas
New York, New York

Dear Herb:

This will confirm the report I gave you on our meeting with the Internal Revenue Service regarding the Israel Educational Fund. The meeting was attended by Mr. Barber, who is the Acting Head of the Exempt Organization Branch, and by a Miss Barker, representing the Individual Income Tax Branch which rules on the deduction question. Neither Barber nor Miss Barker raised any serious difficulties about the whole plan. We described it as a proposed additional activity of United Jewish Appeal and Jewish Agency, Inc., to be conducted by the Jewish Agency-Jerusalem as agent, indicating that the Jewish Agency would have to establish a new education division or department and in doing this would probably decide to have an advisory committee of educators which might include in its membership a minority of representatives of the Ministry of Education.

We also explained that a good deal of the funds would come from large contributors and that, in many instances, would be for projects with which a particular contributor's name would be associated. Finally, we emphasized that title to the buildings would be retained in the Jewish Agency, Inc., with the land either donated by the government or made available on long term leases at nominal rents. It was indicated that the scholarship endowment funds would be retained by the Jewish Agency, Inc.

The questions that were raised included the following:

Rabbi Herbert A. Friedman

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February 29, 1964

1. Would there be any plan on the part of the government to take over the educational system after it was completed and operating? As to this, we said there would be no such plan and that, moreover, if at some future date in some quite unanticipated way the government did take over these properties by eminent domain, then, under the Israeli law, there would be a right to fair compensation to the Jewish Agency, Inc., although such a development, we said, would be wholly improbable.

2. Would the operation of this system relieve the government of an existing expense? As to this, we emphasized that there was no government-operated secondary school system in Israel. Accordingly, no part of the project would be to substitute private philanthropy for an existing governmental activity.


Finally, it was made very clear to us that the retention of title to the buildings and the endowment funds by the American organization would be essential to approval.

With regard to time, it was indicated that we would need the ruling by the end of April so as to permit the fund raising to get under way in May. On this we could get no assurance but I would be reasonably hopeful that, if the application were filed in the next week or 10 days, we would be able to obtain approval by April 30 or May 15, which, I gather, would be time enough.

The draft ruling request is well under way and I would anticipate that it could be distributed for comments by the end of next week at the latest. In my hospital absence, Alan Cohen will keep track of this and will be in touch with you about distribution. He will, of course, have prior discussions with Maurice Boukstein.

Best regards.

Sincerely,


Adrian W. DeWind

P.S. It is understood that, when this ruling comes out, the exemption of UJA will be made apparent in the process by a letter addressed to UJA itself.

cc: Maurice Boukstein, Esq.
Edward Goodell, Esq.

File

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PAUL, WEISS, RIFKIND, WHARTON & GARRISON

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CABLE: LONGSIGHT, N. Y.

ARTHUR J. COHEN
COUNSEL

RANDOLPH E. PAUL (1940-1950)
LOUIS S. WEISS (1927-1950)

December 16, 1963

Mr. Herbert A. Friedman
United Jewish Appeal, Inc.
1290 Sixth Avenue
New York, New York

Dear Herb:

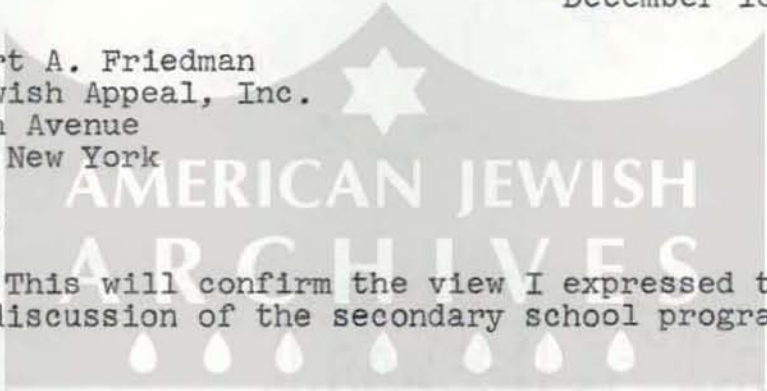
This will confirm the view I expressed to you at our last discussion of the secondary school program for Israel.

As you know, on December 2, 1963, the Internal Revenue Service published a new ruling as to income tax deductions for charitable contributions made after December 8, 1963, which are to be used outside the United States. It is apparent from this new ruling that the Service has finally decided to proceed with its long studied plan to limit very closely the situations in which it will approve deductions for monies raised for transmittal to foreign organizations.

One important effect of the ruling will be that any new situations presented for approval by the Internal Revenue Service are certain to be scrutinized very closely. The ruling gives as an example of a situation in which a deduction will not be allowed the following:

"A foreign organization entered into an agreement with a domestic organization which provides that the domestic organization will conduct a fund-raising campaign on behalf of the foreign organization. The domestic organization has previously received a ruling that contributions to it are deductible under section 170 of the Code. In conducting the campaign, the domestic organization represents to prospective contributors that the raised funds will go to the foreign organization."

On the other hand, the new ruling gives as an example of a permissible arrangement the following:



Mr. Herbert A. Friedman

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"A domestic organization, which does charitable work in a foreign country, formed a subsidiary in that country to facilitate its operations there. The foreign organization was formed for purposes of administrative convenience and the domestic organization controls every facet of its operations. In the past the domestic organization solicited contributions for the specific purpose of carrying out its charitable activities in the foreign country and it will continue to do so in the future. However, following the formation of the foreign subsidiary, the domestic organization will transmit funds it receives for its foreign charitable activities directly to that organization."

The reason given for approving the second case is that the circumstances show that the United States domestic organization is the "real beneficiary" of contributions and the foreign organization an "administrative convenience" only.

It is apparent that the lines are very closely drawn and that the proposed secondary school program could encounter real difficulties in qualifying under the new rules. For this reason I have recommended to you that it has now become essential to try to fit the new program into the existing United Jewish Appeal organization.

When the UJA and Jewish Agency for Israel operations were reorganized in 1960, the Service applied to it tests from which the new ruling has been drawn almost verbatim. At that time, there was negotiated with difficulty the present arrangement, by which the Jewish Agency for Israel, Inc. in New York has assumed control over the detailed items for which UJA funds are spent in Israel and the Jewish Agency for Israel in Jerusalem is recognized as a permissible agent in Israel. One great factor favoring the approval was the government's desire not to upset too greatly the long established and publicly accepted UJA relationships with its constituent organizations. To my knowledge, no new foreign organizations have since succeeded in having any similarly favorable arrangement approved. On the other hand, as you know, we were assured last week that there is no intention to question or upset the UJA ruling.

Accordingly, I believe that the secondary school program must be set up as simply an extension of existing UJA and

Mr. Herbert A. Friedman

3

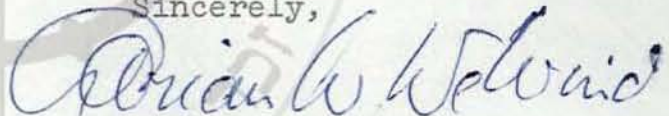
Agency activities, within the existing framework, if approval is to be anticipated at all promptly or, indeed, ever. In that way, it can be presented to the Service as no more than a new division of charitable activity of the Jewish Agency in New York, to be administered by the Jewish Agency in Jerusalem, under precisely the same Agency relationship and controls as all present activities. We could properly assume a reasonably easy and prompt approval on this basis.

On any other basis, I feel assured that you would be faced with very considerable delays and probably ultimate rejection. It might also be that any extended dispute over a new proposed organizational arrangement would serve only to call the present UJA ruling into question, a result which should be avoided at all costs. The line between approval and disapproval is razor thin at this point and the present approval should not be exposed to too great strains in administrative proceedings.

If you have any question about any of this, please let me know and I shall be glad to elaborate further.

Best regards.

Sincerely,



Adrian W. DeWind



HAF

MINUTES OF MEETING HELD AT UJA OFFICES, NEW YORK CITY,

DECEMBER 2, 1963.

file

The following persons were present at this meeting:

Herbert A. Friedman
Henry C. Bernstein
Gottlieb Hammer
Edward Goodell
Maurice Boukstein
Adrian De Wind
Abraham S. Hyman

The sole question considered at this meeting was the matter of approaching the Internal Revenue Service for clearance on the projected UJA Capital Fund Campaign for education in Israel. There was a brief discussion on the question as to whether it was at all necessary to secure such clearance inasmuch as the projected campaign might be considered an integral part of the work supported by the UJA, for which clearance has already been received. The conclusion reached was that even if theoretically clearance for the Capital Fund Campaign was not necessary, as a practical matter it should be secured in order to satisfy potential contributors.

The discussion then moved to the basic question of what the approach to the Internal Revenue Service should be. In this connection the conclusions reached at the meeting of the Sub-Committee held in Jerusalem on October 26, 1963, were reviewed and the consensus among the lawyers was that a Sub-Committee of the Israel Foundation Trustees, the majority of whose members will have to be persons approved by the Ministry of Education, would be looked upon with disfavor by the Internal Revenue Service as the ultimate operating entity in Israel. Mr. De Wind took the view that if this were the composition of the Sub-Committee of the Israel Foundation Trustees, the Internal Revenue Service would take the position that this was, in effect, a Government administered program and, as such, would disqualify the whole project for tax exemption.

The alternatives were then considered and there was unanimity on the point that if the Jewish Agency for Israel, Jerusalem, set-up an Education Department, and if this department would administer the program, there would be no question that the plan would qualify. However, inasmuch as it was taken for granted that such plan would meet with the strong objection of the Ministry of Education, a second alternative was considered, namely, that the Jewish Agency establish a new body consisting of 12 persons -- 3 to be appointed by the Jewish Agency for Israel, Jerusalem, 3 by the Jewish Agency for Israel, Inc., and the UJA, 3 by the Ministry of Education and 3 by the Israel Foundation Trustees, and that this body would constitute the Board of Education in lieu of the Sub-Committee of the Israel Foundation Trustees proposed at the October 26th meeting in Jerusalem. Mr. De Wind expressed the view that although it is not absolutely certain that with Government participation, even in a minority capacity, in the selection of the 12-man body, would make the plan acceptable to the Internal Revenue Service, there was a good possibility that this plan could secure clearance.

Minutes of Meeting - 12/2/63

It was finally decided to communicate these positions to Teddy Kollek with the request that he try to get approval in Israel for either of these two alternatives. Inasmuch as the Jewish Agency for Israel, Jerusalem, was an important element in this development and inasmuch as Mr. Moshe Sharett is now in the United States, it was agreed that Herbert Friedman explore the matter first with Mr. Sharett.

How



ASH:SS
12/4/63

PAUL, WEISS, RIFKIND, WHARTON & GARRISON

575 MADISON AVENUE, NEW YORK, N. Y. 10022

file

SIMON H. RIFKIND
ROBERT E. SAMUELS
JOHN F. WHARTON
LLOYD K. GARRISON
MYER D. MERMIN
HOWARD A. SEITZ
H. RUSSELL WINOKUR
ALEXANDER HEHMEYER
ADRIAN W. DEWIND
EDWARD G. MILLER, JR.
MORRIS B. ABRAM
MORDECAI ROCHLIN
PAUL J. NEWLON
JOSEPH S. ISEMAN
JAMES B. LEWIS
SIDNEY R. NUSSENFELD
MARTIN KLEINBARO
RICHARD H. PAUL
NORMAN ZELENKO
JOHN E. MASSENGALE
JAY H. TOPKIS
EDWARD N. COSTIKYAN
ROBERT H. MONTGOMERY, JR.
JOHN C. TAYLOR, 3RD
BERNARD H. GREENE
ERNEST RUBENSTEIN
ALLAN B. ECKER
ALAN N. COHEN
JAMES L. PURCELL

MURRAY HILL 8-5600

CABLE: LONGSIGHT, N. Y.

ARTHUR J. COHEN
COUNSEL

RANDOLPH E. PAUL (948-1954)
LOUIS S. WEISS (927-1950)

March 5, 1964

Rabbi Herbert A. Friedman
United Jewish Appeal, Inc.
1290 Avenue of the Americas
New York, New York

Dear Rabbi Friedman:

I enclose herewith 3 copies of our draft ruling application relating to the Israel Education Fund Campaign. In presenting the matter, we have made certain inferences and we would, of course, wish to be corrected if any of them are wrong.

At Mr. Boukstein's request, I am sending copies to him and to Mr. Hammer, as well. I am, of course, also sending copies to Ed Goodell and Henry Bernstein.

Sincerely,

Alan
Alan N. Cohen

Encl.
By Hand

cc: Edward Goodell, Esq.
Mr. Henry Bernstein

Hon. Mortimer M. Caplin
Commissioner of Internal Revenue
Internal Revenue Service
Washington, D.C.

Dear Commissioner Caplin:

On behalf of the United Jewish Appeal, Inc., a New York membership corporation (hereinafter called the "U.J.A."), Employer Identification Number _____, and the Jewish Agency for Israel, Inc., a New York membership corporation (hereinafter called the "Domestic Organization"), Employer Identification Number _____, we respectfully request a ruling that the exemption from Federal income tax of each as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 will not be adversely affected by the activities to be undertaken in connection with the Israel Education Fund Project (the "Project") and that contributions to each, including contributions to the U.J.A. Israel Education Fund Campaign (the "Campaign"), will continue to be deductible under section 170 of the Code.

The U.J.A. was determined to be a tax exempt organization, contributions to which are deductible, under the predecessor provision of section 501(c)(3) by letter dated February 10, 1936. By letter dated February 4, 1960, bearing correspondence symbols T:R:EO:2-MEM, signed by John W.S. Littleton, Director, Tax Rulings Division, you confirmed U.J.A.'s continuing exemption from Federal income tax as an organization described in section 501(c)(3) to which contributions are deductible under section 170(c)(2) of the 1954 Code.

The Domestic Organization, which was incorporated in 1949, was held to be exempt from Federal income tax under the predecessor of section 501(c)(3) of the 1954 Code by ruling letter dated June 27, 1953. Following changes in its organization and operation, the Domestic Organization, by letter dated March 30, 1960, requested a reaffirmation of its tax-exempt status. Following consideration by you of such changes, the June 27, 1953 ruling was reaffirmed, by letter ruling dated December 21, 1960, bearing correspondence symbols T:R:I:MEP-3, signed

by Harold T. Swartz, Assistant Commissioner.

The materials submitted with the Domestic Organization's March 30, 1960, letter requesting reaffirmation of its status described in detail the activities of the U.J.A. and the Domestic Organization. In capsule, the U.J.A. is a fund-raising organization which distributes its receipts among a number of charitable organizations. The principal beneficiary of the U.J.A. is the United Israel Appeal, Inc., a New York membership corporation (hereinafter called the "U.I.A."). The U.I.A. contributes to the Domestic Organization, which expends funds so received for charitable activities which it wishes to support in Israel, using as its agent in Israel the Jewish Agency for Israel in Jerusalem (hereinafter called the "Agency"). This method of operation was described and approved in the December 21, 1960 ruling.

The Domestic Organization has traditionally supported immigration to and settlement in Israel by needy Jewish emigrants

These figures are low - certainly eastern Europe is higher

seeking refuge from deprivation, injustice or persecution. With the assistance of the Domestic Organization, some 250,000 persons have been rescued from displaced persons' camps in Europe, 530,000 have fled Arab countries and 100,000 have been saved from Communist terrorism and oppression in Eastern Europe. Historically, the Domestic Organization has not limited its support to assisting persons to flee to Israel. Because, political freedom has little meaning so long as economic deprivation remains, the Domestic Organization has always been concerned with the settlement and rehabilitation in Israel of the immigrant and his family. Thus, the Domestic Organization has in the past provided funds for agricultural settlement, housing, health, education and welfare services.

vast majority of the The new immigrants have been *settled in areas* ~~forced to locate largely in agricultural settlements in once barren, long-neglected areas~~ which are referred to as the development areas of Israel. In the past,

a significant portion of the charitable work of the Domestic Organization consisted of providing physical aid to these settlements to permit the immigrant to develop the land and maintain his family at a subsistence level. In addition, the Domestic Organization expended rather small amounts for welfare and education services, including scholarships for ^{students attending post-elementary schools} ~~secondary and trade school students.~~

As the result of a recent study, however, the U.J.A. and the Domestic Organization discovered that the education of immigrants, which such organizations have largely heretofore neglected, now requires urgent attention and substantial assistance. The need is especially urgent in the area of secondary school education, which is neither free nor compulsory in Israel, and is particularly acute among the children of the more recent

immigrants, who are of Asian and African origin, because such children ^{predominate in the areas where there is a scarcity of secondary} ~~generally do not have the resources, the parental encouragement or the schools and are children who, generally, do not have the financial~~ ^{highly-developed talents that would permit them to compete for the} ~~resources to attend the secondary schools.~~ places available in existing secondary schools.

While the State of Israel provides free education for children 5 through 13, and attendance for children of those ages is ~~grades one through eight, and attendance is compulsory until age 13,~~

compulsory,
 the State of Israel does not provide, operate or require attendance in secondary schools. When the State of Israel was founded in 1948, almost all of the secondary schools were owned and operated by charitable organizations or private individuals. With the tremendous growth in population and the resulting urban concentrations, a number of municipalities have also built and are operating secondary schools. Attendance at all secondary schools remains, however, on a tuition-paying basis. The State of Israel does assist students through a system of scholarship grants based on need and competitive test scores, and in some instances the State makes grants to schools. Nevertheless, the secondary schools generally operate at substantial deficits made up by the sponsoring organization or municipality.

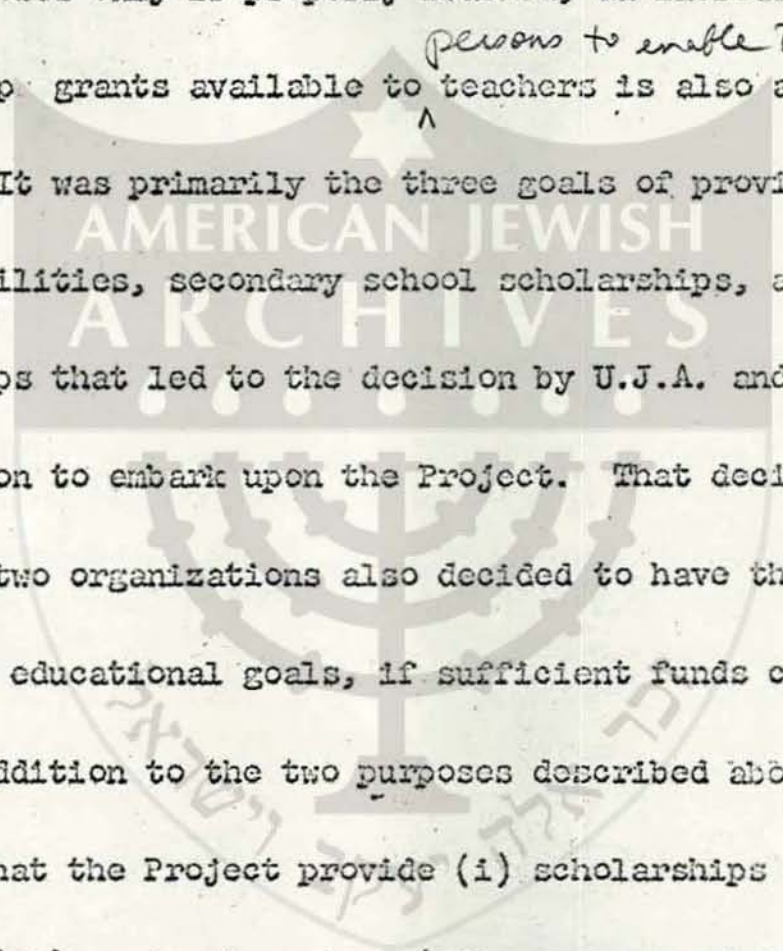
Despite the increase in the number of secondary schools in Israel since 1948, only about 60 percent of the students who complete

their elementary education manage even to enter upon the first year of secondary school. Moreover, as might be expected, secondary schools are scarcest in the development areas, with the result that children of new immigrants, and particularly of Asian and African origin, are not receiving secondary school education in the same proportion as are children of ~~established immigrants, who are generally of~~ European descent. To prevent the children of new immigrants and especially the children of Asian and African immigrants from becoming unskilled second-class citizens, secondary school construction and operation in development areas is urgently required. To assure attendance of such children, there is also great need for providing scholarship aid to them, especially because *their parents are* ~~they have generally had~~ *generally in the lowest income bracket.* ~~a poor elementary education and thus rank poorly in the competitive~~ ~~government examinations upon which state scholarships depend.~~

A third major complication in the educational situation is the shortage of adequately trained teachers, both at the elementary and secondary school levels. Since school buildings serve their purposes only if properly staffed, an increase in the number of scholarship grants available to ^{persons to enable them to study to be} teachers is also an urgent imperative.

It was primarily the three goals of providing secondary school facilities, secondary school scholarships, and teachers' scholarships that led to the decision by U.J.A. and the Domestic Organization to embark upon the Project. That decision having been made, the two organizations also decided to have the Project serve additional educational goals, if sufficient funds could be raised. Thus, in addition to the two purposes described above, it is also proposed that the Project provide (i) scholarships for university students; (ii) regional centers (like nursery schools) for pre-school children, primarily those of Asian and African origin; (iii) regional centers for gifted children of Asian and African origin in grades six through eight; (iv) science laboratories in secondary schools; and (v) related facilities such as libraries, youth centers and

re-
list
of
priorities



adult education centers.

To finance the Project, U.J.A. will conduct the Campaign to solicit contributions from United States donors. The Campaign will be apart from the annual U.J.A. campaign, with its own chairman and staff. A number of the major contributions to the Project are likely to be made by donors who will wish to be informed of how their contributions will be expended. Thus, a donor of funds for a school building will be shown plans of the building when available, will be informed of the location of the building, and may have the building named in his honor or as he directs. Similarly, a donor contributing to the endowment of a scholarship fund may be allowed to choose a specific category of scholarships (such as school teachers, students in secondary schools or students at institutions of higher learning). In no case, however, will the contributor have control over the actual expenditure of the funds, in the sense of being permitted to choose the contractor or architect of the building involved, or of being per-

mitted to select recipients if scholarships are involved.

Donors may also be asked to contribute in the form of endowments for secondary schools or similar facilities ~~or to provide maintenance funds for such facilities,~~ but no such contribution will entitle the donor to control the operation of the school or facility.

In accordance with existing procedures, funds collected by the U.J.A. as the result of the Campaign will be transmitted to U.I.A. accompanied, where appropriate, by instructions including the name of the donor and the purposes for which his contribution is to be used. Also under such procedures, U.I.A. will donate the funds to the Domestic Organization, passing on any instructions received from the U.J.A. And, also under present procedures, the Domestic Organization will exercise exclusive supervision and control over the expenditure of its funds through its agent in Israel--the Agency.

Actual construction of secondary schools and related educational facilities will be supervised by the Agency as the Domestic

Organization's agent. It is expected that the Domestic Organization will obtain the land for the facilities through contribution or long-term lease (at a nominal rental) from the Israeli Government. In either event land and buildings will be exempt from Israeli tax.

All buildings constructed as part of the Project will be owned exclusively by the Domestic Organization, and the Domestic Organization is fully satisfied that the Israeli Government has no thought of taking over such properties in the foreseeable future. Moreover, if such facilities ever were taken over by the Government of Israel, Israeli law would require that the Domestic Organization receive fair compensation for its properties.

Once constructed, the schools and related educational facilities will be operated by the Domestic Organization through its agent, the Agency. The operating income of the schools will be derived from the same sources that any other private secondary school in Israel derives income: (1) tuition paid by students, (2) tuition paid by the Israeli Government and by municipalities as

scholarships for students, (3) subsidies from the Government of Israel and municipalities, (4) grants by private and public organizations, and (5) grants by individuals. In order to qualify for government scholarships for students and/or other subsidies from the Government of Israel, the schools will follow the prescribed curriculum standards which are required of all accredited secondary schools in Israel.

Title to the funds used for the endowment of scholarships or for the endowment of schools will remain in the Domestic Organization until such time as the Domestic Organization expends them for a specific purpose, ~~such as a scholarship or the operating expenses of a school or related facility.~~

Since the Agency will be required to build and operate schools and other facilities and administer scholarship programs as agent for the Domestic Organization, the Agency is expected to form an Educational Division for that purpose. The personnel of the Educational Division will undertake tasks relating to the construction

of schools and other facilities (such as negotiations with architects, engineers, builders and contractors) and supervision of the execution of such contracts and construction of such facilities. Educational Division personnel will also operate the schools and other facilities and administer the scholarship funds. In accordance with existing procedures, the Agency will submit regular reports to the Domestic Organization and will at all times act only as agent for the Domestic Organization. The Domestic Organization will retain and exercise complete control over the operation of the schools and facilities and the administration of scholarship funds, including the establishment of criteria for the distribution of the funds and the selection of the recipients of the scholarships. Of course, the Domestic Organization will continue at all times to have personnel in Israel to ensure adequate supervision of the Agency.

Consideration is being given to the establishment by the Educational Division of an advisory council of prominent educators

to advise it in administering and making recommendations to the Domestic Organization with respect to the Project. Since some of the most prominent educators in the State of Israel are associated with the Ministry of Education, it is probable that some members of the advisory council, if one is established, will be associated with the Ministry of Education. At no time, however, will the Educational Division permit persons associated with the Ministry to constitute more than a minority of the advisory council.

On the basis of the foregoing, it is respectfully requested that you rule that the proposed changes in the operation of the U.J.A. and of the Domestic Organization resulting from the undertaking of the Israel Education Fund Project will not adversely affect the status of the U.J.A. or of the Domestic Organization as a tax-exempt organization under section 501(c)(3) and that contributions to either organization will continue to be deductible under section 170 of the Code.

Appropriate Powers of Attorney are enclosed herewith.

Please address all communications to both the U.J.A. and the Domestic Organization and, in accordance with the ~~Power of Attorney~~ filed herewith, please send copies of all communications to both Adrian W. DeWind, Esq., counsel to U.J.A. and Maurice Boukstein, Esq., counsel to the Domestic Organization.

Finally, we wish to note that the Campaign is planned to start in late April. Since timing is of critical importance to the success of a fund raising campaign, it is extremely important that the Campaign not be delayed. We would, therefore, appreciate your cooperation in expediting consideration of this request in every feasible manner.

If you require any additional information, we will try to supply it promptly. If you have any question as to the continuing exempt status of either the U.J.A. or the Domestic Organization, as a result of the proposed Project, a conference is respectfully

requested. In either event, please do not hesitate to call
Mr. DeWind collect at 212 MU8-5600.

Sincerely yours,

Adrian W. DeWind
Paul, Weiss, Rifkind,
Wharton & Garrison
575 Madison Avenue
New York, N.Y. 10022

Maurice M. Boukstein
Guzik and Boukstein
150 Broadway
New York, N.Y. 10038

For the United Jewish Appeal, Inc.

For the Jewish Agency for Israel, Inc.



3/6/64

M E M O R A N D U M

Subject: Structure of Projected ISRAEL EDUCATION FUND CAMPAIGN

From: Herbert A. Friedman

The purpose of this memorandum is to set forth the various steps in the raising of the funds for the projected Capital Fund Campaign and in the administration of these funds.

In the UNITED JEWISH APPEAL'S recent survey on education in Israel, in which members of the staff of the Ministry of Education and other authorities in the field of education were consulted, the following projects emerged as major items of concern to which the Capital Fund Campaign should address itself:

1. Scholarships for school teachers.
2. Construction of comprehensive secondary schools in the development areas.
3. Scholarships for students in secondary schools and universities.
4. Science laboratories in the secondary schools.
5. Regional centers for pre-school children
6. Regional centers for gifted children of Asian-African origin.

It is planned that the Capital Fund Campaign will raise funds for these projects as well as for:

7. Related educational projects, such as libraries, youth centers, adult educational centers, as the needs in Israel may from time-to-time require.
8. Endowment funds for the seven projects listed above.

A. How the campaign will be conducted

1. The campaign will be conducted by the UNITED JEWISH APPEAL
2. The fund will be known as the ISRAEL EDUCATION FUND
3. There will be a Chairman of the ISRAEL EDUCATION FUND separate and distinct from the General Chairman of the annual UJA campaign. He will be assisted by bodies of lay leaders and men prominent in the education field, and by a small professional staff.
4. The campaign will take the form of solicitation of specific individuals, foundations and organizations with a view to securing gifts for specifically earmarked projects. The projects shall be those recommended in the UNITED JEWISH APPEAL'S educational survey or any other list of projects as may be agreed upon as the result of common

Structure of IEF Campaign

consultation among the UNITED JEWISH APPEAL, the JEWISH AGENCY FOR ISRAEL, INC., the JEWISH AGENCY FOR ISRAEL, JERUSALEM, and any other interested parties.

5. In addition to soliciting gifts inter vivos the UNITED JEWISH APPEAL will, as part of the campaign, develop and promote a legacy program whose objective will be to encourage the making of bequests to the UNITED JEWISH APPEAL for the purpose for which the ISRAEL EDUCATION FUND campaign will be conducted.
6. A prospective contributor of a gift for the construction of a school or other educational facility will be asked to make a gift to construct, equip and furnish the school or other facility, in whole or in part, and will be informed precisely where the structure will be built. Where feasible, he will be shown plans and specifications for the school or facility. Where desired by the donor, and subject to general policy fixed by the JEWISH AGENCY FOR ISRAEL, INC., the school or other facility will bear his name or the name of any other person that he may specify.
7. Prospective donors desiring to make gifts for scholarships will be asked to make contributions for specific categories of scholarships, among which are: (a) scholarships for school teachers, (b) scholarships for students in secondary schools, and (c) scholarships for students in institutions of higher learning.
8. Prospective donors will be encouraged to make contributions in the form of endowments for schools and related facilities, and for scholarships.
9. As in all Capital Fund Campaigns, the donors will be given a reasonable time in which to redeem their pledges. The donors will be encouraged to pay their pledges as quickly as possible in order to facilitate the construction of the buildings and the distribution of the scholarships.

B. Transmission, and use, of proceeds of the ISRAEL EDUCATION FUND

1. The proceeds of the ISRAEL EDUCATION FUND campaign will not be co-mingled with the proceeds of the UJA annual campaign but will be transmitted by the UNITED JEWISH APPEAL to the UNITED ISRAEL APPEAL, INC., accompanied by letters of instruction, including the names of the respective donors, and the purposes for which the monies are to be used.
2. The UNITED ISRAEL APPEAL, INC., will transmit these funds to the JEWISH AGENCY FOR ISRAEL, INC., accompanied by the letters of instruction from the UNITED JEWISH APPEAL.

Structure of IEF Campaign

3. The JEWISH AGENCY FOR ISRAEL, INC., will have the exclusive control over the expenditure of the funds which it thus receives. This control will be exercised by the Board of Directors of the JEWISH AGENCY FOR ISRAEL, INC. Pursuant to the decisions of its Board of Directors, the JEWISH AGENCY FOR ISRAEL, INC., will transmit the funds to its agent in Israel, to-wit: the JEWISH AGENCY FOR ISRAEL, JERUSALEM, with specific instructions as to the use of these funds, but consistent with the letters of instruction from the UNITED JEWISH APPEAL, mentioned above. The JEWISH AGENCY FOR ISRAEL, JERUSALEM, will perform the functions set forth below.
4. Separate agreements will be entered into between (a) the UNITED JEWISH APPEAL, the UNITED ISRAEL APPEAL, INC., and the JEWISH AGENCY FOR ISRAEL, INC., and (b) between the JEWISH AGENCY FOR ISRAEL, INC., and the JEWISH AGENCY FOR ISRAEL, JERUSALEM, in which the respective parties will agree upon the terms and conditions under which the proceeds of the ISRAEL EDUCATION FUND campaign will be used.

C. Ownership and operation of, and control over, schools and related facilities constructed with proceeds of campaign

1. The Government of Israel will cause to be leased for a long term, and for a nominal consideration, or otherwise conveyed, to the JEWISH AGENCY FOR ISRAEL, INC., the land on which the schools and related facilities will be built. Such land and the structures built thereon will be exempt from the payment of any taxes levied or to be levied.
2. It is recognized that, in the main, the secondary schools in Israel derive their maintenance funds from a variety of sources, including: (a) tuition paid by students, (b) tuition for qualifying students, advanced by the Israel Government and by the municipalities, (c) subsidies from the Government of Israel and municipalities, (d) grants by private and public organizations, and grants by individuals. The schools and related facilities which will be constructed with the proceeds of the ISRAEL EDUCATION FUND campaign will receive their maintenance budgets from the same sources.

It is understood that the maintenance budgets will embrace the entire cost of operating the schools and other facilities, including salaries of teachers, administrative and maintenance staff; such contributions to social security and/or pension funds for staff as private secondary schools operating in Israel are required to make; the cost of maintaining the buildings in a good state of repair; the cost of insurance and of the replacement of equipment in the buildings; and all other maintenance costs.

3. All buildings constructed with proceeds of the ISRAEL EDUCATION FUND will be owned exclusively by the JEWISH AGENCY FOR ISRAEL, INC.
4. Title to the proceeds of the scholarship funds, before disbursement, will reside in the JEWISH AGENCY FOR ISRAEL, INC.

Structure of IEF Campaign

5. The JEWISH AGENCY FOR ISRAEL, JERUSALEM, will, as Agent, in the name and under the authority of the JEWISH AGENCY FOR ISRAEL, INC., perform the following functions:

- (a) Negotiate with architects, engineers, builders, general contractors, etc., and accept bids from them relative to the construction of the school buildings and other facilities for which it will receive funds.
- (b) Make recommendations to the JEWISH AGENCY FOR ISRAEL, INC., with respect to contracts for the construction of the schools and other facilities.
- (c) Upon instruction from the JEWISH AGENCY FOR ISRAEL, INC., enter into contracts for the construction of the schools and other facilities.
- (d) Hire all personnel, including teachers, and administrative and maintenance staff, for the schools and other facilities.
- (e) Operate the schools and other facilities.
- (f) Administer the scholarship funds.
- (g) Submit to the JEWISH AGENCY FOR ISRAEL, INC., regular reports, and special reports as often as requested, on the administration of the proceeds of the ISRAEL EDUCATION FUND which the JEWISH AGENCY FOR ISRAEL, JERUSALEM, receives as Agent.

It is understood that in discharge of its responsibilities as Agent, the JEWISH AGENCY FOR ISRAEL, JERUSALEM, will act for and on behalf of the JEWISH AGENCY FOR ISRAEL, INC., as principal, and will disclose to all persons with whom it deals with respect to the administration of such proceeds of the ISRAEL EDUCATION FUND as it receives, that it acts in an agency capacity and that the principal is the JEWISH AGENCY FOR ISRAEL, INC.

6. The JEWISH AGENCY FOR ISRAEL, INC., in consultation with the JEWISH AGENCY FOR ISRAEL, JERUSALEM, will fix general lines of policy for the operation of the schools and other educational facilities; will exercise exclusive control over these operations and will exercise exclusive control over the administration of the scholarship funds, including the establishment of criteria for the distribution of the funds and the selection of the recipients of the scholarships.
7. The schools which will be built with the proceeds of the ISRAEL EDUCATION FUND will comply with the curriculum and such other educational standards prescribed by the Ministry of Education as may be necessary to qualify for certification.

LAW OFFICES
GUZIK AND BOURKSTEIN

MAURICE M. BOURKSTEIN
LEO GUZIK
EDWARD GOLDENBERG, JR.
LYONEL E. ZUNZ

WASHINGTON OFFICE
SUITE 1116 WOODWARD BUILDING
TELEPHONE REPUBLIC 7-0866

150 Broadway, New York 38, N.Y.

CABLE ADDRESS "JURISBURO" NEW YORK
WORTH 2-5600

April 21, 1964

Mr. Gottlieb Hammer
The Jewish Agency for Israel, Inc.
515 Park Avenue
New York, New York

Dear Gott:

I am sending you herewith a copy of a memorandum which I submitted in Israel to Mr. Louis Pincus, Treasurer of the Jewish Agency for Israel, Jerusalem, setting forth in some detail the proposed administrative pattern for the project of Secondary Education.

It was important that the details be understood and agreed upon by all concerned in Israel before we here made any submission for a ruling to the Internal Revenue Service.

Mr. Pincus was to have taken the matter up with Mr. Aran, the Minister of Education, who had orally agreed to the contents of the memorandum. He stated, however, that he would like to see the document before he could be committed.

Mr. Pincus is, so far as I know, trying to obtain Mr. Aran's endorsement to the memorandum and I hope that this will soon be forthcoming. The enclosed memorandum was drawn up after several meetings, with the participation of all concerned.

Sincerely yours,

M.B.

MMB:LG
Encl.

CC: Rabbi Herbert A. Friedman
Adrian W. DeWind, Esq.

TO: Mr. Louis Pincus, Treasurer, Jewish Agency for Israel,
Jerusalem

FROM: Maurice M. Boukstein

Re: Project in Secondary Education

As a result of a conference with Mr. Aranne, the organization and administration of schools to be established with funds furnished by the Jewish Agency for Israel, Inc. from the Special Education Campaign of the U.J.A. will be as follows:

1. By virtue of the agreement of October 25, 1960, between the Jewish Agency for Israel, Inc. ("the Domestic Organization") and the Jewish Agency Executive in Jerusalem ("the Jerusalem Agency") will act as the operating agent for the Domestic Organization also in the field of education and educational projects. The funds will be transmitted from the Domestic Organization to the Treasurer of the Jerusalem Agency, earmarked for the Project.

2. All buildings constructed with funds furnished by the Domestic Organization will be owned by the Domestic Organization and registered in its name with the appropriate authority. The Government of Israel, or the local authorities, will make land available to the Domestic Organization in fee or on long-term lease without payment, and will undertake that such land and any improvements or educational facilities thereon will be free of Government or local taxes of every nature and description.

3. In order to qualify for certification, the

schools established and operated under the Project will conform to such educational, curriculum and other requirements as may be promulgated by the Ministry of Education for schools of similar type.

4. The Jerusalem Agency will establish for this purpose the Project for Secondary Education *22/10/66 p. 10/1 013/11* ("the Project") for the administration of the funds received for the purposes of the Project from the Domestic Organization

5. The personnel concerned with the administration of the Project will be selected by the Jerusalem Agency. The activities of the Project will be conducted by a Committee whose members will be designated by the Jerusalem Agency, acting on behalf of the Domestic Organization. The Committee will consist of persons with special qualifications in the field of education and administration, selected ad personam. Some of them, but not a majority, may be individuals holding administrative or academic positions in agencies of the Government of Israel. It will be determined at some future date whether the Committee should be incorporated for reasons of administrative convenience.

6. Inasmuch as each school may be supported in part by grants from local authorities, and in order to be able to cope better with such local problems as may arise, and in order to assure maximum cooperation on behalf of the local community and the parents, local committees will be organized by the Jerusalem Agency as separate juridical entities to administer the schools on the local level, subject to such rules and regulations and other conditions as may be laid down by the Project. Contracts with teachers and other personnel

employed or engaged in each school will be made on the local level by the local communities.

7. Budgets, agreements, selection of lay personnel (such as principals and administrators of schools) may be made by the local committees only subject to the approval of the Project.

8. The relationship between the local committee and the Project will, in each case, be determined by agreement between the parties. Such agreements will deal with the use of buildings, budgets, educational standards, etc.

9. The Government of Israel will enter into an agreement with the Jerusalem Agency, in its capacity as operating agency for the Domestic Organization, in respect of Government's contribution to the budget of the schools to be operated under the Project, on terms and conditions acceptable to the Domestic Organization.

10. The Project cannot establish its financial commitments to the local Committee until it shall have ascertained the extent of the Government's contribution from year to year. It is anticipated that the major share, if not all, of the maintenance budget, over and above the amounts made available through tuition fees, contributions from municipal or other local authorities, will be furnished by the Government.

11. Funds for scholarships made available by the Domestic Organization, whether used in schools operated under the Project or elsewhere, will also be administered by the Project.

12. The Government of Israel agrees that it will compensate the Domestic Organization for any property which may be expropriated or otherwise taken over by the Government, or any local authority, and that the proceeds of such compensation will be at the free disposal of the Domestic Organization.

13. The provisions of the agreement of October 25, 1960, dealing with budgeting, reporting and accounting of funds made available by the Domestic Organization will apply also to funds made available by the Domestic Organization for the Project.

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THE JEWISH COMMUNITY CENTER
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150 Broadway, New York 38, N.Y.

CABLE ADDRESS "JURISBURO" NEW YORK
WORTH 2-5600

April 29, 1964

Adrian W. DeWind, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison, Esqs.
575 Madison Avenue
New York, N.Y. 10022

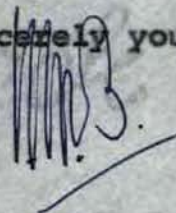
Re: Secondary Education Project

Dear Bill:

I have taken the liberty to make some changes, corrections and additions in the draft application for a ruling which Alan N. Cohen sent me on March 5th, 1964, and a revised draft is attached hereto. I hope you will have the opportunity to read it before we meet on Friday, May 1st.

As I told you on the telephone I would feel happier if we would submit our application to the I.R.S. after we were absolutely assured that there is full agreement by all the parties concerned, including the Ministry of Education in Israel, about the administrative pattern of the project in Israel. An oral understanding was reached on this subject during my recent visit to Israel, after several meetings with the Agency and the Minister of Education and his staff. On the basis of such understanding I drafted the Memorandum to Mr. Pincus which I sent you on April 21, 1964. The written confirmation, which I requested from the Minister of Education, has not yet been received.

Sincerely yours,



MMB:LG
Encl.

CC: Mr. Gottlieb Hammer
Rabbi Herbert A. Friedman

Hon. Mortimer M. Caplin
Commissioner of Internal Revenue
Internal Revenue Service
Washington, D.C.

Dear Commissioner Caplin:

On behalf of the United Jewish Appeal, Inc., a New York membership corporation (hereinafter called the "U.J.A."), Employer Identification Number [redacted], and The Jewish Agency for Israel, Inc., a New York membership corporation (hereinafter called the "Domestic Organization"), Employer Identification Number [redacted], we respectfully request a ruling that the exemption from Federal income tax of each as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954 will not be adversely affected by the activities to be undertaken in connection with the Israel Education Fund Project (the "Project") and that contributions to each, including contributions to the U.J.A. Israel Education Fund Campaign (the "Campaign"), will continue to be deductible under section 170 of the Code.

The U.J.A. was determined to be a tax exempt organization, contributions to which are deductible, under the predecessor provision of section 501(c)(3) by letter dated February 10, 1936. By letter dated February 4, 1960, bearing correspondence symbols T:R:EO:2-MEM, signed by John W.S. Littleton, Director, Tax Rulings Division, you confirmed U.J.A.'s continuing exemption from Federal income tax as an organization described in section 501(c)(3) to which contributions are deductible under section 170(c)(2) of the 1954 Code.

The Domestic Organization, which was incorporated in 1949, was held to be exempt from Federal income tax under the predecessor of section 501(c)(3) of the 1954 Code by ruling letter dated June 27, 1953. Following changes in its organization and operation, the Domestic Organization, by letter dated March 30, 1960, requested a reaffirmation of its tax-exempt status. Following consideration by you of such changes, the June 27, 1953 ruling was reaffirmed, by letter ruling dated December 21, 1960, bearing correspondence

symbols T:R:I:MEP-3, signed by Harold T. Swartz, Assistant Commissioner.

The materials submitted with the Domestic Organization's March 30, 1960 letter requesting reaffirmation of its status described in detail the activities of the U.J.A. and the Domestic Organization. In capsule, the U.J.A. is a fund-raising organization which distributes its receipts among a number of charitable organizations. The principal beneficiary of the U.J.A. is the United Israel Appeal, Inc., a New York membership corporation (hereinafter called the "U.I.A."). The U.I.A. contributes to the Domestic Organization, which expends funds so received for charitable activities which it wishes to support in Israel, using as its agent in Israel the Jewish Agency for Israel in Jerusalem (hereinafter called the "Agency"). This method of operation was described and approved in the December 21, 1960 ruling.

The Domestic Organization has traditionally supported immigration to and settlement in Israel by needy Jewish emigrants

seeking refuge from deprivation, injustice or persecution. With the assistance of the Domestic Organization, some 250,000 persons have been rescued from displaced persons' camps in Europe, 650,000 have fled Arab countries and 100,000 have been saved from Communist terrorism and oppression in Eastern Europe. Historically, the Domestic Organization has not limited its support to assisting persons to flee to Israel. Because, political freedom has little meaning so long as economic deprivation remains, the Domestic Organization has always been concerned with the settlement and rehabilitation in Israel of the immigrant and his family. Thus, the Domestic Organization has in the past provided funds for agricultural settlement, housing, health, education and welfare services.

The new immigrants have been forced to locate largely in agricultural settlements in once barren, long-neglected areas and in newly established urban centers which are referred to as the development areas of Israel. In the past, a significant portion

of the charitable work of the Domestic Organization consisted of providing physical aid to these settlements to permit the immigrant to develop the land or work as an artisan and maintain his family at a subsistence level. In addition, the Domestic Organization expended relatively small amounts for welfare and education services, including scholarships for secondary and trade school students.

As the result of a recent study, however, the U.J.A. and the Domestic Organization concluded that the education of immigrants, which such organizations have not heretofore emphasized due to lack of funds, now requires urgent attention and substantial assistance. The need is especially urgent in the area of secondary school education, which is neither free nor compulsory in Israel, and the lack of which is particularly acute among the children of the more recent immigrants of Asian and African origin, because such children generally do not have the resources, the parental encouragement or the highly-developed talents that would permit them to compete for the

limited number of places available in existing secondary schools.

While the State of Israel provides free education for grades one through eight, and attendance is compulsory until age 14, the State of Israel does not provide, operate or require attendance in secondary schools. When the State of Israel was founded in 1948, almost all of the secondary schools were owned and operated by charitable organizations or private groups. With the rapid growth in population, resulting principally from influx of refugees, and the resulting urban concentrations, a number of municipalities have also built and are operating secondary schools. Attendance at all secondary schools remains, however, on a tuition-paying basis. The State of Israel does assist students through a limited system of scholarship grants based on need and competitive test scores, and in some instances the State makes grants to schools. Nevertheless, the secondary schools generally operate at substantial deficits made

up by the sponsoring organization, groups, or municipality.

Despite the increase in the number of secondary schools in Israel since 1948, only about 60 percent of the students who complete their elementary education manage even to enter upon the first year of secondary school. Moreover, as might be expected, secondary schools are scarcest in the development areas, with the result that children of new immigrants, and particularly of Asian and African origin, are not receiving secondary school education in the same proportion as are children of established immigrants, who are generally of European descent. To prevent the children of new immigrants and especially the children of Asian and African immigrants from becoming unskilled second-class citizens, secondary school construction and operation in development areas is urgently required. To assure attendance of such children, there is also great need for providing scholarship aid to them, especially because they have generally had a poor elementary education and thus rank poorly in the competitive government examinations upon which state scholarships depend.

A third major problem is the shortage of adequately trained teachers. Since school buildings serve their purposes only if properly staffed, an increase in the number of scholarship grants available to teachers is also an urgent imperative.

It was primarily the three goals of providing secondary school facilities, secondary school scholarships, and teachers' scholarships that led to the decision by U.J.A. and the Domestic Organization to embark upon the Project. That decision having been made, the two organizations also decided to have the Project serve additional educational goals, if sufficient funds could be raised. Thus, in addition to the purposes described above, it is also proposed that the Project provide (i) scholarships for university students; (ii) regional centers (like nursery schools) for pre-school children, primarily those of Asian and African origin; (iii) regional centers for gifted children of Asian and African origin in grades six through eight; (iv) science laboratories in secondary schools;

and (v) related facilities such as libraries, youth centers and adult education centers.

To finance the Project, U.J.A. will conduct the Campaign to solicit contributions from United States donors. The Campaign will be apart from the regular U.J.A. campaign, with its own chairman and staff. A number of the major contributions to the Project are likely to be made by donors who will wish to be informed of how their contributions will be expended. Thus, a donor of funds for a school building will be shown plans of the building when available, will be informed of the location of the building, and may have the building named in his honor or as he directs. Similarly, a donor contributing to the endowment of a scholarship fund may be allowed to choose a specific category of scholarships (such as school teachers, students in secondary schools or students at institutions of higher learning). In no case, however, will the contributor have control

over the actual expenditure of the funds, in the sense of being permitted to choose the contractor or architect of the building involved, or of being permitted to select recipients if scholarships are involved. Donors may also be asked to contribute in the form of endowments for secondary schools or similar facilities or to provide maintenance funds for such facilities, but no such contribution will entitle the donor to control the operation of the school or facility.

In accordance with existing procedures, funds collected by the U.J.A. as the result of the Campaign will be transmitted to U.I.A. together, where appropriate, with all relevant information, including the name of the donor and the purposes for which his contribution is to be used. Also under such procedures, U.I.A. will donate the funds to the Domestic Organization, transmitting any information received from the U.J.A. And, also under existing procedures, the Domestic Organization will exercise exclusive supervision and control over the expenditure of its funds through its agent in Israel--the Agency.

Actual construction of secondary schools and related educational facilities will be supervised by the Agency as the Domestic Organization's agent. It is expected that the Domestic Organization will obtain the land for the facilities through contribution or long-term lease (at a nominal rental) from the Israeli Authorities. In either event land and buildings will be exempt from Israeli governmental or local taxation.

All buildings constructed as part of the Project will be owned exclusively by the Domestic Organization, and the Domestic Organization is fully satisfied that the Israeli Government has no intention of taking over such properties in the foreseeable future. Moreover, if such facilities ever were taken over by the Government of Israel, Israeli law would require that the Domestic Organization receive fair compensation for its properties.

Once constructed, the schools and related educational facilities will be operated by the Domestic Organization through its

agent, the Agency. The operating income of the schools will be derived from the same sources that any other private secondary school in Israel derives income: (1) tuition paid by students, (2) tuition paid by the Israeli Government and by municipalities as scholarships for students, (3) subsidies from the Government of Israel and municipalities, (4) grants by private and public organizations, and (5) grants by individuals. In order to qualify for government scholarships for students and/or other subsidies from the Government of Israel, the schools will follow the prescribed curriculum standards which are required of all accredited secondary schools in Israel.

Title to the funds used for the endowment of scholarships or for the endowment of schools will remain in the Domestic Organization until such time as the Domestic Organization expends them for a specific purpose, such as a scholarship or the operating expenses of a school or related facility.

Since the Agency will be required to build and operate schools and other facilities and administer scholarship programs as agent for the Domestic Organization, the Agency is expected to hire the necessary personnel for the administration of the Project. Such personnel will undertake tasks relating to the construction of schools and other facilities (such as negotiations with architects, engineers, builders and contractors) and supervision of the execution of such contracts and construction of such facilities. The Project, through Agency personnel will also operate the schools and other facilities and administer the scholarship funds.

For reasons of administrative convenience it may become necessary to form one or more corporate entities in connection with the administration of the Project. The Domestic Organization, through the Agency, will control any such corporation or corporations.

The Agency may find it necessary to form local committees in areas where the Project's schools are located in order to cope

with local problems, to assure maximum cooperation on behalf of the local community and the parents. It may be necessary to incorporate the schools and hire the school personnel through such corporate entities. Such corporate entities, if formed, will be controlled by the Domestic Organization through its Operating Agent, the Agency.

In accordance with existing procedures, the Agency will submit regular reports to the Domestic Organization and will at all times act only as agent for the Domestic Organization. The Domestic Organization will retain and exercise control over the operation of the schools and facilities in the manner described above, as well as the administration of scholarship funds, including the establishment of criteria for the distribution of the funds and the selection of the recipients of the scholarships. Of course, the Domestic Organization will continue at all times to have personnel in Israel

to ensure adequate supervision of the Agency.

Consideration is being given to the establishment by the Agency of an advisory council of prominent educators to advise it in administering and making recommendations to the Domestic Organization with respect to the Project. Since some of the most prominent educators in the State of Israel are associated with the Ministry of Education, it is probable that some members of the advisory council, if one is established, will be persons who are associated with the Ministry of Education. At no time, however, will the Agency permit persons associated with the Ministry to constitute more than a minority of the advisory council.

On the basis of the foregoing, it is respectfully requested that you rule that the proposed changes in the operation of the U.J.A. and of the Domestic Organization resulting from the undertaking of the Israel Education Fund Project will not adversely affect the status of the U.J.A. or of the Domestic Organization

as a tax-exempt organization under section 501(c)(3) and that contributions to either organization will continue to be deductible under section 170 of the Code.

Appropriate Powers of Attorney are enclosed herewith.

Please address all communications to both the U.J.A. and the Domestic Organization and, in accordance with the Powers of Attorney filed herewith, please send copies of all communications to both Adrian W. DeWind, Esq., counsel to U.J.A. and Maurice M. Boukstein, Esq., counsel to the Domestic Organization.

Finally, we wish to note that the Campaign is planned to start in late May. Since timing is of critical importance to the success of a fund-raising campaign, it is extremely important that the Campaign not be delayed. We would, therefore, appreciate your cooperation in expediting consideration of this request in every feasible manner.

If you require any additional information, we will try to supply it promptly. If you have any question as to the continuing exempt status of either the U.J.A. or the Domestic Organization, as a result of the proposed Project, a conference is respectfully requested. In either event, please do not hesitate to call collect Mr. DeWind at 212 MU 8-5600, or Mr. Boukstein at 212 WO 2-5600.

Sincerely yours,

Adrian W. DeWind
Paul, Weiss, Rifkind,
Wharton & Garrison
575 Madison Avenue
New York, N.Y. 10022

Maurice M. Boukstein
Guzik and Boukstein
150 Broadway
New York, N.Y. 10038

For the United Jewish Appeal, Inc.

For The Jewish Agency for Israel,
Inc.

GOODELL, MOSS, ROSE & LAITMAN
ATTORNEYS AT LAW

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ALLEN MOSS
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DANIEL E. LAITMAN

FREDERICK R. HELLER
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535 FIFTH AVENUE
NEW YORK 17, N. Y.
TELEPHONE MURRAY HILL 7-1800
AREA CODE 212
CABLE GOODMORLEX NEW YORK

May 25, 1964

Adrian W. DeWind, Esq.
Paul, Weiss, Rifkind, Garrison & Wharton
575 Madison Avenue
New York, New York

Re: Secondary Education Project

Dear Bill:

In accordance with our conversation regarding a supplemental letter, I am enclosing copies of the Treasury Department's letter rulings addressed to UJA dated May 25, 1939 and June 19, 1939.

Please be good enough to include a request for a ruling that contributions to UJA come within the 30% provision now applicable to publicly supported charitable corporations.

Since talking to you I have reread the application of May 4th, but do not find a reference to the request that the applied for ruling should state that the letter ruling of December 21, 1960 is applicable not only to the Agency but to UJA also. I would appreciate your view as to whether such a request should be included in the supplemental letter.

Sincerely,

Edward Goodell

EG:b
enclosures

*Education
file*

GOODELL, MOSS, ROSE & LAITMAN
ATTORNEYS AT LAW

EDWARD GOODELL
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535 FIFTH AVENUE
NEW YORK 17, N. Y.

TELEPHONE MURRAY HILL 7-1806
AREA CODE 212
CABLE "GOODMORLEX NEWYORK"

May 27, 1964

Rabbi Herbert Friedman
United Jewish Appeal, Inc.
1290 Avenue of the Americas
New York, New York

Re: Secondary Education Project

Dear Herbert:

Enclosed please find copy of the letter I sent to Bill DeWind regarding my suggestions for a supplemental letter. I also sent a copy of this to Abe Hyman for his files.

Sincerely,

[Signature]
Edward Goodell

EG:b

enclosure



U.S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

IN REPLY REFER TO
T:R:I-ARI-TF3

SEP 24 1964

Mr. Adrian W. DeWind
575 Madison Avenue
New York, New York 10022

In re: The United Jewish Appeal, Inc.

Dear Mr. DeWind:

This is in reply to your letter of May 4, 1964, in which you request a ruling that the activities to be undertaken by the United Jewish Appeal, Inc. and The Jewish Agency for Israel, Inc., in connection with the Israel Education Fund Project, will not adversely affect their status under section 501(c)(3) of the Internal Revenue Code of 1954, and that the contributions made to each, including contributions to the U. J. A. Israel Education Fund Campaign, will be deductible under section 170 of the 1954 Code.

Our records disclose that the United Jewish Appeal, Inc. (U. J. A.) and The Jewish Agency for Israel, Inc. (Domestic Organization) were most recently held to be exempt from Federal income tax under section 501(c)(3) of the 1954 Code and contributions to them deductible under section 170 of the 1954 Code, in rulings dated, respectively, February 4, 1960 and December 21, 1960.

You state that the United Jewish Appeal is a fund-raising organization which distributes its receipts among a number of charitable organizations. The principal beneficiary of the U. J. A. is the United Israel Appeal, Inc. (U. I. A.) a New York membership corporation. The U. I. A. contributes to The Jewish Agency for Israel, Inc., which expends funds so received for charitable activities which it wishes to support in Israel, using as its agent in Israel The Jewish Agency for Israel in Jerusalem (the Agency).

The Jewish Agency for Israel, Inc. has traditionally supported immigration to Israel by needy Jewish emigrants, and has concerned itself with their settlement and rehabilitation in the new nation. Its activities include financial aid for agricultural settlement, housing, health, education and welfare services.

Due to a critical shortage of educational facilities above the elementary level which are available to the children of immigrants in Israel, the U. J. A. and the Domestic Organization established the Israel Education Fund Project (the Project) having as its goals the providing of secondary school facilities, secondary school scholarships and teachers' scholarships. In addition to these goals, it is also proposed that the Project provide certain other educational, recreational and scientific facilities in Israel.

To finance the Project, U. J. A. intends to conduct the Israel Education Fund Campaign (the Campaign) to solicit funds from United States donors. The Campaign will be apart from the regular U. J. A. fund-raising campaign, with its own chairman and staff. It is intended that major contributors to the Campaign, if they desire, will be informed as to how their gifts are to be used. For example, the donor may be shown the plans for a building and its location. He may, in some cases, have the building named in his honor or as he directs. A donor contributing to the endowment of a scholarship fund may be allowed to choose among several categories of scholarships. However, such contributors are to have no control over the actual expenditure of the funds. Donations might also be solicited for the purpose of endowing secondary schools or similar facilities, or providing maintenance funds for such facilities, but donors will not thereby be entitled to any control of the operation of a school or facility.

Funds collected through the Campaign will be transferred by the U. J. A. to the U. I. A. which will, in turn, donate the funds to the Domestic Organization. The Domestic Organization will exercise exclusive supervision and control over the expenditure of the funds through its agent in Israel, The Jewish Agency for Israel in Jerusalem. The Agency will act only as agent for the Domestic Organization and will be required to submit regular reports to it. In addition, the Domestic Organization will at all times maintain personnel in Israel to insure adequate supervision of the Agency.

Actual construction of buildings will be supervised by the Agency. The Domestic Organization is to obtain land for the various facilities from the Israeli authorities, either through contribution or long-term lease at a nominal rental. The land and buildings are

to be exempt from Israeli governmental and local taxes. The Domestic Organization is to retain exclusive ownership of all buildings constructed under the Project, and is satisfied that the Israeli government will not take over any such properties in the foreseeable future. However, in the event of such an occurrence, Israeli law requires the payment of fair compensation for such properties as are appropriated. The Domestic Organization likewise is to retain title to all endowment funds until such funds are distributed.

The Domestic Organization intends to operate the various facilities in Israel through its agent, the Agency, deriving operating income from tuition and from subsidies and grants from public and private sources. However, the Israeli Government will prescribe the curriculum standards as required for all accredited secondary schools in Israel. The building and operation of the schools and administration of the scholarship programs by the Agency will also include responsibility, as an agent, for the hiring of necessary personnel to carry out the various programs. From time to time, where necessary for administrative convenience, one or more corporate entities may be formed in Israel as charitable trusts. These as well as any committees formed to settle local problems will be under the control of the Agency.

Revenue Ruling 63-252, C.B. 1963-2, 101, provides generally that contributions by individuals to United States charities which transmit funds to foreign charitable organizations may be allowed as deductions if the domestic charity does not merely act as a conduit of funds to the foreign organization. Example (4) of such ruling describes a situation where the domestic charity may make grants out of its general funds to foreign charitable groups for purposes which it has reviewed and approved. It contemplates no special fund for this purpose. This method of operation is approved because the contributions are not earmarked in any manner, and their use is subject to control by the domestic charity. Example (5) describes a situation where the domestic charity, for administrative convenience, conducts its charitable operations abroad through a subsidiary formed in the foreign country. The domestic charity solicits funds for its foreign activities and may transmit the funds directly to the controlled foreign charity. The domestic charity is considered to be the real recipient of contributions it receives for transmission to the foreign organization, since the foreign organization is merely an administrative arm of the domestic charitable organization.

Mr. Adrian W. DeWind

-4-

Based strictly upon the facts submitted in your letter dated May 4, 1964, the activities proposed to be undertaken by the United Jewish Appeal, Inc. and The Jewish Agency for Israel, Inc., and the method of operation described, appear to be contemplated by Revenue Ruling 63-252, and thus will not affect the exempt status of the United Jewish Appeal, Inc. to which it is otherwise entitled as an organization described in section 501(c)(3) of the 1954 Code, nor will such activities or method of operation affect the deductibility under section 170 of the 1954 Code of contributions made to the United Jewish Appeal, Inc., provided its activities continue to be limited to, and its funds distributed exclusively in furtherance of, its charitable purposes.

Very truly yours,

E. H. Hatfield

Acting Director, Tax Rulings Division



Rabbi Friedman



U.S. TREASURY DEPARTMENT
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

IN REPLY REFER TO
T:R:I-ARI-TF3

Sept 24, 1964

Mr. Maurice M. Boukstein
150 Broadway
New York, New York 10038

In re: The Jewish Agency for Israel, Inc.

Dear Mr. Boukstein:

This is in reply to your letter of May 4, 1964, in which you request a ruling that the activities to be undertaken by the United Jewish Appeal, Inc. and The Jewish Agency for Israel, Inc., in connection with the Israel Education Fund Project, will not adversely affect their status under section 501(c)(3) of the Internal Revenue Code of 1954, and that the contributions made to each, including contributions to the U. J. A. Israel Education Fund Campaign, will be deductible under section 170 of the 1954 Code.

Our records disclose that the United Jewish Appeal, Inc. (U. J. A.) and The Jewish Agency for Israel, Inc. (Domestic Organization) were most recently held to be exempt from Federal income tax under section 501(c)(3) of the 1954 Code and contributions to them deductible under section 170 of the 1954 Code, in rulings dated, respectively, February 4, 1960 and December 21, 1960.

You state that the United Jewish Appeal is a fund-raising organization which distributes its receipts among a number of charitable organizations. The principal beneficiary of the U. J. A. is the United Israel Appeal, Inc. (U. I. A.) a New York membership corporation. The U. I. A. contributes to The Jewish Agency for Israel, Inc., which expends funds so received for charitable activities which it wishes to support in Israel, using as its agent in Israel The Jewish Agency for Israel in Jerusalem (the Agency).

The Jewish Agency for Israel, Inc. has traditionally supported immigration to Israel by needy Jewish emigrants, and has concerned itself with their settlement and rehabilitation in the new nation. Its activities include financial aid for agricultural settlement, housing, health, education and welfare services.

Due to a critical shortage of educational facilities above the elementary level which are available to the children of immigrants in Israel, the U. J. A. and the Domestic Organization established the Israel Education Fund Project (the Project) having as its goals the providing of secondary school facilities, secondary school scholarships and teachers' scholarships. In addition to these goals, it is also proposed that the Project provide certain other educational, recreational and scientific facilities in Israel.

To finance the Project, U. J. A. intends to conduct the Israel Education Fund Campaign (the Campaign) to solicit funds from United States donors. The Campaign will be apart from the regular U. J. A. fund-raising campaign, with its own chairman and staff. It is intended that major contributors to the Campaign, if they desire, will be informed as to how their gifts are to be used. For example, the donor may be shown the plans for a building and its location. He may, in some cases, have the building named in his honor or as he directs. A donor contributing to the endowment of a scholarship fund may be allowed to choose among several categories of scholarships. However, such contributors are to have no control over the actual expenditure of the funds. Donations might also be solicited for the purpose of endowing secondary schools or similar facilities, or providing maintenance funds for such facilities, but donors will not thereby be entitled to any control of the operation of a school or facility.

Funds collected through the Campaign will be transferred by the U. J. A. to the U. I. A. which will, in turn, donate the funds to the Domestic Organization. The Domestic Organization will exercise exclusive supervision and control over the expenditure of the funds through its agent in Israel, The Jewish Agency for Israel in Jerusalem. The Agency will act only as agent for the Domestic Organization and will be required to submit regular reports to it. In addition, the Domestic Organization will at all times maintain personnel in Israel to insure adequate supervision of the Agency.

Actual construction of buildings will be supervised by the Agency. The Domestic Organization is to obtain land for the various facilities from the Israeli authorities, either through contribution or long-term lease at a nominal rental. The land and buildings are

to be exempt from Israeli governmental and local taxes. The Domestic Organization is to retain exclusive ownership of all buildings constructed under the Project, and is satisfied that the Israeli government will not take over any such properties in the foreseeable future. However, in the event of such an occurrence, Israeli law requires the payment of fair compensation for such properties as are appropriated. The Domestic Organization likewise is to retain title to all endowment funds until such funds are distributed.

The Domestic Organization intends to operate the various facilities in Israel through its agent, the Agency, deriving operating income from tuition and from subsidies and grants from public and private sources. However, the Israeli Government will prescribe the curriculum standards as required for all accredited secondary schools in Israel. The building and operation of the schools and administration of the scholarship programs by the Agency will also include responsibility, as an agent, for the hiring of necessary personnel to carry out the various programs. From time to time, where necessary for administrative convenience, one or more corporate entities may be formed in Israel as charitable trusts. These as well as any committees formed to settle local problems will be under the control of the Agency.

Revenue Ruling 63-252, C.B. 1963-2, 101, provides generally that contributions by individuals to United States charities which transmit funds to foreign charitable organizations may be allowed as deductions if the domestic charity does not merely act as a conduit of funds to the foreign organization. Example (4) of such ruling describes a situation where the domestic charity may make grants out of its general funds to foreign charitable groups for purposes which it has reviewed and approved. It contemplates no special fund for this purpose. This method of operation is approved because the contributions are not earmarked in any manner, and their use is subject to control by the domestic charity. Example (5) describes a situation where the domestic charity, for administrative convenience, conducts its charitable operations abroad through a subsidiary formed in the foreign country. The domestic charity solicits funds for its foreign activities and may transmit the funds directly to the controlled foreign charity. The domestic charity is considered to be the real recipient of contributions it receives for transmission to the foreign organization, since the foreign organization is merely an administrative arm of the domestic charitable organization.

Mr. Maurice M. Boukstein

-4-

Based strictly upon the facts submitted in your letter dated May 4, 1964, the activities proposed to be undertaken by the United Jewish Appeal, Inc. and The Jewish Agency for Israel, Inc., and the method of operation described, appear to be contemplated by Revenue Ruling 63-252, and thus will not affect the exempt status of The Jewish Agency for Israel, Inc. to which it is otherwise entitled as an organization described in section 501(c)(3) of the 1954 Code, nor will such activities or method of operation affect the deductibility under section 170 of the 1954 Code of contributions made to The Jewish Agency for Israel, Inc., provided its activities continue to be limited to, and its funds distributed exclusively in furtherance of, its charitable purposes.

Very truly yours,

E. H. Hatfield

Acting Director, Tax Rulings Division



GOODELL, MOSS, ROSE & LAITMAN
ATTORNEYS AT LAW

EDWARD GOODELL
ALLEN MOSS
HERBERT B. ROSE
DANIEL E. LAITMAN

FREDERICK R. HELLER
ERNEST L. MATHEWS, JR.
IRVING A. MOSS
ROBERT M. BIRNBAUM

535 FIFTH AVENUE
NEW YORK 17, N. Y.

TELEPHONE MURRAY HILL 7-1806
AREA CODE 212
CABLE 'GOODMORLEX NEWYORK'

October 1, 1964

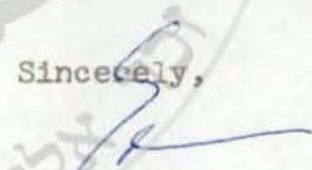
Rabbi Herbert Friedman
United Jewish Appeal, Inc.
1290 Avenue of the Americas
New York, New York

Dear Herbert:

I am enclosing revised drafts of the proposed agreement between UJA, UIA and JAFI and the proposed letter by the Government to JAFI. As you will recall Henry Gott, Maurice and I met last week to review the previous drafts. The enclosures reflect the changes that were suggested at that conference.

I have sent copies of these revisions to Bill DeWind and have asked him for his comments in the light of the ruling.

Sincerely,


EDWARD GOODELL

EG/T

Enclosures

cc: Mr. Abraham Hyman

EAGLE-A
COMPONENT BOND
100% MADE U.S.A.

DRAFT OF LETTER FROM ISRAEL GOVERNMENT TO JEWISH AGENCY FOR ISRAEL, INC.

The Government of Israel takes cognizance of and notes with pleasure the current discussions in which the representatives of your organization, of the United Israel Appeal, of the American Jewish Joint Distribution Committee, and of the United Jewish Appeal, are engaged, involving the proposal that the UJA be authorized by its constituent agencies to conduct a Capital Fund Campaign in the United States to be called the UJA Israel Education Fund Campaign for the purpose of providing secondary education for the needy immigrants in Israel and certain other educational, recreational and scientific facilities.

As you have outlined it to us, the plan for the UJA Israel Education Fund Campaign (the "Campaign") contemplates that an effort will be made to raise funds primarily for two purposes: one, for the construction and equipping of secondary schools and related institutions, such as libraries, youth centers, recreation centers and science laboratories, and two, for scholarships for needy immigrant children and for needy persons desiring to prepare themselves for teaching in secondary schools. As we understand it, the funds which will be raised will be turned over to you, that you will have the exclusive control of the administration of the scholarship funds, and that you will own, manage and operate the schools and related institutions that will be built with the funds donated for buildings, as private organizations in Israel.

The Government of Israel is aware there is consensus among those who are engaged in the current discussion regarding the projected Campaign that no such effort can be undertaken and carried out and that no agreement authorizing the UJA to conduct the Campaign can be entered into until you have secured from the Government of Israel assurances of certain types of support. Accordingly, the Government of Israel undertakes to do the following:

One: To convey or to cause to be conveyed to you, in perpetuity, as a free grant, free of expenses, the land on which the schools and related educational facilities shall be built, and to make provisions that the land and the structures thereon shall be free from any and all taxes and levies of any description, levied or imposed or to be levied or imposed by the State of Israel or by any other authority in Israel. Such lands in each case will be supplied, without expense to you, with water, power and access roads.

Two: To the extent that funds are not available from other sources, the Government of Israel will provide or cause to be provided the funds for the maintenance budget for such schools and related educational facilities as may be constructed with contributions to the Campaign, for as long as the schools and related institutions exist, it being understood that the maintenance budget shall embrace the entire cost of operating the schools and related institutions, including the salaries of teachers, administrative

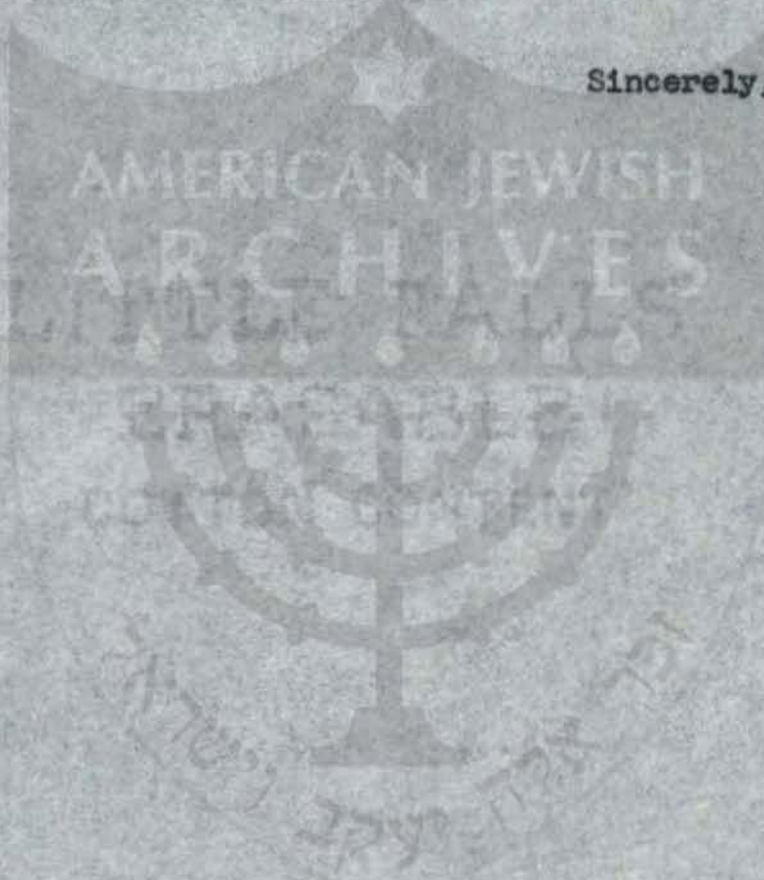
and maintenance staff; such contributions to social security and/or pension funds for staff as private secondary schools operating in Israel are required to make; the cost of maintaining the buildings in a good state of repair; the cost of insurance and of the replacement of equipment in the buildings; and all other maintenance costs. It is expressly understood that the contribution by the Government of Israel for the maintenance budget shall not impair or reduce your exclusive responsibility for the operation of the schools.

Three: To redeem State of Israel Bonds given in payment of the pledges to the Campaign, on such terms and conditions as may from time to time apply to State of Israel Bonds given in payment of charitable contributions.

Four: Being of the opinion that multiplicity of campaigns would be detrimental to the purposes that the Campaign seeks to achieve and in order to assure the success of that campaign, the Government of Israel undertakes that it or any other authority in Israel will not make available to any other organization or group in the United States facilities or assistance such as it has here undertaken to make available to the Israel Education Fund Project. Moreover, the Government of Israel undertakes that it and any other authority in Israel will not solicit or authorize the solicitation of funds in the United States for the purposes that are the objectives of the proposed Capital Fund Campaign.

Five: The appropriate agencies of the Government of Israel will be instructed to furnish you with all the information that may be required in connection with the Campaign and in general to give you every possible cooperation and assistance.

Sincerely,



THIS AGREEMENT, entered into by and between the UNITED ISRAEL APPEAL, INC., hereinafter called UIA, the JEWISH AGENCY FOR ISRAEL, INC., hereinafter called AGENCY, and the UNITED JEWISH APPEAL, INC., hereinafter called UJA, WITNESSETH THAT:

The parties hereto recognize:

- (1) that one of the most urgent needs in Israel is to provide secondary education and facilities related thereto for the children of immigrants who cannot afford to pay for such schooling;
- (2) that in many parts of Israel, particularly in the development areas, where most of the population consists of new immigrants, there is a lack of secondary schools of all types and of related facilities;
- (3) that it is not likely that the people of Israel will, solely from their own resources, be able, within the foreseeable future, to provide the children of needy immigrants with the opportunity for secondary education and the facilities related to it;
- (4) that the responsibility for providing secondary education and related facilities for the children of needy immigrants is an integral and essential part of the responsibility for the absorption of immigrants in Israel; and

- (5) that the education of the citizenry of any democracy is essential to the preservation of the democratic institutions of that country.

Recognizing the foregoing, the parties hereto agree as follows, to wit:

1. The UJA is hereby authorized to conduct a Capital Fund Campaign in the United States for the purpose of raising funds for the secondary education of children of needy immigrants in Israel and the educational facilities related thereto, specified in Schedule 1 hereto annexed, to be called the UJA Israel Education Fund Campaign (the Campaign).
2. Such Campaign shall be for a period of five years from the year it is officially launched. At the end of this period the parties hereto and the organizations endorsing this agreement will review every aspect of the Campaign, including the results achieved and its effect upon the regular UJA campaign, and will consider the benefits that may accrue from the continuance of the Campaign by the UJA beyond the five year period. Unless there are compelling reasons for the UJA terminating the Campaign at the end of the said five year period, the UJA will conduct the Campaign for an additional five year period.
3. The UJA shall handle the Campaign as a special effort and not as a part of its regular campaign.

4. It is understood that the term "Capital Fund Campaign" shall be deemed to mean the following, to wit:

(1) The total cost for erecting and equipping schools (academic, vocational, agricultural and comprehensive) for secondary education and related educational facilities set forth in Schedule 1 hereto annexed.

(2) Scholarship funds to provide scholarships for the children of needy immigrants, to enable them to attend secondary schools in Israel, and scholarships to assist needy persons in preparing themselves for teaching in secondary schools in Israel. Whenever possible, the donors will be urged to set up endowments, only the income of which shall be distributed annually for scholarships.

5. The Campaign shall be conducted in accordance with the general practice applicable to capital fund campaigns. This shall include the practice of extending to the contributors the privilege of paying their respective pledges over a period of years; provided, however, that pledges shall be required to be paid within a maximum period of *five* ten years from the date they shall be made.

6. To the extent that it shall be within its control the UJA will so conduct the said Campaign that contributions to the said Campaign shall not be in lieu or in diminution

of contributions to the UJA regular and/or special campaign.

7. The project to be constructed or established shall be named for such person or persons as the respective donors may specify. The donor's wishes shall also control in the naming of the scholarship funds, and some appropriate physical device, such as an appropriately worded plaque to be displayed in an appropriate place in Israel, shall be adopted to make public the fact that the scholarship funds have been established by the respective donors.
8. A. Funds raised in the Campaign will be delivered to the UIA, together, where appropriate, with all relevant information, including the name of the donor and the purposes for which his contribution is to be used and UIA will transmit the funds and information so received by it to the AGENCY. The AGENCY will use the funds so received for the purposes for which they have been delivered by UJA to UIA.
- B. Inasmuch as the gifts of donors to UJA for the construction and equipment of secondary schools and/or related facilities will be given for the purpose and upon the condition or with the belief that the construction and equipment of such schools and/or related facilities will be promptly commenced and that construction will be diligently prosecuted and completed, the AGENCY hereby agrees with and assures UJA that it will cause such construction and equipment to be carried through to completion promptly and diligently.

9. It is understood that the schools or other institutions which will be built with funds derived from the Campaign will be owned, managed, operated and controlled exclusively by the AGENCY.
10. The AGENCY will retain title to, and administer, such scholarship funds as may be established until such funds are distributed.
11. A. It is understood that the AGENCY will appoint an agent in Israel who will be accountable to it and who will help it in discharging its responsibilities hereunder.

B. The AGENCY will exercise exclusive supervision and control over the expenditure of funds through its agent in Israel and will at all times maintain personnel in Israel to insure adequate supervision of its agent. Actual construction of buildings will be supervised by the agent.
12. In order to keep contributors informed the UIA and the AGENCY will cooperate with UJA by providing it with the information needed for the conduct of the Campaign and in such other ways, within their competence, as may reasonably be necessary for the successful prosecution thereof and will also render detailed periodic accountings to the UJA, as to the application of all funds turned over

to the UIA pursuant to this Agreement, including statements as to the status of construction and the operation of schools and related facilities and as to the status and application of scholarship funds.

13. The parties hereto recognize that before the Campaign contemplated by this agreement could be undertaken, commitments for certain types of support had to be secured from the Government of Israel. The AGENCY represents to the UJA that the AGENCY has conferred with the Government of Israel relative to the projected Campaign and that on theday of....., 196..., the Government of Israel transmitted to the AGENCY a letter in which the Government of Israel made specific commitments as to what it will do in order to further insure the success of the effort contemplated by this agreement. The said letter is incorporated by reference and is made a part of this Agreement.

IN WITNESS WHEREOF the parties hereto have hereunto set their hands and seals this.....day of....., 196...

UNITED ISRAEL APPEAL, INC.

UNITED JEWISH APPEAL, INC.

By _____

By _____

JEWISH AGENCY FOR ISRAEL, INC.

By _____

(date)

The undersigned hereby consent to the foregoing Agreement and join in the authorization to the UJA to conduct the aforesaid Capital Fund Campaign and to distribute the funds raised as therein provided.

NEW YORK ASSOCIATION FOR NEW AMERICANS, INC.

AMERICAN JEWISH JOINT
DISTRIBUTION COMMITTEE, INC.

By _____

By _____





Jewish Telegraphic Agency

DAILY NEWS BULLETIN

660 FIRST AVENUE

NEW YORK 16, N.Y.

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Vol. XXXI - 46th year

Friday, September 25, 1964

No. 186

ISRAEL EDUCATION FUND ANNOUNCED; TO RAISE \$127,000,000 IN U. S.

NEW YORK, Sept. 24; (JTA) -- A vast, new American Jewish community undertaking, to be known as the Israel Education Fund, which has set a goal of raising \$127,000,000 over a period of five years for the purpose of expanding Israel's educational system, was announced here today.

More than 300 of the top leaders of the American Jewish community, summoned by the United Jewish Appeal--which has broadened its basic purpose of aid to immigrants in Israel by launching the new drive--endorsed the plans and programs of the Israel Education Fund at a two-day conference which opened today at the Biltmore Hotel. The UJA made it clear that the new Fund will be "separate and distinct from the regular annual UJA campaign, and will follow a wholly different set of basic principles."

The new Fund will conduct its half-decade campaign for the building and equipment in Israel of 72 high schools, at a cost of \$57,000,000; and the provision of thousands of scholarships for students and teacher-trainees at an additional cost of \$52,000,000, in addition to other projects. The overall plan will include the establishment of youth centers, the building and equipment of pre-kindergarten schools, and the development of other educational facilities needed in Israel such as libraries and science laboratories;

The program adopted at the conference was based on a report submitted by a special study mission, composed of outstanding American educators, which had surveyed the educational field in Israel and had recommended the plans unanimously. The mission was composed of Charles J. Bensley, for many years a member of the New York City Board of Education; Dr. Harold B. Gores, president of the Educational Facilities Laboratories of the Ford Foundation; Dr. William Jansen, former superintendent of schools of New York City; and Dr. Harold Wilson, dean of the School of Education of the University of California at Los Angeles.

Eban Addresses Conference in New York; Endorses Education Plan

The mission's report was presented to the conference by Dr. Gores, and endorsed tonight enthusiastically by Abba Eban, Israel's Deputy Prime Minister and former Minister of Education. He told the conference that improvements and enlargements of his country's secondary education facilities were crucial to Israel's intellectual and spiritual future. He particularly stressed the need for acceleration of the progress of students of Oriental origin, one of the leading aims of the newly announced program.

"Israel's immense burdens for defense, primary schooling and the support of higher education has made it impossible to open the high schools and vocational secondary schools to all," Mr. Eban stressed. "A very great proportion of those who do not pursue their education to the high school and university levels are the children of immigrants of Asian and African countries."

Calling the situation a great threat to Israel's social cohesion, Mr. Eban noted that recent progress by students of Asian-African background had been encouraging. "But the gap is not being closed quickly enough. This is not a marginal issue. Israel's central interests lie in the balance. Nothing can more effectively promote Israel's historic purposes," he declared, "than an intense reinforcement of her educational program by the assistance of American Jewry."

Contributions to the Fund Will Not Compete with Gifts to U. J. A.

Joseph Meyerhoff, general chairman of the UJA, who presided at the conference, stressed the continuing and increasing importance of the UJA's "core program in Israel of transportation and absorption of immigrants." He emphasized the fact that contributions to the Israel Education Fund will be accepted only "over and above" annual campaign gifts.

The conference will be continued tomorrow with principal addresses by Rabbi Herbert A. Friedman, executive vice-chairman of the UJA; Francis Keppel, United States Commissioner of Education; Edward M. M. Warburg, UJA national chairman, and a member of the New York State Board of Regents; Dr. Hanoeh Rinot, director-general of Israel's Ministry of Education and Culture; and Eliezer Shmueli, director of secondary education in Israel.

The results of a survey of educational problems in Israel conducted by Abraham S. Hyman, of the United Jewish Appeal, in preparation for the announcement of the establishment of the

Education Fund, were disseminated among the 300 Jewish communal leaders who came here from all parts of the country to attend the two-day parley. The survey stressed the fact that, while elementary education is free, universal and compulsory for all children aged 5 to 14, "secondary school education is not free, very costly and beyond the reach of many children."

Pointing out that the children of families of African-Asian origin predominate among those who get no formal schooling beyond the elementary level, and that these are the very children who should receive the greatest amount of attention, the document warned: "There is a danger implicit in this situation that a gap may develop between the Jews of Western origin, on the one hand, and the Jews of African-Asian origin on the other."

Educational Gap Between Two Groups of Children in Israel Cited

Dr. Gores, in his report on behalf of the educational mission, told of the meticulous preparations and briefings that preceded the survey, and outlined the major problems facing Israel in the educational field. These, he said, are: The shortage of teachers; the financial inability of many of the children to attend secondary schools; the cultural gap between Jews of European stock and most Jews of Asian-African origin.

Backing up the view that an educational gap exists between children of European Jews in Israel and children of Oriental Jews there, the report of the UJA Education Mission, said that, while Oriental Jews in Israel make up almost 50 per cent of the total population, and the children of these Oriental Jews number about 60 percent of the school-age population, the Oriental-origin children provide 60 percent of the kindergarten students, 50 percent of those in elementary schools, 25 percent of those in secondary schools, and only 12 percent of those in universities.

"The two groups," the report noted, "are divided by social, economic, cultural and educational barriers. Because Israel is an open society, however, there is a strong desire to eliminate these barriers, and this is accompanied by the conviction that, once the education gap is bridged, all the other barriers will break down."

Basic Principles of the Education Fund Campaign Outlined

In emphasizing that the Israel Education Fund campaign will be conducted along lines wholly different from those which govern the annual UJA campaign, the Jewish leaders attending the conference were given the following outline:

1. The Education Fund campaign will have as its objective the procurement of gifts from a limited number of people.
2. The minimum gift that will be accepted is the sum of \$100,000. The gift will, at the discretion of the donor, be payable over a period of three to five years.
3. No gift will be accepted unless and until the prospective donor has given the UJA assurances that his contribution to the capital fund campaign will not prejudice his gift to the regular UJA campaign or to the community federation campaign in which the UJA shares.
4. The campaign will not be linked to the UJA annual campaign calendar but will be conducted the year round. It will not be conducted through mass media or large meetings but, rather, through individual approaches to prospective donors, with specific projects in mind. The donor will be given the privilege to have the school, other facility or scholarship fund for which he makes his contribution, bear his name or the name of any other person he may designate.

In the interest of good administration, to make certain that a uniform policy is supplied, and to insure that the UJA annual campaign is not adversely affected by the Israel Education Fund campaign, the UJA will have the exclusive right to solicit funds for the education projects included within the campaign.

Organizations already engaged in activities related to education in Israel will continue their traditional fund-raising activities in support of their education programs, but in the context of their total program and not as an independent effort.

The education campaign will be coordinated with local Federations and Welfare Funds with the view of insuring that the timing of solicitation of potential contributors by the Israel Education Fund is consistent with the overall interest of the local communities.

Administrative Structure of the Israel Education Fund

The Israel Education Fund, established as a separate department of the UJA, will have a lay chairman of a board of representative men and women, and a lay president. The small Israel Education Fund professional staff will have the responsibility for preparing all campaign and solicitation material, including studies, surveys, and presentation pieces for specific projects. Lay leaders will participate in the process of solicitation of gifts.

The United Jewish Appeal will turn over the proceeds of the Israel Education Fund campaign to the United Israel Appeal which, in turn, will transmit the funds to the Jewish Agency for Israel, Inc., the same American corporation which receives UJA funds destined for use in Israel for the transportation and absorption of new immigrants.

Program

National Leadership Conference on Education in Israel

Conference Chairman: Joseph Meyerhoff, *General Chairman, United Jewish Appeal*

Thursday Evening, September 24, 1964

6:30 P.M. Dinner and Opening Session *Grand Ballroom*

Address: *H.E. Mr. Abba S. Eban,
Deputy Prime Minister, State of Israel*

Report on UJA Mission to Israel on Education:

Dr. Harold B. Gores, President, Educational Facilities Laboratories, Ford Foundation

Friday, September 25, 1964

9:00 A.M. Morning Session *Bowman Room*

Opening Remarks: Joseph Meyerhoff

Questions and Discussion:

Panel: Members of UJA Mission to Israel on Education

Commissioner Charles Bensley, former Member, Board of Education, New York City

Dr. William Jansen, former Superintendent of Schools, New York City

Dr. Howard Wilson, Dean, School of Education, University of California, Los Angeles

Statement of Plan:

Rabbi Herbert A. Friedman, Executive Vice Chairman, United Jewish Appeal

Questions and Discussion:

Ralph I. Goldman, Executive Director, Israel Education Fund

Abraham S. Hyman, Assistant Director, Israel Education Fund

12:30 P.M. Luncheon *Grand Ballroom*

Opening Remarks: Hon. Edward M. M. Warburg,

Member, Board of Regents, The University of the State of New York

Address:

Francis Keppel, United States Commissioner of Education

To America's Jewish Leaders:

Growth and progress in Israel have brought joy to the hearts of all who have worked so hard for this success. As the country and the people continue to grow, one weakness becomes more obvious by contrast. That weakness is the problem of secondary education.

True to the traditional Jewish attitude toward learning, the State of Israel, almost at the moment of birth, took the bold and decisive step of enacting into law a free, universal and compulsory system of primary schooling. Money was found to make this a reality, even in the early difficult days.

Sixteen years have passed, but a comparable achievement on the next level—high school—has not been possible. Secondary education in Israel is not free. It is beyond the means of many. Moreover, while there are some secondary schools in Israel, there are not nearly enough to accommodate the entire teenage population. Scores of thousands of youngsters are deprived of the opportunity to continue beyond the eighth grade.

A dangerous gap is developing between two segments of the population. More and more of the immigrants of recent years have come from the countries of Asia and Africa—from lands where the general cultural level was lower, where the emphasis on education was not so pronounced. They and their children are often at a disadvantage in relation to other Jews who have come from European or western countries. This disadvantage expresses itself in economic, social and personal terms.

For Israel to continue to grow and develop, there must be one united citizenry. For the economy to expand technologically, there must be a higher and wider level of knowledge. For the democracy to perform with even greater vigor, there must be ever more literacy.

For the traditional Jewish love of learning to become the normal standard, the minimal goal must be the achievement of a high school diploma by every child capable of earning it.

The leaders of the United Jewish Appeal have given much thought to this matter. Searching discussions have taken place with the leaders of Israel. Studies have been made—survey missions have gone to Israel to analyze the present facilities to see what is needed.

The moment has now arrived to report to you and to recommend a course of action.

For more than a quarter of a century, American Jews have carried out one of the most magnificent life-saving projects of all time, through the United Jewish Appeal. This work must go on unabated.

To the constant and continuing challenge of saving life in the physical sense, which will always remain UJA's highest priority, there must be added a new dimension. The training of the mind, the nourishing of the soul, the flowering of the intellect—these represent the saving of life in the spiritual sense.

Israel's strength will always be best guaranteed by an educated citizenry.

Joseph Meyerhoff, *General Chairman, United Jewish Appeal*
Rabbi Herbert A. Friedman, *Executive Vice Chairman, United Jewish Appeal*

Program

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Commissioner Charles Bensley, *former Member, Board of Education, New York City*
Dr. William Jansen, *former Superintendent of Schools, New York City*
Dr. Howard Wilson, *Dean, School of Education, University of California, Los Angeles*

Statement of Policy
Rabbi Herbert A. Friedman, *Executive Vice Chairman, United Jewish Appeal*

Panel and Discussion
Ralph I. Goldman, *Executive Director, Israel Education Fund*
Abraham S. Hyman, *Assistant Director, Israel Education Fund*

12:30 P.M. Luncheon *Grand Ballroom*

Closing Remarks: Hon. Edward M. M. Warburg,
Member, Board of Regents, The University of the State of New York

Address:
Francis Keppel, *United States Commissioner of Education*

ISRAEL EDUCATION FUND

EXPENSE ANALYSIS AS OF NOVEMBER 30, 1964

ESTIMATED EXPENSES AS OF MARCH 31, 1965

AND BUDGET FOR YEAR APRIL 1, 1965 - MARCH 31, 1966

		ACTUAL EXPENSES AS OF Nov. 30, 1964	ESTIMATED ADDITIONAL EXPENSES FOR PERIOD ENDED MARCH 31, 1965	TOTAL ESTIMATED EXPENSES FOR PERIOD ENDED MARCH 31, 1965	BUDGET FOR PERIOD APRIL 1, 1965 - MARCH 31, 1966	
1	<u>NON-RECURRING EXPENSES</u>					1
2	MODELS OF SCHOOLS	3000 -	-	3000 -	-	2
3	PANELS	225720	-	225720	-	3
4	EDUCATION "MISSION"					4
5	TRAVEL	802109				5
6	HOTELS	349109				6
7	PHOTOS	61371				7
8	MISSION AIRFARE	360950				8
9	MISCELLANEOUS	169632				9
10		1743171	-	1743171	-	10
11	OVERSEAS VOLUNTEERS					11
12	ARYEH L. PINCUS	39303				12
13	MOSHE SHARRETT	13405				13
14	SHLOMIT LEVIN	90120				14
15		142828	-	142828	-	15
16	FURNITURE AND FIXTURES	2456175	1000 -	2456175	-	16
17	DESIGNER'S COST	4500 -	-	4500 -	-	17
18	LEGAL	5000 -	-	5000 -	-	18
19	TOTAL NON-RECURRING EXPENSES	5817894	1000 -	5917894	-	19
20						20
21	<u>EXECUTIVE TRAVEL WITHIN U.S.A.</u>					21
22	RALPH GOLDMAN	165602				22
23	ABRAHAM S. HYMAN	70434				23
24	EUGENE POLLOCK	-				24
25	JOSEPH MEYERHAF AND CHARLES BENLEY	-				25
26		236036 (a)	7500 -	986036 (a)	30000 -	26
27						27
28	<u>PUBLIC RELATIONS DEPARTMENT</u>					28
29	PAYROLL	2216065	14311 - (b)	3647165 (b)	35000 -	29
30	LITERATURE AND PRINTING	(c) 771832	500 -	821832	2000 -	30
31	PRODUCTION OF PRESENTATIONS	-	(d) 5000 - (d)	5000 - (d)	20500 -	31
32	MATS	297818	750 -	372818	2000 -	32
33	ARTWORK	314730	750 -	389730	2000 -	33
34	PHOTOS	195158	1000 -	295158 (e)	4000 -	34
35	FIELD TRIP TO ISRAEL	-	-	-	(f) 2000 -	35
36	PERMANENT NEWSLETTER	-	(g) 500 - (g)	500 - (g)	2500 -	36
37	ENTERTAINMENT	-	(h) 400 - (h)	400 - (h)	1500 -	37
38	SCRAPBOOKS FOR CONTRIBUTORS	-	(i) 250 - (i)	250 - (i)	1000 -	38
39	ART MATERIALS	-	150 -	150 -	500 -	39
40	MISCELLANEOUS	25 -	250 -	275 -	1000 -	40
41		3798103	23861 -	6184203	74000 -	41
42						42
43						43
44						44

ISRAEL EDUCATION FUND

EXPENSE ANALYSIS AS OF NOVEMBER 30, 1964

ESTIMATED EXPENSES AS OF MARCH 31, 1965

AND BUDGET FOR YEAR APRIL 1, 1965 - MARCH 31, 1966

	ACTUAL EXPENSES AS OF Nov. 30, 1964	ESTIMATED ADDITIONAL EXPENSES FOR PERIOD ENDED MARCH 31, 1965	TOTAL ESTIMATED EXPENSES FOR PERIOD ENDED MARCH 31, 1965	BUDGET FOR PERIOD APRIL 1, 1965 - MARCH 31, 1966
1 "EDUCATION" CONFERENCE EXPENSES				
2 LUNCHEONS AND DINNERS	765527	-	765527	
3 VJA STAFF ROOMS	9191	-	9191	
4 PUBLICITY	365402	-	365402	
5 VOLUNTEER SPEAKERS:				
6 E. SHMUELI	58110	1285-	186610	
7 H. PINOTT	53362	1285-	181862	
8 A. EGAN	217908	-	217908	
9 EDUCATORS' EXPENSES:				
10 GORES	1675	-	1675	
11 JANSEN	2295	-	2295	
12 WILSON	72006	-	72006	
13 LAY LEADERS' EXPENSES	30652	-	30652	
14 PHOTOS	30825	-	30825	
15 MISCELLANEOUS EXPENSES	93931	1920	95851	
	1700884	258920	1959804	20000-
17				
18 GENERAL OFFICE				
19 PAYROLL	5749527	3167116(W)	8915643(W)	94000-
20 RENT	1434547	592920	2027467	17788-
21 POSTAGE AND CARTAGE	78862	500-	128862	1500-
22 MAIL SERVICE AND MAILING LISTS	44316	250-	69316	1000-
23 PRINTING AND STATIONERY	185644	500-	235644	2000-
24 TELEPHONE	175009	1000-	275009	3000-
25 TELEGRAMS AND CABLES	41037	500-	91037	1500-
26 INSURANCE	231477	1360-	367477	4500-
27 OFFICE MAINTENANCE	77105	350-	112105	1000-
28 SOCIAL SECURITY	120412	1000-	240412	2000-
29 FURNITURE + FIXTURES	(K)	(K)	(K)	1000-
30 MEETING EXPENSES AND MISCELLANEOUS	232801	2000-	432801	4000-
	8389737	4506036	12895773	133288
32				
33 OVERSEAS TRAVEL (STAFF, LAY PEOPLE, PROFESSIONALS)				
34 HERBERT A. FRIEDMAN	226321			
35 IRVING BERNSTEIN	159091			
36 RALPH I. GOLDMAN	1198-			
37 ABRAHAM S. HYMAN	799064			
38 LAY PEOPLE AND PROFESSIONALS	798-			
	1384076	(K) 4000-	1784076	(L) 24000-
40				
41 TOTAL (M)	21326730	8401056	29727786	281288-

ISRAEL EDUCATION FUND

NOTES

EXPENSE ANALYSIS AS OF NOVEMBER 30, 1964

ESTIMATED EXPENSES AS OF MARCH 31, 1965

AND BUDGET FOR YEAR APRIL 1, 1965-MARCH 31, 1966

1	(a) PROPOSED BUDGET FOR TRAVEL WITHIN U.S.A.	
2	ESTIMATED ON THE BASIS OF THE FOLLOWING:	
3		
4	<u>ESTIMATED TRANSPORTATION EXPENSES:</u>	
5	EUGENE POLLOCK - 700 DAYS @ AVERAGE OF \$49 - PER DAY	8000-
6	EXECUTIVE TRAVEL (RALPH GOLDMAN, ABRAHAM	
7	S. HYMAN, JOSEPH MEYERHAFF, CHARLES BENSLEY) -	
8	ESTIMATED 100 TRIPS @ AVERAGE OF \$80 -	8000-
9		
10	TOTAL ESTIMATED TRANSPORTATION	16000-
11		
12	<u>LIVING EXPENSES PER DIEM, HOTELS, MEALS, ETC</u>	
13	<u>@ ESTIMATE OF \$30 - PER DAY</u>	
14	RALPH GOLDMAN - 115 DAYS @ \$30 -	\$ 3750-
15	ABRAHAM S. HYMAN, JOSEPH MEYERHAFF +	
16	CHARLES BENSLEY - 115 DAYS @ \$30 -	3750-
17	EUGENE POLLOCK - 200 DAYS @ \$30 -	6000-
18		
19	TOTAL ESTIMATED LIVING EXPENSES	13500-
20		
21	TOTAL	\$ 29500-
22		
23		
24	\$7500 - ESTIMATED ADDITIONAL EXPENSES FOR	
25	PERIOD ENDED MARCH 31, 1965 REPRESENTS	
26	PROPORTIONATE AMOUNT OF ESTIMATED	
27	ANNUAL TRAVEL EXPENSES FOR FRACTION	
28	OF YEAR.	

(b) BREAKDOWN OF PUBLIC RELATIONS DEPARTMENT PAYROLL IS AS FOLLOWS:

	1/1/64-1/31/64	1/1/65-3/31/65	TOTAL AS OF 3/31/65	BUDGET FOR PERIOD 4/1/65-3/31/66
SYLVIA ADKIN	673670	2325-	906170	4900-
DAVE MARK	842965	4002-	1443165	13750-
PEGGY REINER	288671	1389-	427571	5865-
ALFRED ZALON	825153	2451-	1070253	10350-
	2630259	10167-	3647159	34865-

Pg. ✓

ISRAEL EDUCATION FUND
NOTES

	①	②	③	④	⑤	⑥
1	(c)	BREAKDOWN OF LITERATURE & PRINTING COSTS:				1
2		"EDUCATION IN ISRAEL"	\$	3176-		2
3		"IMAGE ISRAEL - A PROSPECTUS"		3180-		3
4		MAPS		900-		4
5		MISCELLANEOUS		5173 ²		5
6		TOTAL	\$	<u>77183²</u>		6
7						7
8						8
9	(d)	PRODUCTION OF PRESENTATIONS -				9
10		UNIT COST OF \$100 - EACH IS BAKED				10
11		DOWN AS FOLLOWS:				11
12		PHOTO SLOWERS	\$	30 -		12
13		PHOTOSTATS		30 -		13
14		TYPE		40 -		14
15		TOTAL	\$	<u>100 -</u>		15
16						16
17		ESTIMATED 200 PRESENTATIONS @ \$100 - EACH	\$	20000 -		17
18		ADD: EXPECTED RE-ORDER OF PRE-SET PAGES		500 -		18
19		BUDGET FOR YEAR 4/1/65 - 3/31/66	\$	<u>20500 -</u>		19
20						20
21		\$5000 - REPRESENTS PROPORTIONATE AMOUNT FOR				21
22		FRACTION OF YEAR.				22
23						23
24	(e)	PHOTOS REPRESENT PHOTOGRAPHY WORK				24
25		IN ISRAEL (40 TOWNS)	\$	<u>4000 -</u>		25
26						26
27	(f)	FIELD TRIP TO ISRAEL TO ACQUIRE MATERIALS				27
28		AND ESTABLISH LIAISON AND PUBLIC RELATIONS				28
29		PATTERNS.				29
30						30
31	(g)	PERMANENT NEWSLETTER - DESIGN AND PRINTING OF				31
32		MAINTHEAD (\$500 -) AND PRODUCTION AND DISTRIBUTION OF				32
33		10 ISSUES, CIRCULATION 1000, AT ESTIMATED 10¢ PER				33
34		COPY.				34
35						35
36		\$500 - REPRESENTS PROPORTIONATE AMOUNT FOR FRACTION				36
37		OF YEAR				37
38	(h)	ENTERTAINMENT OF EDUCATION PRESS AND FEATURE WRITERS.				38
39		AVERAGE OF ONE LUNCH PER WEEK AT \$70 - . TWO SMALL				39
40		GROUP LUNCHEONS AT \$150 -				40
41						41
42		\$400 - REPRESENTS PROPORTIONATE AMOUNT FOR FRACTION				42
43		OF YEAR.				43
44						44

ISRAEL EDUCATION FUND
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1	(i) SCRAPBOOKS FOR CONTRIBUTORS - 50 @ \$20-	\$ 1000-	1
2			2
3	\$250 - REPRESENTS PROPORTIONATE AMOUNT FOR FRACTION		3
4	OF YEAR.		4
5			5

(j) BREAKDOWN OF GENERAL PAYROLL IS AS FOLLOWS:

	THRU 11/30/64	12/1/65-3/31/65	TOTAL AS OF 3/31/65	BUDGET FOR PERIOD 4/1/65-3/31/66
9 SYLVIA ERLICHMAN *	390809	1077-	498509	4436-
10 RALPH I. GOLDMAN	1968750	7125-	2681250	24000-
11 ABRAHAM S. HYMAN *	25000-	7375-	32375-	20000-
12 EUGENE POLLOCK	-	331250	331250	14000-
13 SHEILA SCHNEIDER *	730724	1545-	885244	6536-
14 SONIA STILLMAN	5088-	1665-	6753-	7000-
15 TEMPORARY OFFICE HELP	219110	500-	269110	2000-
16 ANTICIPATED-ADDITIONAL SECY.	-	1500-	1500-	6000-
17 ANTICIPATED-ADMINISTRATIVE ASS'T.	-	1875-	1875-	7500-
	\$ 6318193	\$ 2597450	\$ 8915643	\$ 93692-

* INCLUDES SALARIES PAID DURING PERIOD - 11/1/63 - 12/31/63.

(k) REFER TO NON-RECURRING EXPENSES

(l) OVERSEAS TRAVEL (STAFF, LAY PEOPLE PROFESSIONALS)	PERIOD 1/1/65-3/31/65 - ESTIMATED 7 TRIPS @ \$4000-EACH =	\$ 4000-
	PERIOD 4/1/65-3/31/66 - ESTIMATED 12 TRIPS @ \$2000-EACH =	\$ 24000-

(m) DOES NOT INCLUDE U.N.A. OF GREATER NEW YORK ISRAEL EDUCATION FUND BUDGET. MR. HENRY C. BERNSTEIN ANTICIPATES EXPENSES OF FROM \$20,000- TO \$50,000-