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UNITED ISRAEL APPEAL, INC.

1968-69

Budget Allocations

(Revised as of December 12, 1968)

UIA

515 Park Avenue, New York, N.Y. 10022

December 16, 1968

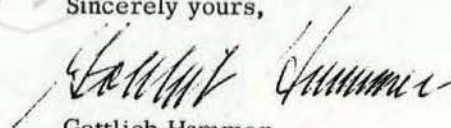
The attached budget, originally submitted to the Board of Directors of the United Israel Appeal, Inc., in April 1968, and revised as of December 12, 1968, represents an on-going process in fiscal control.

The Board of Directors of the United Israel Appeal, Inc., considers budget proposals submitted to it by its operating agent in Israel - The Jewish Agency for Israel, Jerusalem. Based upon a continuing review and evaluation carried on by its Resident Representative in Israel, the officers of the Board, and through the facilities of our independent public accountants - Green, Strocker & Company - the Board of Directors of United Israel Appeal, Inc., is in a constant process of allocating and reallocating, in the course of the fiscal year, to meet changing conditions.

The attached budgetary allocations totalling \$139,400,000 are based on our best estimate of the total amount of cash we will have available for operations in Israel for the budget period April 1, 1968 to March 31, 1969. These figures, however, are subject to revision, depending upon the actual availability of cash within the budget year. Final allocation figures will have to wait, therefore, until the end of the fiscal year.

This material is being sent to you for your information only. It is not for publication and we trust you will respect this confidence.

Sincerely yours,



Gottlieb Hammer
Executive Vice Chairman

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
(In Dollars)

FOR ACTIVITIES IN ISRAEL

<u>Schedule No.</u>	<u>Item</u>	
I	Immigration and Absorption	\$ 10,554,350
II	Other Social Welfare Services	15,848,000
III	Health Services	18,700,000
IV	Education	20,346,200
V	Institutions of Higher Learning	27,617,820
VI	Youth Care & Training	1,556,400
VII	Absorption in Agricultural Settlements	18,457,230
VIII	Immigrant Housing	24,470,000
	Admin. & Special Projects	1,850,000
	Total	<u>\$ 139,400,000</u>

UNITED ISRAEL APPEAL, INC. DISBURSEMENTS

Debt Service & Amortization of American Insurance Companies \$50,000,000 Loan	4,938,000
Administrative Budget	300,000
Grand Total	<u>\$ 144,638,000</u>

SCHEDULE I

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
IMMIGRATION AND ABSORPTION
(In Dollars)

(Based on an estimated immigration of 30,000, of whom 25,000 will be from areas of economic and social discrimination and eligible for U.I.A. Inc. assistance.)

SERVICING OF IMMIGRANTS ABROAD

Offices Abroad

Austria	42,700
Italy	83,650
Greece	15,528
France - Marseilles	117,380
France - Paris	248,670
Switzerland	56,800
Turkey	43,250
India	20,200
Iran	80,400
N. Africa	8,900

\$ 717,478

Schedule I
Continued

IMMIGRATION AND ABSORPTION

Expenses of Immigration Administration
Staff Abroad

Staff

Training	4,000
Traveling Expenses	34,000
Medical Expenses	9,000
Participations of rent	18,000
Support of families	16,000
Social Security	13,000
Pensions of overseas staff	18,000
Salary Reserve	--
Severance pay to employees	8,000
Various expenses in Israel	17,000

\$ 137,000

Screening of Candidates for Immigration

84,900

Documentation and Related Expenses

2,290,000

Transit Centres

Austria	70,700
Italy	65,000
Greece	19,700
France - Marseilles	300,000
France - Paris	2,500
Turkey	28,300
Gibraltar	3,750
India	1,500
Iran	28,550
North Africa (T)	8,000
Religious Supplies	2,000

\$ 530,000

Medical Services to Immigrants en route

125,700

Administration and Organization

Staff	35,200
Administrative Expenses	30,000

\$ 65,200

IMMIGRATION AND ABSORPTION

Schedule I
Continued

TRANSPORTATION

Carriage of Immigrants

Europe "E"	505,600	
Europe "W"	180,000	
(North Africans in France)		
Africa	1,077,000	
Asia	382,000	\$ 2,144,600

Escort Services

Permanent Escorts	10,000	
Expenses Abroad	10,000	
Expenses in Israel	17,100	
Supervisor of Kashrut on ships	7,100	44,200

Transport of Immigrant Belongings \$

Transfer of Immigrant's Belongings in Israel 343,000

Port Storage	90,000	
Transport	38,000	
Freight	-----	
Freight Damages	3,000	
Insurance of Immigrants' Belongings	69,000	200,000

Administration and Organization

Office Staff	35,000	
Transportation Staff	39,000	
Administrative Expenses	70,000	144,000

INITIAL CARE OF IMMIGRANTS

Reception Services

Upkeep of reception centre at		
Lydda Airport	9,000	
Meals at Haifa and Lydda	7,000	
Gift Parcels for children	900	
Equipment for Lydda reception centre	1,200	
Lydda Staff	28,000	
Maintenance	1,000	
Administration and Organization	28,500	75,600

IMMIGRATION AND ABSORPTION

Schedule I
Continued

Transfer of immigrants to places of residence

Reception on arrival	15,000	
Transportation in Israel	<u>53,500</u>	\$ 68,500

Equipment and Furniture

Beds	90,000	
Mattresses	90,000	
Blankets	110,000	
Furniture	70,000	
Clothing and footwear for children	<u>5,000</u>	365,000

Administration and Organization

Staff	19,800	
Administrative Expenses	<u>15,000</u>	34,800

Guidance and Care of Immigrants

Counseling Staff	240,000	
Regional Field Workers	390,000	
Administrative Expenses	<u>580,000</u>	1,210,000

Special Services for Professionals

Academicians		100,000
Direct Grants and Loan Funds		

Absorption in Kibbutzim

Advances to Kibbutzim for absorption	171,430	
Loans and grants for difficult immigrant cases	4,285	
Aid to large families	5,710	
Transfer of families to Kibbutzim	285	
Club for young immigrants	1,425	
Field staff expenses	<u>12,000</u>	\$ 195,135

Schedule I IMMIGRATION AND ABSORPTION
Continued

Administration and Organization

Staff	29, 115	
Administrative Expenses	<u>21, 000</u>	\$ 50, 115

FINANCIAL AID

Initial Assistance

Cash grants	153, 500	
Loans and grants for special cases	200, 000	
Special assistance for victims of persecution	<u>22, 000</u>	375, 500

Financial Aid During the Transition Period

Loans for essential needs	80, 000	
Loans for purchase of furniture	<u>42, 000</u>	122, 000

Financial Aid for Constructive Purposes

Loans for equipment, etc.	485, 000	
Loans for membership in Cooperative and small Workshops	10, 000	
Loans to self employed	<u>35, 000</u>	530, 000

Administration and Organization

Staff	25, 000	
Administrative Expenses	<u>21, 000</u>	46, 000

Schedule I
Continued

IMMIGRATION AND ABSORPTION

ECONOMIC COUNSELLING

Economic and Technical Counseling \$ 90,000

Courses for Professionals

Academicians (Lawyers, Doctors, etc.) 60,000
Other Courses 10,000
Special Seminars 20,000

Administration and Organization

Staff 20,000
Administrative Expenses 20,000 220,000

GRANTS TO INSTITUTIONS ASSISTING IMMIGRANTS

Immigrant Associations from:

Iran)
North Africa (91,425
USSR)
India ()
Hungary)
Tunis ()
Egypt)
Poland ()
Turkey)
Rumania ()
Women's Organizations 21,425
WIZO
Pioneer Women
Miscellaneous 34,280
Housekeeping Training 28,570 175,700

HEAD OFFICE OF IMMIGRATION
AND ABSORPTION DEPARTMENT

160,000

GRAND TOTAL \$ 10,554,350

SCHEDULE II

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
SOCIAL WELFARE SERVICES
(In Dollars)

<u>VOCATIONAL REHABILITATION</u>		171,400
<u>SPECIAL ASSISTANCE TO IMMIGRANTS</u>		
Clubs for blind and aged	1,420	
Old age insurance premiums	1,420	
Participation with other welfare institutions	4,280	
Equipment and clothing for needy	15,700	
Food grants	2,570	
General activities	4,810	30,200
<u>Loans and Grants for Social Cases</u>		85,700
<u>ADMINISTRATION AND ORGANIZATION</u>		
Staff	29,800	
Administrative expenses	21,000	50,800
<u>SOCIAL INTEGRATION</u>		
Demonstration and Pilot Projects		371,400
<u>Assistance to Unemployed through Relief Work</u>		3,000,000
Will provide relief work for a monthly average of approximately 1500 workers at \$5.80 per day, including wages and fringe benefits.		
<u>Sheltered Workshops for Elderly and Handicapped</u>		1,620,000
Will provide employment for 149 days during the year for 6,700 elderly persons		
Relief work for unemployed professionals		50,000
Other relief work programs		70,000
Sub-Total		\$ 5,449,500

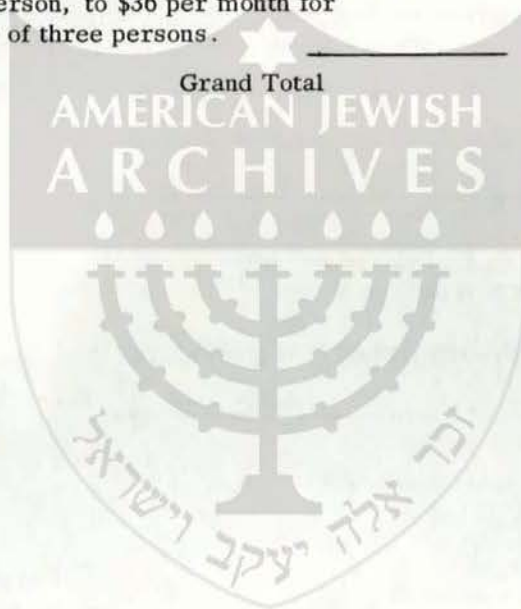
Schedule II

Brought forward		\$ 5,449,500
Grants to the aged	4,570,000	
Relief Payments to Social Cases	5,828,500	

Provides for a monthly average of 22,500 families comprising 82,000 persons. Average amount paid out ranges from \$15 per month for a single person, to \$36 per month for a family of three persons.

Grand Total

15,848,000



SCHEDULE III

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
HEALTH SERVICES
(In Dollars)

MEDICAL SERVICES TO IMMIGRANTS IN
DEVELOPMENT TOWNS (clinics) \$ 5,428,600

Will Provide Medical Services at 40
Clinics for Approximately 209,000
persons, at an average cost of \$26.00
per year.

HOSPITALIZATION AND MEDICAL ASSISTANCE-
MENTAL CASES 3,428,600

Provides for approximately 489,000
Bed Days at \$7.00 per day.

HOSPITALIZATION AND MEDICAL ASSISTANCE-
GENERAL CASES 9,742,800

Provides for approximately 974,000
Bed Days at \$10. per day.

HEALTH INSURANCE 100,000

GRAND TOTAL \$ 18,700,000

SCHEDULE IV

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
EDUCATION
(In Dollars)

ULPANIM

<u>Town Ulpanim</u>	120,000	
Ulpan Meir-Beer Sheva		
Ulpan Borochoy-Givatayim		
Ulpan Etzion-Jerusalem		
Ulpan Tabor-Nazareth		
<u>Work Ulpanim</u>		
Ulpanim in kibbutzim	90,000	
Care of children	4,000	
Equipment for family Ulpanim	6,000	
Evening Ulpanim	2,000	
Teaching Aids	7,000	
Assistance to Ulpan Pupils	22,000	
Loans to students		
Administration and Organization		
Staff	7,000	
Administration Expenses	4,000	262,000

VOCATIONAL TRAINING FOR
YOUNG IMMIGRANTS 14,200

AID AND SUBSIDIES TO IMMIGRANT STUDENTS
FOR HIGHER EDUCATION 450,000

Provides scholarships, lodging, and living expenses for approximately 400 students at \$1,090 per student, per academic year.

PRE-KINDERGARTENS 1,350,000

Provides for 14,000 children in kindergartens sponsored by the following women's organizations:
Working Mothers Organization
National Religious Women's Movement
WIZO
Kindergarten centers of the Agudat Israel and Poalei Agudat Israel
Chabad Women's Organization
The Agricultural Center
Hapoel Hamizrachi Moshavim Association
The Agricultural Association

CHILD DAY CARE CENTRES 50,000

1,400,00

Sub-Total

\$ 2,126,200

Schedule IV

Brought forward \$ 2,126,200

POST ELEMENTARY SCHOOL SCHOLARSHIPS

16,390,000

Provides scholarships for approximately 130,000 pupils in secondary, vocational, and agricultural schools. Scholarships range from 20 per cent to 100 per cent of tuition fee, depending on the economic income of the parents.

GRANTS TO NON-GOVERNMENTAL VOCATIONAL AND AGRICULTURAL SCHOOLS

1,830,000

(List of schools assisted is available at office of United Israel Appeal, Inc.)

Grand Total \$ 20,346,200



SCHEDULE V

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
INSTITUTIONS OF HIGHER LEARNING
(In Dollars)

INSTITUTIONS OF HIGHER LEARNING

Hebrew University	11,300,000
Technion	7,000,000
Weizmann Institute	3,338,571
Tel Aviv University	3,500,000
Bar Ilan University	1,500,000
Haifa University	561,429
Institute for Higher Education Beersheba	417,820
	<hr/>
Grand Total	\$ 27,617,820



SCHEDULE VI

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
YOUTH CARE AND TRAINING
(In Dollars)

YOUTH CENTRES

Afula)	
Kiryat Shmona	(
Beer Sheva)	
Kfar Yerucham	(
Kiryat Gat)	
Ofakim	(
Beth Shemesh)	540,000
Kiryat Nazareth	(
Dimona)	
Kiryat Malachi	(
Asdod)	
Ashkelon	(
Tiberias)	
Acre	(

YOUTH CLUBS IN IMMIGRANT TOWNS 133,000

Subsidies to 84 Youth Clubs
servicing 12,000 children

STIPENDS FOR BUSING NEEDY STUDENTS
TO SCHOOL 190,000

Provides bus transportation to
school for 4600 students

SUPERVISORS AND GUIDANCE 350,000

ADMINISTRATION AND ORGANIZATION

100,000 1,313,000

TRAINING AND OTHER ACTIVITIES
AMONG YOUTH IN ISRAEL 243,400

Grand Total \$ 1,556,400

SCHEDULE VII

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
ABSORPTION IN AGRICULTURAL
SETTLEMENTS
(In Dollars)

NON-CAPITAL AID TO IMMIGRANT FARMERS

Agricultural Training	1,121,020	
Regional Planning Section	92,580	
Crop Subsidies	71,420	
Care of Special Cases in Villages	28,570	
General Area Improvements	<u>42,810</u>	1,356,400

CAPITAL AID

Citrus Groves	588,570	
Community Buildings	<u>57,130</u>	645,700

RESEARCH

Agricultural Research Centre (Planning and Research Projects)		90,250
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BASIC ACTIVITIES IN ESTABLISHED SETTLEMENTS

Irrigation	694,780	
Farm Buildings	900,000	
Fruit Orchards	900,000	
Tools	200,000	
Livestock	500,000	
Working Capital and Sundries	400,000	
Development of Export Crops	300,000	
Administration and Organization	<u>525,000</u>	4,419,780

Sub -Total

\$ 6,512,130

Schedule VII

Brought forward \$ 6, 512, 130

REGIONAL SERVICES

Tractor Stations	570, 000	
Storage and Packing Centres	80, 000	
Participation in Regional		
Service Facilities	280, 000	
Regional Centres	250, 000	
Electrification of Farm		
Dwellings	70, 000	
Internal Farm Roads	170, 000	
Administration and		
Organization	140, 000	
Loans for Industrial		
Enterprises	340, 000	
Loans for Vacation		
Facilities	44, 000	1, 944, 000

BASIC ACTIVITIES IN NEW SETTLEMENTS

Irrigation	200, 000	
Farm Buildings	150, 000	
Fruit Orchards	50, 000	
Tools	90, 000	
Livestock	10, 000	
Planning and Sundries	100, 000	
Providing for Settlement		
of Second Generation	80, 000	
Preparatory Personnel		
and Administration	370, 000	1, 050, 000

FINAL CONSOLIDATION OF ESTABLISHED
AGRICULTURAL SETTLEMENTS

Water	1, 690, 000	
Farm Building	604, 000	
Livestock	1, 630, 000	
Industrial Centres	283, 000	
Farming Tools	223, 000	
Working Capital	860, 000	5, 290, 000

Sub-Total \$ 14, 796, 130

Schedule VII

Brought forward \$ 14,796,130

HOUSING IN AGRICULTURAL SETTLEMENTS 3,000,000

AGRICULTURAL EDUCATIONAL INSTITUTIONS 14,250

PARTICIPATION IN AGRICULTURAL ASSOCIATIONS 150,250

Head Office 496,600

Grand Total \$ 18,457,230

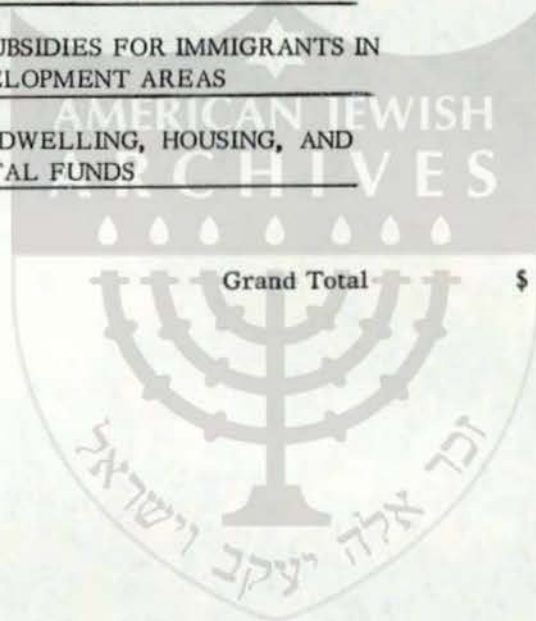


SCHEDULE VIII

Revised as of December 12, 1968

UNITED ISRAEL APPEAL, INC.
1968-69 BUDGET ALLOCATIONS
IMMIGRANT HOUSING
(In Dollars)

<u>NEW HOUSING FOR IMMIGRANTS</u>	15,000,000
<u>RENTAL PAYMENTS FOR IMMIGRANTS</u>	3,870,000
<u>RENTAL SUBSIDIES FOR IMMIGRANTS IN DEVELOPMENT AREAS</u>	5,000,000
<u>LOANS TO DWELLING, HOUSING, AND RENTAL FUNDS</u>	600,000
<u>Grand Total</u>	<u>\$ 24,470,000</u>



file

UNITED ISRAEL APPEAL, INC.
515 Park Avenue
New York, New York

June 25th, 1968

To: Mr. Louis A. Pincus, Chairman, Jewish Agency for Israel

From: Gottlieb Hammer, Executive Vice-Chairman, United Israel Appeal, Inc.

Subject: Responsibility of Jewish Agency to needy immigrants and refugees as understood by the U.I.A. Inc.

On June 16th, 1968 the Prime Minister, in a letter addressed to the Chairman of the Jewish Agency, explained that the Israel Government did not intend, by its decision of June 9th, "to take over responsibility relating to needy immigrants and refugees, which has always been primarily the responsibility of world Jewry".

American Jews, anxious to assist in the solution of the problems of needy immigrants and refugees are always confronted with two major questions:

1. The motivation for giving - viz. the perennial U.J.A. "Campaign Story".
2. The tax exempt status of contributions for the Annual Campaign.

"Immigration" and "Absorption" of needy Jews and refugees are one continuous process which cannot be functionally divided. What is not clear, however, and now must be sharply delineated, is the extent of the absorption process. It is therefore, most vital, that we put into sharper focus the specific aspects of Immigration and Absorption which in our view are to be carried out by the Jewish Agency in order to meet the two basic conditions listed above, viz.- campaign motivation and tax exemption of campaign contributions.

I. Servicing of prospective Immigrants abroad

The servicing of needy immigrants and refugees begins with their arrival at a Jewish Agency Reception Center at some free port of call. Such centers are presently found in Austria, Italy, France, Greece. Additional offices are located, from time to time, in Belgium, Iran, Turkey. At times, the Jewish Agency uses the good offices of a sister organization in rendering service to prospective immigrants. This, of course, is at the expense of the Jewish Agency.

Budgetary items for this category of work include: maintenance of offices, expenses of Israeli immigration administrative staff abroad, expenses of immigrant counselling staff abroad, transit centers, medical services to immigrants en route.

II. Transportation of needy Immigrants

Transportation of Immigrants and documentation.
Transportation of Immigrants' Possessions.
Escort Service.
Transfer to Settlement Site in Israel.

III. Reception and Care of Arriving Immigrants

Reception Services at Port of Entry

./.

Equipment and Furniture for new arrivals

Food

Assistance to new immigrants in settlement areas, viz. cash grants, aid to large families.

IV. Financial Assistance to New Immigrants

Aid for purchase of Furniture

Aid to Professionals

Subsidiary Employment for Professionals

V. Directing of Immigrants to Housing

Rent Subsidies

VI. Directing of Immigrants to Agricultural Settlement

VII. Guidance for Immigrants in places of Absorption

Absorption Centers

Ulpanim

The absorption of immigrants cannot be effected without positive action on the part of the government. The specific point in the absorption process where the government takes over responsibility for its new citizens is dependent upon the amount of money available to the Jewish Agency, or government Policy, or both.

In the event additional funds are made available by the UJA in the United States, the U.I.A. Inc. is prepared to consider additional allocations, subject to approval of its board of Directors, for services and programs on behalf of needy Jews and Immigrants in such areas as it is entitled to act. For example, in the fiscal year 1967/68, the U.I.A. Inc. made additional allocations for such charitable and educational purposes in the areas of agricultural settlement, health, education, social welfare and housing and established specific procedures for the implementation of such allocations.

Over the years, the contributor in the United States has responded to the Annual UJA Campaign and has given it top priority because he has been impressed with the scope and uniqueness of its cause. The core of the Campaign story has been the opportunity and responsibility presented to American Jews of assisting fellow Jews in need who must be rescued and rehabilitated in the Land of Israel. The verbal symbols of this process of rescue are: Immigration and Absorption, which have become household terms throughout the American Jewish Community.

UNITED ISRAEL APPEAL, INC.

March 7, 1968

1967/68 Budget
(In U.S. Dollars)

	<u>Budget</u>	<u>Cancellations</u>	<u>Possible Reductions</u>	<u>Revised Budget</u>	<u>Estimated Commitments</u>	<u>Anticipated Expenditures 1967/68</u>
IMMIGRATION & ABSORPTION	\$ 6,442,000	-	-	\$ 6,442,000 ⁽¹⁾	-	\$ 6,442,000
SOCIAL WELFARE SERVICES	31,109,000	\$ 4,500,000*- 8,500,000**	\$ 10,300,000-Old Age Grants	7,809,000	\$ 15,000,000 ⁽²⁾	22,809,000
HEALTH SERVICES	35,696,000		11,000,000- Kupat Cholin 13,000,000- Chronic & Mental 10,000,000- Clinics	1,696,000	15,090,000	16,786,000
EDUCATION	25,748,000	5,000,000 Educ. Fund		20,748,000		20,748,000
INSTITUTIONS OF HIGHER LEARNING	33,973,000			33,973,000		33,973,000
YOUTH CARE & TRAINING	6,766,000	2,000,000***		4,766,000		4,766,000
ABSORPTION IN AGRICULTURAL SETTLEMENTS	47,649,000			47,649,000		47,649,000
IMMIGRANT HOUSING	26,953,000			26,953,000		26,953,000
ADMINISTRATION & SPECIAL PROJECTS	1,616,000			1,616,000		1,616,000
<u>TOTAL</u>	<u>\$ 215,952,000</u>	<u>\$ 20,000,000</u>	<u>\$ 44,300,000</u>	<u>\$ 151,652,000</u>	<u>\$ 30,090,000</u>	<u>\$ 181,742,000</u>

Addendum

- 2 -

Cancellations - \$ 4,500,000*

Athletic and Recreational
Activities and Youth Clubs
in Immigrant and Development
Areas.

\$ 8,500,000**

Represents a decrease of
\$8,500,000 in Relief Work
Payments for Immigrants.

\$ 2,000,000***

Retarded families' Child Care
Including: Keeping of about
4,000 children in day homes and
about 5,000 children in closed
institutions.

- 1) Please note item originally listed under Immigration and Absorption relief payments to immigrants - \$10 million has been transferred to Social Welfare Services.
- 2) This commitment will be included only if our Counsel determines that retroactive payments may be made for various items listed in the budget.

March 7, 1968

UNITED ISRAEL APPEAL, INC.
Comparative Budget Allocations

S U M M A R Y
(In U.S. Dollars)

<u>Schedule No.</u>		<u>1967/68</u> <u>Allocations</u> <u>as of 12/7/67</u>	<u>1967/68</u> <u>Revised</u> <u>Allocations*</u> <u>As of 3/14/68</u>	<u>Proposals</u> <u>1968/69</u>
<u>ACTIVITIES IN ISRAEL</u>				
I	Immigration & Absorption	\$ 16,442,000	\$ 6,442,000	\$ 7,250,000
II	Other Social Welfare Services	21,109,000	22,809,000	15,900,000
III	Health Services	35,696,000	16,786,000	10,700,000
IV	Education	25,748,000	20,748,000	16,800,000
V	Institutions of Higher Learning	33,973,000	33,973,000	22,000,000
VI	Youth Care & Training	6,766,000	4,766,000	4,750,000
VII	Absorption in Agricultural Settlements	47,649,000	47,649,000	25,750,000
VIII	Immigrant Housing	26,953,000	26,953,000	20,000,000
	Admin. & Special Projects	1,616,000	1,616,000	1,850,000
		<u>\$ 215,952,000</u>	<u>\$ 181,742,000</u>	<u>\$ 125,000,000</u>
 <u>New York Disbursements:</u>				
	Debt Service & Amortization of American Insurance Co. \$50 Million Loan	\$ 4,938,000	\$ 4,938,000	\$ 4,938,000
	Administrative Budgets	263,000	263,000	300,000
	<u>TOTAL</u>	<u>\$ 221,153,000</u>	<u>\$ 186,943,000</u>	<u>\$ 130,238,000</u>

*Subject to approval by Board of Directors
on March 14, 1968.

SCHEDULE I

March 7, 1968

UNITED ISRAEL APPEAL, INC.
Comparative Budget Allocations
IMMIGRATION & ABSORPTION
(in U.S. Dollars)

	1967/68 Allocations <u>As of 12/7/67</u>	1967/68 Revised Allocations <u>As of 3/14/68</u>	Proposals <u>1968/69</u>
<u>SERVICING OF IMMIGRANTS ABROAD:</u>			
Offices	\$ 671,200	\$ 671,200	\$ 700,000
Expenses of Israeli Immi- gration Adm. Staff Abroad	61,000	61,000	61,000
Expenses of Immigrant Counseling Staff Abroad	172,567	172,567	175,000
Documentation & Related Expenses	1,000,000	1,000,000	1,400,000
Transit Centers	300,000	300,000	375,000
Medical Services to Immi- grants En route	59,265	59,265	75,000
<u>TRANSPORTATION:</u>			
Carriage of Immigrants	1,016,333	1,016,333	1,500,000
Escort Services	35,500	35,500	35,000
Transportation of Immigrants Possessions	292,333	292,333	395,000
Transfer to Settlement Sites	55,667	55,667	65,000
<u>INITIAL CARE OF IMMIGRANTS:</u>			
Initial Absorption Services	459,250	459,250	650,000
Equipment & Furniture for Immigrants	337,667	337,667	365,000
Food	9,333	9,333	15,000
Hostels	333,334	333,334	335,000
	<hr/>	<hr/>	<hr/>
<u>Sub-total</u>	\$ 4,803,449	\$ 4,803,449	\$ 6,146,000

	1967/68 Allocations <u>As of 12/7/67</u>	1967/68 Revised Allocations <u>As of 3/14/68</u>	Proposals <u>1968/69</u>
Brought Forward	\$ 4,803,449	\$ 4,803,449	\$6,146,000
Absorption in Settlement Areas	108,000	108,000	225,000
<u>FINANCIAL ASSISTANCE:</u>			
To New Immigrants	66,000	66,000	70,000
Initial Arrangements	221,333	221,333	225,000
Constructive Assistance	233,334	233,334	250,000
Grants to Institutions Assisting Immigrants	136,500	136,500	154,000
Reserve	40,266	40,266	40,000
Administrative Cost	833,333	833,333	140,000
Relief Payments to Immigrants	10,000,000	-	-
<u>TOTAL</u>	<u>\$ 16,442,215</u>	<u>\$ 6,442,215</u>	<u>\$ 7,250,000</u>

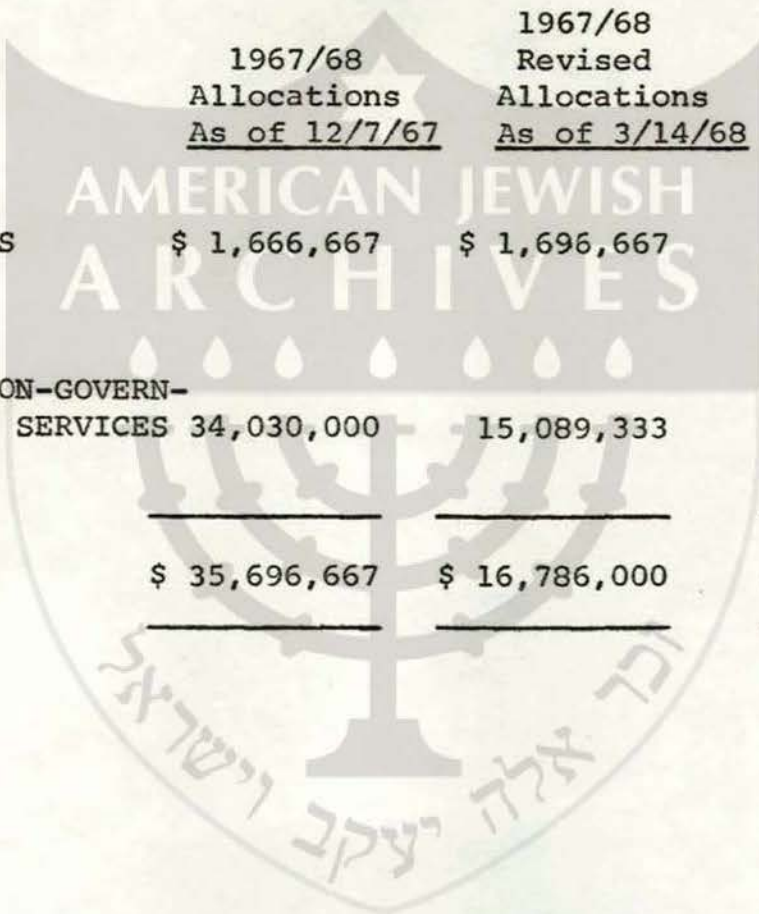
March 7, 1968

UNITED ISRAEL APPEAL, INC.
Comparative Budget Allocations
SOCIAL WELFARE SERVICES
(in U.S. Dollars)

	1967/68 Allocations <u>As of 12/7/67</u>	1967/68 Revised Allocations <u>As of 3/14/68</u>	Proposals <u>1968/69</u>
<u>SOCIAL WELFARE SERVICES:</u>			
Homes for the Aged	\$ 83,500	\$ 83,500	\$ 45,000
Rehabilitation of Chronically Ill	100,000	100,000	100,000
Aid to Youngsters-Institu- tional Placement of Children	33,000	33,000	30,000
Staff-Social Service Division	142,000	142,000	50,000
Minor Items of Assistance	50,550	50,550	100,000
Social Integration	666,667	666,667	375,000
Sheltered Workshops for Elderly	1,900,000	1,900,000	1,500,000
Old Age Grants	8,633,334	6,333,334	3,700,000
Supplementary Old Age Grants	5,000,000	5,000,000	5,000,000
Service to New Immi- grants	4,500,000	--	--
Relief Payments to Immigrants	--	8,500,000	5,000,000
<u>TOTAL</u>	<u>\$ 21,109,051</u>	<u>\$22,809,051</u>	<u>\$ 15,900,000</u>

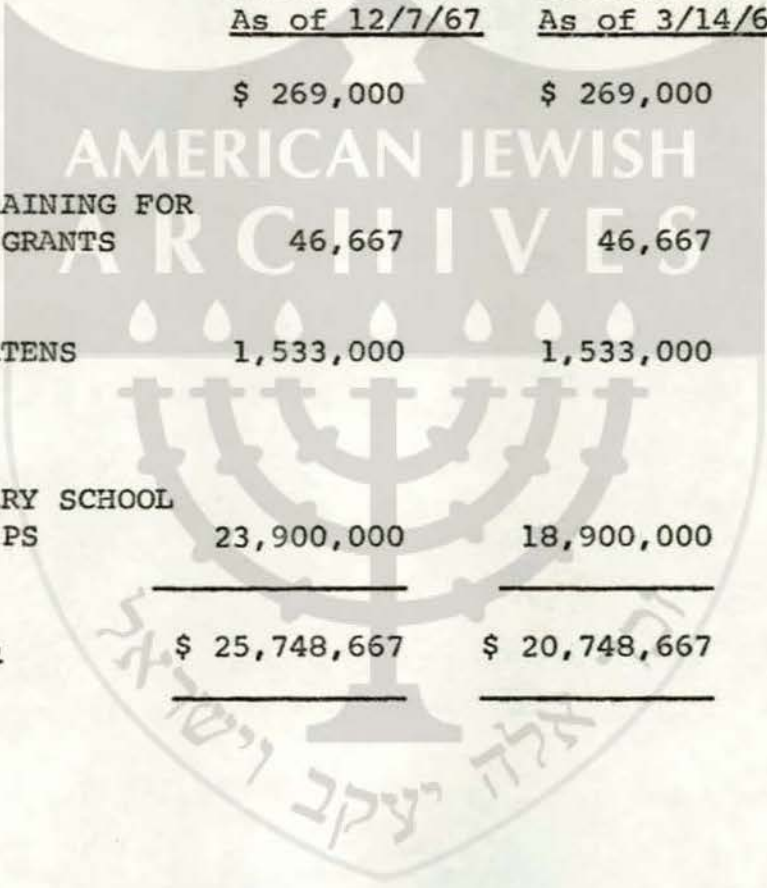
UNITED ISRAEL APPEAL, INC.
 Comparative Budget Allocations
HEALTH SERVICES
 (in U.S. Dollars)

	1967/68 Allocations <u>As of 12/7/67</u>	1967/68 Revised Allocations <u>As of 3/14/68</u>	<u>Proposals</u> <u>1968/69</u>
HEALTH SERVICES	\$ 1,666,667	\$ 1,696,667	\$ 700,000
SUBSIDIES TO NON-GOVERN- MENTAL HEALTH SERVICES	34,030,000	15,089,333	10,000,000
<u>TOTAL</u>	<u>\$ 35,696,667</u>	<u>\$ 16,786,000</u>	<u>\$ 10,700,000</u>



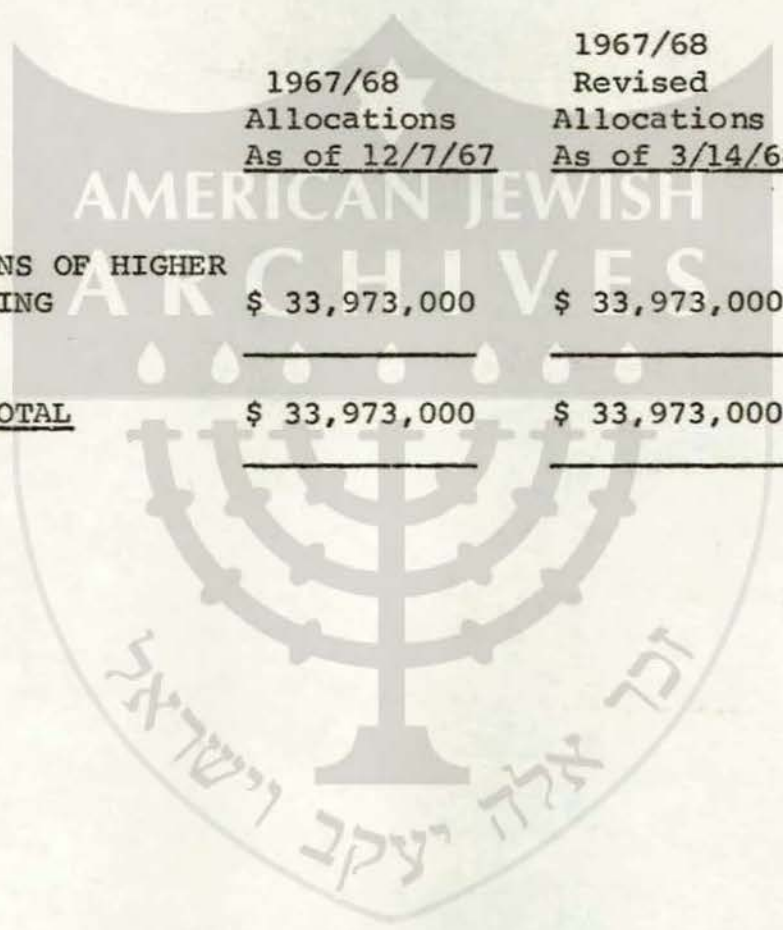
UNITED ISRAEL APPEAL, INC.
 Comparative Budget Allocations
E D U C A T I O N
 (in U.S. Dollars)

	1967/68 Allocations <u>As of 12/7/67</u>	1967/68 Revised Allocations <u>As of 3/14/68</u>	Proposals <u>1968/69</u>
ULPANIM	\$ 269,000	\$ 269,000	\$ 390,000
VOCATIONAL TRAINING FOR YOUNG IMMIGRANTS	46,667	46,667	10,000
PRE-KINDERGARTENS	1,533,000	1,533,000	1,400,000
POST ELEMENTARY SCHOOL SCHOLARSHIPS	23,900,000	18,900,000	15,000,000
<u>TOTAL</u>	<u>\$ 25,748,667</u>	<u>\$ 20,748,667</u>	<u>\$ 16,800,000</u>



UNITED ISRAEL APPEAL, INC.
 Comparative Budget Allocations
INSTITUTIONS OF HIGHER LEARNING
 (In U.S. Dollars)

	1967/68 Allocations As of 12/7/67	1967/68 Revised Allocations As of 3/14/68	Proposals 1968/69
INSTITUTIONS OF HIGHER LEARNING	\$ 33,973,000	\$ 33,973,000	\$ 22,000,000
<u>TOTAL</u>	<u>\$ 33,973,000</u>	<u>\$ 33,973,000</u>	<u>\$ 22,000,000</u>



UNITED ISRAEL APPEAL, INC.
Comparative Budget Allocations
YOUTH CARE AND TRAINING
(in U.S. Dollars)

	1967/68 Allocations <u>As of 12/7/67</u>	1967/68 Revised Allocations <u>As of 3/14/68</u>	<u>Proposals</u> <u>1968/69</u>
Maintenance & Care of Youth in Youth Aliyah Insti- tutions	\$ 1,930,000	\$ 1,930,000	\$ 2,475,000
Youth Centers	800,000	800,000	250,000
Special Medical Services	200,000	200,000	-
Youth Clubs in Immigrant Towns	180,900	180,900	250,000
Scholarships	50,000	50,000	50,000
Special Services for Immigrant Youth in Israel	39,568	39,568	40,000
Processing of Immigrant Youth Abroad	128,666	128,666	150,000
Departmental Administration	33,333	33,333	35,000
Aid to Parents	3,403,533	1,403,533	1,500,000
	<hr/>	<hr/>	<hr/>
<u>TOTAL</u>	\$ 6,766,000	\$ 4,766,000	\$ 4,750,000
	<hr/>	<hr/>	<hr/>

March 7, 1968

UNITED ISRAEL APPEAL, INC.
Comparative Budget Allocations
ABSORPTION IN AGRICULTURAL SETTLEMENTS
(In U.S. Dollars)

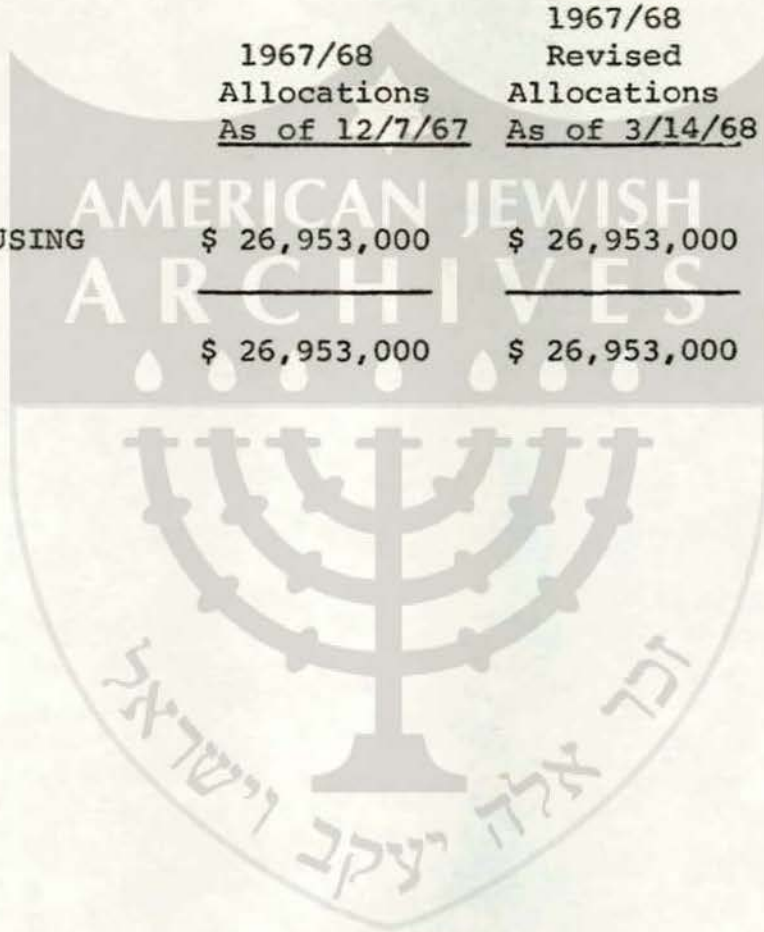
	1967/68 Allocations As of 12/7/67	1967/68 Revised Allocations As of 3/14/68	Proposals 1968/69
Non-Capital Aid to New Immigrant Farmers	\$ 3,600,000	\$ 3,600,000	\$ 2,500,000
Capital Aid to New Immigrant Farmers	3,933,333	3,933,333	3,500,000
Research	116,666	116,666	100,000
Education & Cultural Activities Among New Farmers	183,333	183,333	150,000
Expenditures in Existing Settlements	7,183,000	7,183,000	5,500,000
Regional Services	1,200,000	1,200,000	1,500,000
Establishment of New Settlements	2,100,000	2,100,000	1,500,000
Regional Water Projects	5,000,000	5,000,000	500,000
Final Consolidation of existing Agricultural Settlements	6,000,000	6,000,000	5,500,000
Housing in Agricultural Settlements	17,000,000	17,000,000	5,000,000
Additional Rooms for Overcrowded Houses in Moshavim	1,333,000	1,333,000	
<u>TOTAL</u>	<u>\$ 47,649,332</u>	<u>\$ 47,649,332</u>	<u>\$ 25,750,000</u>

UNITED ISRAEL APPEAL, INC.
Comparative Budget Allocations

IMMIGRANT HOUSING

(in U.S. Dollars)

	1967/68 Allocations <u>As of 12/7/67</u>	1967/68 Revised Allocations <u>As of 3/14/68</u>	<u>Proposals</u> <u>1968/69</u>
IMMIGRANT HOUSING	\$ 26,953,000	\$ 26,953,000	\$ 20,000,000
<u>TOTAL</u>	<u>\$ 26,953,000</u>	<u>\$ 26,953,000</u>	<u>\$ 20,000,000</u>



UNITED ISRAEL APPEAL, INC.

1967/68 Budget
(In U.S. Dollars)

March 13, 1968

Counsel has informed us today that the item under "ESTIMATED COMMITMENTS" of \$15,000,000 intended for Social Welfare Services cannot be undertaken by the U.I.A., Inc. because he cannot approve the method of implementation.

It is suggested that this \$15,000,000 be reallocated in the following areas:

Jewish National Fund -- Allocation for Land Amelioration and Development	\$ 6,000,000
Health Services	\$ 3,950,000
Immigrant Housing	\$ 6,750,000
<hr/>	<hr/>
TOTAL	\$ 16,700,000
	<hr/>

JEWISH AGENCY FOR ISRAEL
1968/69 GLOBAL BUDGET
 (In 000 pounds)

<u>Item</u>	<u>Amount</u>	<u>Less Reserved for Canada & England</u>	<u>Balance Required</u>
	IL	IL	IL
Immigration & ABSORPTION	392,849	17,500	375,349
Agricultural Settlements	109,882	12,000	97,882
Youth Care & Training	26,207	15,500	10,707
Institutions of Higher Learning	117,301	-	117,301
Immigrant Housing	183,091	61,000	122,000
Administration & Pensions	9,583	-	9,583
TOTAL	IL. 838,913	IL. 106,000	IL. 732,822
	(\$ 239,832)	(\$ 30,286)	(\$ 209,546)

3/14/68

UNITED ISRAEL APPEAL, INC.
 RECEIPTS AND DISBURSEMENTS
 APRIL 1, 1967 - FEBRUARY 29, 1968

(Unaudited
 Report)

Balances at Beginning of Fiscal Year

Cash, Bonds, in Bank and on Hand..... \$1,236,519.41

Receipts:

From UJA Cash and Bonds..... \$203,606,915.95
 Direct Remittances to Jerusalem 744,036.10
 Contributions from England 2,800,000.00
 Bequests 12,557.26
 Miscellaneous Income 138,526.88

207,302,036.19
 \$ 208,538,555.60

Disbursements:

We Remitted to JAFI, Jerusalem:

Direct Cash \$172,652,133.33
 Earmarked Remittances 111,109.07
 Direct Remittances to Jer. 636,748.38
 Proceeds Rental, Associate Co.'s ... 112,723.28

Payments for JAFI, JERUSALEM

Conversion Costs on Bonds 140,590.21
 Building Expenses 200,086.78
 Rental Housing-Assoc. Co.'s 3,730,000.00
 Rental Housing-Insurance 14,400.00
 Allocation to JDC 100,000.00

\$177,697,791.05

Deposited in Israel But Not Yet Allocated 23,146,074.89
 Payments on 50M Loan -- Principal and Interest 4,938,442.00
 Interest on Short Term Loans 61,224.99
 Administrative Expenses 255,757.08
 Accounts Payable accrued at 3.31.67 34,151.43
 Amortization of Mortgage 55,256.58
 Exchange Account 22,452.69
 Excess Property Expense 31,997.16
 Loss Due to Devaluation 18,581.76
 Loan -- Chinitz Apartment 20,000.00

\$ 206,281,729.63

Balance 2.29.68

\$ 2,256,825.97

Cash \$414,988.45
 Bonds 1,841,027.52
 Trav. Checks 810.00

\$ 2,256,825.97

(Unaudited Report)

UNITED ISRAEL APPEAL, INC.
RECEIPTS FROM UNITED JEWISH APPEAL
April 1, 1967 - February 29, 1968

Regular Campaign Funds:		
Cash.....	\$ 44,066,664.52	
Bonds	3,758,974.86	
	<hr/>	\$ 47,825,639.38
Earmarked Cash:		116,109.07
Emergency Funds:		
Cash	\$ 155,273,113.00	
Bonds	392,054.50	
	<hr/>	\$155,665,167.50
		<hr/>
		\$203,606,915.95



(Unaudited Report)
2.29.68

UNITED ISRAEL APPEAL, INC.
ISRAEL EDUCATION FUND
January 1, 1965 - February 29, 1968

Total Income- Cash, Bonds, Direct Remittances.....		\$ 10,116,674.28
Interest on Time Deposits		2,356.15
		<hr/>
		\$ 10,119,030.43
Disbursements - Remittances		9,997,565.79
		<hr/>
Balance 2/29/68		\$ 151,464.64
Cash at First National City	\$1,274.45	
Cash at Man Han Trust	190.19	
Bonds in Office	\$150,000.00	
		<hr/>
		\$ 151,464.64
Balance 4/1/67	\$ 226,063.45	
Amount Received 4/1/67 - 2/29/68	\$ 2,352,015.24	
		<hr/>
		\$ 2,578,078.69
Amount Remitted 4/1/67 - 2/29/68	\$ 2,426,614.05	
		<hr/>
		\$ 2,426,614.05
Balance 2.29.68		\$ 151,464.64

UNITED ISRAEL APPEAL, INC.

515 PARK AVENUE
NEW YORK, NEW YORK 10022AREA CODE 212
PLAZA 5-7400

BOARD OF DIRECTORS

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July 17, 1968

GOTTLIEB HAMMER
EXECUTIVE VICE CHAIRMANISADOR LUBIN
CONSULTANT FOR PROGRAMS
IN ISRAELMAURICE M. BOUKSTEIN
COUNSEL**The Honorable Levi Eshkol
Prime Minister of Israel
Jerusalem, Israel****My dear Mr. Prime Minister:**

It is with regret that we have to advise you once more of the deep sense of concern, on the part of our colleagues and ourselves, with regard to the proposals of the Government of Israel involving the absorption of needy immigrants and refugees.

We have conveyed to you, on several occasions in the past few months, on behalf of the United Jewish Appeal and the United Israel Appeal, both orally and in writing, our apprehensions regarding the proposed changes in the various procedures which have prevailed until now under our contract with the Jewish Agency for Israel, our operating agent.

In a letter to the Chairman of the Jewish Agency, dated April 9, 1968, Dewey Stone stated:

"The people and the Government of Israel are, of course, free to decide that they wish to assume the responsibility for immigration and absorption. We shall have the highest respect for them if and when such a decision is made. However, such decisions carry certain consequences. It should be clear to all concerned, as I know it is clear to you personally, that the funds of the U.J.A. and the U.I.A. will not be available for these activities if they are carried out by, or under the authority of, the Government, or the Knesset,

July 17, 1968

or any other Agency which is not strictly voluntary, non-governmental in nature and to which we could entrust the administration of charitable funds in full compatibility with American legal requirements."

On June 14, 1968, a delegation, under the chairmanship of Max M. Fisher, representing U.J.A., U.I.A. and the Council of Jewish Federations and Welfare Funds, met with you and three of your Ministers concerned with this matter. Mr. Fisher and his associates went away in the definite belief and understanding that the problem had been resolved. This belief was further strengthened by your letter of June 16, 1968, which you addressed to the Chairman of the Executive of the Jewish Agency, in which you stated:

"The Government did not intend by that decision (i.e., to establish a Ministry of Absorption) to take over responsibility relating to needy immigrants and refugees, which has always been primarily the responsibility of world Jewry."

We have just seen Mr. Allon's memorandum to Mr. Pincus of July 8, 1968, setting forth his view regarding the functions of the Ministry of Immigrant Absorption. Our legal advisor informs us that if these proposals, in respect of needy immigrants and refugees, are implemented, it would jeopardize our American tax exemption.

We understand that the Joint Government Agency Committee, referred to in your letter of June 16, 1968, will be meeting in a few days to discuss the functions and responsibilities of the new Ministry of Absorption. In response to the suggestions made both by Mr. Allon and Mr. Pincus, we have requested our Executive Vice Chairman, Mr. Gottlieb Hammer and our legal advisor, Mr. Maurice Boukstein, to proceed to Jerusalem to assist the committee in its deliberations.

We have further asked Mr. Hammer to deliver this letter to you personally, and to convey to you, in detail, the essence of the discussion which took place here today at the meeting of our Board of Directors, and the thinking of its members with regard to this entire matter.

We sincerely hope that you will use your good offices with

July 17, 1968

the Joint Ministerial Agency Committee to the end that the responsibility for the work of caring for needy immigrants and refugees will continue to be that of world Jewry as executed by the Jewish Agency for Israel.

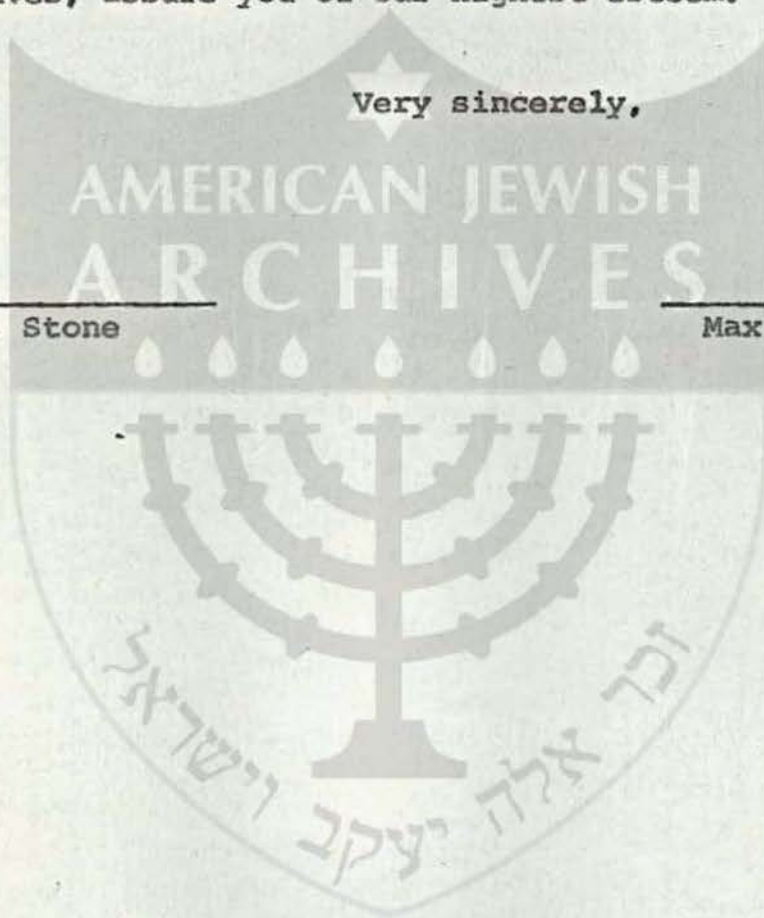
May we, Mr. Prime Minister, on behalf of our colleagues and ourselves, assure you of our highest esteem.

Very sincerely,

AMERICAN JEWISH
ARCHIVES

Dewey D. Stone

Max M. Fisher



TRANSLATION

DEPUTY PRIME MINISTER AND MINISTER FOR ABSORPTION

Jerusalem, 12 Tamuz 5788/8 July 1968.

To: The Chairman of the Executive of the Jewish Agency

Dear Pincus,

I enclose a definition of the tasks of the Ministry for Immigrant Absorption as it seems appropriate to me. Excepting for those points on which I stressed the part of the Jewish Agency in the relevant items, I did not think it fit to set forth the tasks of the Jewish Agency in full. I would think that this should be done by you.

A happy journey and "lehitraot",

Sincerely yours,

Yigal Allon

Copies: Minister of Finance
Minister of Justice

Tasks of the Absorption Ministry

1. Reception of immigrants at port or airport, travel arrangements, customs etc. (Financing of voyage and other expenses at reception will be at the charge of the Jewish Agency).
2. Directing of the immigrants to absorption centers, Ulpanim, hostels etc. (hereafter-absorption centers).
3. Care of the immigrant and guidance towards his absorption in Israel, during his stay in the absorption centers. (Financing of the administrative apparatus of the absorption centers and maintenance of the immigrants through the Jewish Agency).
4. Determination of localization of the absorption centers and programs of guidance (Investment for the setting up of the absorption centers on account of the Jewish Agency).
5. Economic absorption of immigrants from countries of affluence:
 - a) Employment
 - b) Capital investment
 - c) Incentives, facilities
 - d) Other financial help
 - e) Research, background papers, planning
 - f) Guidance for settlement
 - g) Investigation of absorption possibilities in various branches of the economy
 - h) Creation of absorption centers
6. Economic absorption of needy immigrants:
 - a) Employment)
 - b) First arrangements) *Special* financing
 - c) Constructive funds) by the Jewish Agency
 - d) Preparation for settlement)
 - e) Guidance for independent economic absorption)
 - f) Sheltered workshops for immigrants ~~incapable~~ incapable of economic absorption
 - g) Planning and creation of absorption centers
7. Social absorption of the immigrant:
 - a) Living quarters)
 - b) Education and training on all levels) Financing by the
 - c) Professional training) Jewish Agency
 - d) Medical insurance)
 - e) Old-age pensions and national insurance)
 - f) Contact with immigrant organizations and absorption groups in Israel
 - g) Setting up of a public council for absorption

8. Personal care of immigrant affairs and representation of the immigrant for dealings with Government institutions in whatever matter pertaining to this.
9. Care of students and young Jews from abroad who stay in Israel for any extended period, during the period of their stay. (Financing through the Jewish Agency).
10. Follow-up of the absorption process in the various public offices, particularly handling of immigrants' complaints.
11. Tasks of the ~~Imm~~ Absorption Ministry abroad:
 - a) Appointment of attachés for absorption matters in the immigration centers, administratively subordinated to the head of the delegation of the immigration department on the spot, functionally subordinated to the immigration ministry.
 - b) Shlichim and accompanying personnel on the points of departure and aboard ship, according to need.
 - c) Specialists for absorption matters in the offices for academicians, wherever they exist and elsewhere according to need.
 - d) Employment of personnel on an individual basis and for specified periods of time and precise tasks (COMOI and KIUV)

Tasks of the Joint Authority for Aliah and Klitah

1. Working out of the policy for immigration and absorption
2. Follow up of the putting through of this policy.
3. Cooperation between the Government and the Jewish Agency in the immigration and absorption activities.
4. Joint publications for matters of immigration and absorption.
5. The Deputy Prime Minister and the Chairman of the J.A. Executive will be joint chairmen of the Authority, according to regulations to be set up between them.

ראש הממשלה
THE PRIME MINISTER

Jerusalem, 16 June 1968

Mr. Aryeh L. Pincus,
Chairman of the Executive,
The Jewish Agency,
Jerusalem.

Dear Mr. Pincus,

From the various meetings which we have held together it is clear that there have arisen some misunderstandings as a result of the decision of the Government as announced on June 9th.

In order to remove any doubt, I wish to state that the Government did not intend by that decision to take over responsibility relating to needy immigrants and refugees, which has always been primarily the responsibility of world Jewry. This was particularly stressed in the letter of the Minister of Finance to you of June 19, 1967. The decision of the Government referred to above did not, nor was it intended to, change that position.

In establishing the Ministry of Absorption, its functions and responsibilities will have to be determined in detail, taking into due regard the foregoing. To that end, a joint committee of the Government and the Jewish Agency has been appointed and will report shortly.

I hope that the above clarifies the whole position and it is my fervent wish that the Jews of the world will continue to mobilize their full resources for the great humanitarian needs which have to be met in this country.

Yours sincerely,

Levi Eshkol

Levi Eshkol

file

MEMORANDUM

Tel Aviv, August 1, 1968

To: Mr. G. Hammer, Executive Vice Chairman,
United Israel Appeal, Inc.

From: Mr. M. Boukstein.

In connection with the discussions currently taking place between the Jewish Agency for Israel (the Agency) and the Government of Israel (the Government) with reference to the division of functions and financing between the Agency and the Government in relation to activities connected with the absorption of the needy immigrants and refugees in Israel, the following considerations should be constantly kept in mind by the United Israel Appeal, Inc. (U.I.A.) and by its operating agent the said Agency.

1. The activities and method of operation of the U.I.A. are governed strictly by, and must be conducted in accordance with, the submissions made by the U.I.A. (then known as the Jewish Agency for Israel, Inc.) and the U.J.A. to the U.S. Treasury Department (the Treasury) in Washington D.C. in the years 1959/60 and the ruling letter of the Treasury dated December 21, 1960.

It is only on the basis of the undertaking of the U.I.A. and the U.J.A. to conduct operations in Israel with tax exempt funds within the framework of the said submissions and ruling that the tax exemption of U.I.A. was permitted to continue and the deduction of contributions to them would continue to be allowed for tax exemption purposes.

2. The Agency enjoys the status of a tax exempt organization in the United States within the specific terms of a letter-ruling from the Treasury dated September 2, 1948. (Direct contributions to the Jewish Agency for Israel are not deductible as tax exempt charitable contributions because it is a foreign organization; however bequests and income from investments are exempt from taxes and there are also other tax benefits.) The tax exemption of the Jewish Agency for Israel Inc. is further limited by the following provision contained in the said letter-ruling:

"A typewritten statement dated July 19, 1948, and shown to have been signed by Sh. Eisenberg, General Secretary, Executive of the Jewish Agency for Palestine, was submitted to this office on August 10, 1948. This statement shows that at a duly convened meeting of the Jewish Agency for Palestine, at which a quorum

was present, a resolution was adopted, which resolution states that from and after August 1, 1948, no part of the funds of the Jewish Agency for Palestine shall be expended for security, military or political purposes nor for carrying on propaganda or otherwise attempting to influence legislation; that no funds of the Jewish Agency for Palestine shall directly or indirectly be contributed to the Government of Israel for any use or purpose whatsoever; and that the funds of the Jewish Agency for Palestine continue to be employed solely for charitable purposes and for no other use or uses whatsoever. "

3. When the Internal Revenue Service agreed, after prolonged negotiations, to the designation of the Agency as the operating agent in Israel of the U.I.A. it was expressly and specifically understood that the above quoted limitations would be strictly adhered to.

4. The U.I.A. may not change its method of operation without the prior approval of the Treasury.

5. The operations of the U.I.A. with the proceeds of the Israel Education Fund are governed strictly by the submission made by the U.J.A. and the U.I.A. to, and the letter-ruling of, the Treasury dated September 24, 1964.

The submission to the Treasury which contains in detail the proposed method of operation was filed with the Treasury with the full agreement of all the parties concerned in Israel with respect to the contents thereof.

A key paragraph in that letter-ruling states as follows:

"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. "

No change in the method of operation may be effected also in this area of activity without prior approval of the Treasury.

6. Funds allocated by the U.I.A. for any specific program may not be used by the Agency, directly or indirectly, for any other purpose.

7. The Agency may not use any of its funds for any governmental or municipal purpose whatsoever, directly or indirectly.

8. The U.I.A. or its operating agent, the Agency, must retain administrative and supervisory control over all activities conducted by it with funds allocated by U.I.A. The U.I.A. is entitled to revoke allocations at any time whenever it deems advisable or necessary to do so.

9. The Agency is expected to consult with the appropriate authorities of the Government of Israel on matters relating to immigration, absorption, education, social welfare, health, etc. and is obliged to function in compliance with the applicable laws and regulations and standards promulgated by the Government of Israel. This was made clear to the Treasury in the various submissions made by the U.J.A. and the U.I.A., and is understood by and agreed to by the Treasury. The Agency may not however delegate to any governmental or municipal authority in Israel the performance or control of its activities. This does not preclude the Agency from employing strictly technical or mechanical facilities, such as IBM machines, computer services, or transportation facilities owned and operated by any governmental or municipal authority (against payment of a reasonable fee, or free of charge), provided that the activity employing such governmental or municipal technical or mechanical facilities remains throughout within the control of the Agency.

10. The Government of Israel may make contributions, of funds or in kind, or of services, to any program or activity conducted by the Agency, provided that the Government does not thereby directly or indirectly exercise administrative or policy control over such program or activity.

11. There is no objection to joint committees, consisting of representatives of the Government and representatives of the Agency, the purpose of which is to consider, discuss and coordinate programs and activities, provided that the Agency does not thereby relinquish financial, administrative, policy or supervisory control over the specific program or activity in which charitable tax exempt funds are used.
12. As the operating agent of U.I.A. the Agency may cooperate and engage in joint programs with, and make contributions for specific purposes to, other tax exempt organizations (assuming U.I.A. allocated funds therefor) provided that such other tax exempt organizations are not administered or controlled by any government or municipal authority. In the case of U.I.A. because of the specific Treasury ruling, the application of this method of operation may not be so extensive as to constitute a change in its method of operation.
13. If it is desired to effect a change in the method of operation so that activities presently carried on under the complete control of the Agency should be in the future conducted jointly with, or completely by, any governmental or municipal authority, with funds furnished by U.I.A., the matter must be first submitted to the Treasury in Washington D.C., and a specific ruling allowing such change of operation should be obtained. Failing to do so would jeopardize the tax exempt status of U.J.A. and U.I.A., as well as the deductibility of contributions made to U.J.A. and U.I.A. in the United States within the provisions of the United States Internal Revenue Code.
14. Agents of the United States Internal Revenue Service are entitled to, and do in fact, examine periodically the records of the U.J.A. and U.I.A. with a view to determining whether their allocations and activities are compatible with the applicable law, regulations and rulings of the Internal Revenue Service. The Internal Revenue Service is also entitled to examine the books and records of the operating agent of the U.I.A., whether in the United States or in Israel.
15. The allocations made by U.I.A., including those made of funds derived from the Emergency Campaigns of 1967 and 1968, were made in conformity with the foregoing principles and the arrangement for the administration of such funds by the Agency were to be implemented in accordance with specific instructions of, and upon the conditions made by the U.I.A.

התגבית המאוחדת לישראל אי.נ.ק.
 UNITED ISRAEL APPEAL, INC.

512 PARK AVENUE
 NEW YORK, N.Y. 10022

AREA CODE 212
 PLAZA 8-7400

Office of the Israel Representative: P.O.B. 7171 Jerusalem
 JEWISH AGENCY BUILDING TEL. 39122, 39281

August 7, 1968

The Honorable Yigal Allon
 Deputy Prime Minister
 State of Israel

and

Mr. Louis A. Pincus
 Chairman of the Executive
 Jewish Agency for Israel

JERUSALEM, ISRAEL.

Dear Friends:

I would like to submit herewith my views with respect to the division of responsibility for absorption of new immigrants between the Immigrant Integration Ministry of the Government and the Department of Aliya and Klita of the Jewish Agency.

In submitting these suggestions, I am ever mindful of the legal guidelines set forth by Mr. M. Boukstein in his memorandum to me of August 1, 1968.

In my view, the Jewish Agency should be responsible for all functions starting with immigrant reception centers abroad until the immigrant is brought to the point of settlement. This point of settlement could either be an ulpan, a kibbutz or moshav, or an apartment in a new development town.

If the new immigrant is brought to an ulpan, he remains the responsibility of the Jewish Agency until he has finished his course. At that point he is turned over to the Ministry of Immigrant Integration, which will then provide him with his permanent housing and help him to obtain gainful employment.

If a new immigrant is brought to an agricultural settlement, then the Jewish Agency continues to be responsible to the extent of its Hityashvut program.

If the new immigrant is brought to an urban centre or city and put in an apartment, at that point the Jewish Agency transfers its responsibility to the Ministry of Immigrant Integration.

The Ministry's concern with the problems of absorption begin long before the immigrant arrives in Israel, even though the Jewish Agency executes the initial functions of servicing immigrants abroad, transportation, reception at point of entry, etc. In order to translate its concern into positive

and Mr. Louis A. Fincus

decisions, the Ministry will maintain liaison officers with the Jewish Agency Absorption Department for the purpose of obtaining useful information regarding the immigrants being processed. This information would be transmitted as quickly as possible to the Ministry's information center and processed (preferably by computer in order to ensure all possible speed) to determine whether the new arrival would be directed either to an ulpan or to an urban settlement or agricultural village.

Deployment of a new immigrant must obviously be a subject for constant consultation between the Ministry and the Agency. The Agency must know as far in advance as possible what is the extent of the job to be done by it. The Ministry must know, as far in advance as possible, that the Agency is prepared and financially able to assume such responsibilities. In the final analysis, however, the ultimate decisions with respect to settlement of new immigrants is a governmental responsibility.

But the Government presence can also take the form of a Ministry official at the port of entry who, apart from greeting the new immigrant, can also distribute the immigration visas or identity cards. This can and should be done without interfering with the Agency function of processing new arrivals and getting them on their way to their point of settlement. After an immigrant reaches a point of settlement, the Ministry may, from time to time, call upon the Agency to perform such services for the new immigrant as are compatible with Internal Revenue Service regulations. These services could include education, health, social welfare and aid to the aged and needy. In performing these services, however, it might be borne in mind that the key test would be the specific rules laid down in Mr. Boukstein's memorandum of August 1.

In applying these rules it might be useful for the Jewish Agency to forward to us, for consideration by us in New York, such requests for clarification as you may desire from time to time.

For example, in the field of housing, two methods have been employed in the past and can still be considered in connection with future operations. One way would be for the Jewish Agency acting as UIA Inc., to actually buy immigrant housing, register it in the name of UIA Inc., and make these flats available to new immigrants. An alternative to this would be for the Ministry of Housing to provide apartments to be occupied by new immigrants who then are provided with funds by the Agency for a limited period of time to pay for the rent in its entirety or to subsidize new immigrants until they can afford to pay "economic" rent.

In so far as ulpania are concerned, these are educational institutions and therefore eligible for allocations from UIA Inc. for capital purposes or for maintenance, provided, however, that the operations are supervised and maintained by the UIA Inc.'s operating agent - the Jewish Agency for Israel.

I hope that this letter has contributed in some measure in clarifying the question of division of function and that we can go forward with renewed vigour in the prosecution of our respective tasks.

Sincerely yours,

Gottlieb Hammer,
Executive Vice-Chairman.

GH/en

UNITED ISRAEL APPEAL, INC.
 RECLIPTS and DISBURSEMENTS
 April 1, 1968 - March 31, 1969

3,31.69
 (unaudited report)
 Table I

Balance 4.1.68	
Cash- Bonds In Bank and on Hand	\$ 1,865,414.84
Dollar Accounts In Israel	12,221,841.75

Received From UJA

Cash

Campaign Funds all years	\$ 37,558,733.04	
Emergency Funds	62,266,855.70	

99,825,588.74

Bonds

Campaign Funds	4,068,255.50	
Due JDC	967,388.67	
UJA share Campaign Funds	3,100,866.83	
Emergency Fund Bonds	1,764,326.50	
Total UJA Share of Bonds	4,865,193.33	
Direct Remittances-Campaign	242,246.86	
Emergency	44,428.57	286,675.43

\$104,977,457.50

Rent Proceeds From Associate Co's	542,563.38
-----------------------------------	------------

Other Income

Interest and Dividends	507,306.62	
Contributions	20,202.81	
Bequests	5,633.33	
Miscellaneous	13,009.96	

546,152.72

Total

106,066,173.60
 \$ 120,153,430.19

Disbursements

We Remitted to JAFI, Jerusalem		
Direct Cash	105,255,555.83	
Direct Remittances	834,238.81	
Payments For Associate Housing	3,891,600.	
Conversion Costs	141,873.69	
Building Costs	221,044.33	
Activities in Jer. AID Excess Property	34,936.78	

\$ 110,379,249.44

Payment on 50M Loan	4,938,442.00	
Administrative Expenses	358,773.53	
Exchange Account	45,974.58	
Accrued Expenses at 3.31.68	43,665.14	
Amortization of Mortgage	58,287.01	

115,824,391.70
 \$ 4,329,038.49

Balance 3.31.69

Cash- not earmarked	1,308,869.	
Dollar Accts in Israel	240,771.13	
Bonds- UJA Share	2,778,034.27	
Travelers Checks	1,260.	
Foreign Exchange	104.09	
	104.09	
	\$ 4,329,038.49	

3.31.69
Unaudited Report
Table II

UNITED ISRAEL APPEAL INC.
Analysis of UJA Income
4/1/68-3/31/69

	Received 4.1.68 to <u>3.31.69</u>		
Regular Campaigns all years	40,901,846.73		
1967 Emergency	9,946,333.00		
1968 Emergency	51,698,429.77		
1969 Emergency	<u>2,430,848.00</u>		
	<u>\$104,977,457.50</u>		
<u>Note</u>	<u>1967 Emergency</u>	<u>1968 Emergency</u>	<u>1969 Emergency</u>
Total Raised	174,000,000.00	83,000,000.00	99,800,000.
Less:			
Expenses 870,000	1,439,000.	1,500,000.	1,700,000.
JDC Allocation 569,000			
	<u>172,561,000.</u>	<u>81,500,000.</u>	<u>98,100,000.</u>
Amounts received to 3.31.68	<u>156,584,519.</u>	<u>630,252</u>	<u>-</u>
	15,976,481.	80,869,748	98,100,000.
Amounts Received 4.1.68 - 3.31.69	9,946,333.	51,698,429.77	2,430,848.
Uncollected Balance at 3.31.69	<u>6,030,148</u>	<u>29,171,318.23</u>	<u>95,669,152.</u>

Table III
 March 31, 1969
 Unaudited Report

UNITED ISRAEL APPEAL, INC.

REMITTANCE ACCOUNT

TO J.A.F.I., JERUSALEM

Funds Committed but not yet spent	4/1/68	\$ 29,488,417.
Funds Held by J.A.F.I. for U.I.A., Inc.	4/1/68	30,490,985.
Funds Transmitted by U.I.A., Inc.	4/1/68 - 3/31/69	110,379,249.
Funds Available to J.A.F.I., Jerusalem		<hr/>
4/1/68 - 3/31/69		\$170,358,651.
Funds Expended	4/1/68 - 3/31/69	161,415,874.
		<hr/>
Balance Unexpended 3/31/69 and Held by Jewish Agency		\$ 8,942,777.
1968 Budget Item Committed but not spent		\$ 11,444,923.

March 31, 1969
(Unaudited Report)
Table IV.

UNITED ISRAEL APPEAL INC.

Cash Available
For Budget Allocation

- - - - -

Balance Held by JAFI Jerusalem 4.1.68	\$	30,490,985
On Deposit in UIA Dollar Accounts for Israel 4.1.68		12,221,842.
Received from UJA Inc. 4.1.68 - 3.31.69		104,977,457.50
Anticipated Income		-
	\$	<u>147,690,284.50</u>
Reserved For Loan Repayment Administrative Expenses, etc.		<u>5,500,000.</u>
Balance Presumed Available for Allocation	\$	142,190,284.50
Allocations approved 9.16.68 - 3.31.69	\$	143,372,380.
Excess of allocation over cash available at 3.31.69		(1,182,095.50)

3.31, 1969
 (unaudited report)
 Table V.

UNITED ISRAEL APPEAL INC.
 Estimated Cash Receipts
 Calendar Year 1969

UJA Regular Campaign

<u>UJA Accounts Receivable</u>	<u>UJA Expects Cash</u>	<u>UIA Share</u>
1967 Prior Years \$ 9,626,000.		
1968 <u>19,206,000.</u>		
\$ 28,832,000.	\$ 23,000,000.	\$ 15,410,000.
1969 Estimated 73,000,000.	47,000,000.	<u>28,140,000.</u>
		\$ 43,550,000.

UJA Emergency Campaigns

1967 5,214,000.	2,000,000.	
1968 34,620,000.	28,000,000.	
1969 Estimated 100,000,000.	49,000,000.	
		<u>79,000,000.</u>

UJA Cash Expectancy during Calendar Year 1969 \$ 122,550,000.

Cash Transmitted to Jewish Agency Acct. not yet spent as of 3/31/69 8,942,777.

Cash on Hand In Israel Dollar Accounts \$ 240,771.13

Total Expected Cash Availability \$ 131,733,548.13

Allocations approved by Board March 10, 1969 \$120,000,000.00

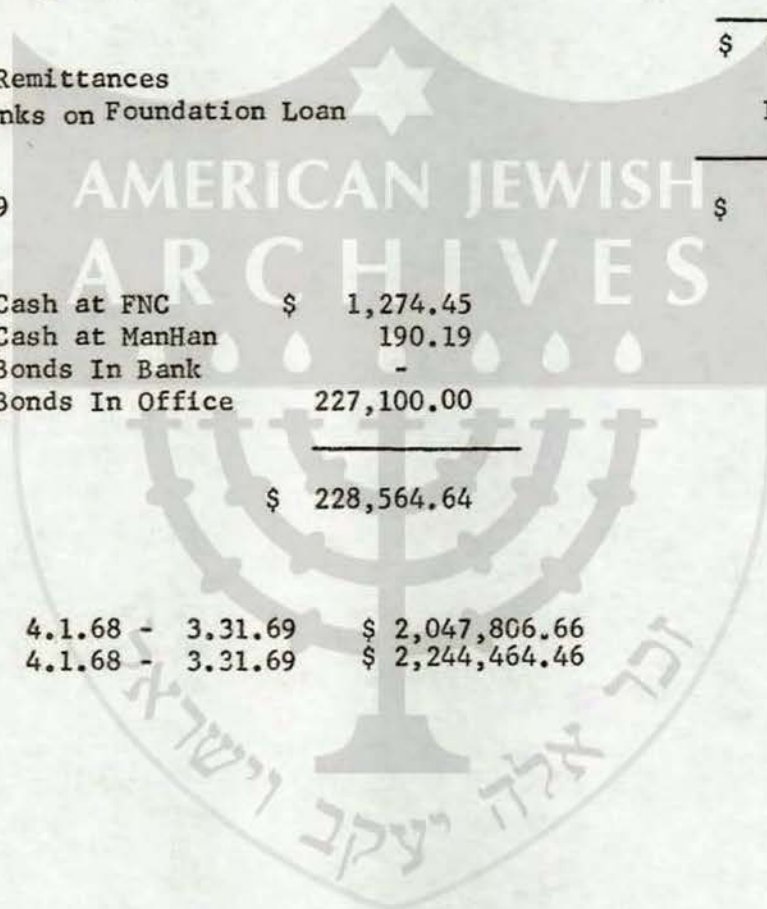
3.31.69
 (unaudited Report)
 Table VI

UNITED ISRAEL APPEAL INC.
 Israel Education Fund
 January 1, 1965 thru March 31, 1969
 - - - - -

Total Income - Cash- Bonds - Direct Remittance	\$ 12,798,733.74
Interest on Time Deposits	2,356.15
	<hr/>
	\$ 12,801,089.89
Disbursements & Remittances	
Payments to Banks on Foundation Loan	12,572,525.25
	<hr/>
Balance 3.31.69	\$ 228,564.64

Cash at FNC	\$ 1,274.45
Cash at ManHan	190.19
Bonds In Bank	-
Bonds In Office	227,100.00
	<hr/>
	\$ 228,564.64

Received	4.1.68 - 3.31.69	\$ 2,047,806.66
Distri.	4.1.68 - 3.31.69	\$ 2,244,464.46



UNITED ISRAEL APPEAL, INC.
 RECEIPTS and DISBURSEMENTS
 April, 1969

4.30.69
 (unaudited report)
 Table I

Balance 4.1.69
 Cash-Bonds In Bank and on Hand \$ 4,088,267.36
 Dollar Accounts in Israel 240,771.13

Received from UJA

Cash

Campaign Funds all years \$ 2,050,000.00
 Emergency Funds 5,606,661.15

7,656,661.55

Bonds

Campaign Funds 362,887.00
 Due J.D.C. 95,283.80
 U.I.A. Share Campaign Funds 267,603.20
 Emergency Fund Bonds 609,104.00
 Total U.I.A. Share of Bonds 876,707.20

Direct Remittances and Charges
 Campaign 2,746.42
 Emergency 1967 4,396.44
 Charges Campaign regular 16,750.00 23,892.86

Total \$ 8,557,261.61

Other Income

Interest and Dividends 70,095.59

Total \$ 70,095.59
 \$ 12,956,395.69

Disbursements

We Remitted to JAFI, Jerusalem
 Direct Cash 5,556,721.55
 Direct Remittances 7,142.86
 Payments for Associate Housing 151,100.00
 Conversion Costs 16,154.50
 Building Costs 33,263.97
 \$ 5,764,382.88

Payment on \$50 M. Loan
 Principal & Interest 2,469,221.00
 Administrative Expenses 59,573.66
 Exchange Account (1,888.14)
 Amortization of Mortgage 15,064.54

Balance 4.30.69 \$ 8,306,353.94
 \$ 4,650,041.75

Cash 380,021.39
 Dollar Accts. In Israel 927,739.03
 Bonds-UIA Share 3,340,990.67
 Travelers Checks 1,110.00
 Foreign Exchange 180.66
 \$4,650,041.75

4/30/69
 Unaudited Report
 Table II

United Israel Appeal, Inc.
 Analysis of UJA Income
 4/1/69 - 3/31/70

	<u>Received</u> <u>April</u>	<u>Anticipated</u> <u>5/1/69-3/31/70</u>	<u>Total</u>
Regular Campaigns all years	\$2,337,099.62	\$42,163,000.00	\$44,500,099.62
1967 Emergency	746,963.44	553,036.56	1,300,000.00
1968 Emergency	2,321,537.00	15,678,463.00	18,000,000.00
1969 Emergency	3,151,661.55	55,848,338.45	59,000,000.00
	<u>8,557,261.61</u>	<u>114,242,838.01</u>	<u>122,800,099.62</u>
<u>Note:</u>	<u>1967 Emergency</u>	<u>1968 Emergency</u>	<u>1969 Emergency</u>
Total Raised	\$174,000,000.00	\$83,000,000.00	\$99,800,000.00
Less: Expenses 870,000		1,500,000.00	1,700,000.00
JDC Alloc. <u>569,000</u>	1,439,000.00		
	<u>\$172,561,000.00</u>	<u>\$81,500,000.00</u>	<u>\$98,100,000.00</u>
Amounts Received to 3/31/69	166,530,852.00	52,328,681.77	2,430,848.00
Balance at 3/31/69	6,030,148.00	29,171,318.23	95,669,152.00
Received April 1969	746,963.44	2,321,537.00	3,151,661.55
Uncollected Balance 4/30/69	5,283,184.56	26,849,781.23	92,517,490.45

Table III
April 30, 1969
Unaudited Report

UNITED ISRAEL APPEAL, INC.
REMITTANCE ACCOUNT
TO J.A.F.I., JERUSALEM

AMERICAN JEWISH
ARCHIVES

APRIL 30, 1969

Funds Held by J.A.F.I. Jerusalem 3.31.69	\$ 8,942,777.00
Funds Transmitted by U.I.A., Inc. April 1969	5,764,382.88
	<hr/>
	\$14,707,159.88
Funds Expended April 1969	8,308,000.00
	<hr/>
Balance Unexpended and Held by Jewish Agency	\$ 6,399,159.88

Table IV
Unaudited Report
4.30.69

UNITED ISRAEL APPEAL, INC.
Cash Available
For Budget Allocation
4.1.69 thru 3.31.70

Balance Held by J.A.F.I. Inc. Jerusalem 4.1.69	\$ 8,942,777.00
On Deposit in UJA Dollar Accounts in Israel for J.A.F.I. Inc. 3.31.69	240,771.13
Received from UJA in April 1969	8,557,261.61
Anticipated Income 5.1.69 - 3.31.70	114,242,000.00
Total	<u>\$131,982,809.74</u>
Reserved for Loan Repayment Administrative Expenses, etc.	<u>5,500,000.00</u>
Balance Presumed Available for Allocation	\$126,482,809.74
Allocations Approved on 3.10.69 for 4.1.69-3.31.70	\$120,000,000.00

4.30.69
 (unaudited Report)
 Table VI

UNITED ISRAEL APPEAL, INC.
 Israel Education Fund
 January 1, 1965 thru April 30, 1969

Total Income - Cash - Bonds - Direct Remittance		\$ 13,561,106.91
Interest on Time Deposits		2,356.15
Total		<u>\$ 13,563,463.06</u>
Disbursements & Remittances	\$12,762,398.42	
Payments to Banks on 3M Foundation Loan	<u>55,000.00</u>	12,817,398.42
Balance 4.30.69		<u>\$ 746,064.64</u>

Cash at FNC	\$ 1,274.45
Cash at ManHan	190.19
Bonds in Office	227,100.00
Investments In	437,500.00
Commercial Paper	<u>80,000.00</u>
	\$ 746,064.64

Received	April 1969	\$762,373.15
Distri.	April 1969	\$244,873.17

UNITED ISRAEL APPEAL INC.
1968-1969 Budget Report

5.1.69
(unaudited report)

	<u>1967-68</u> <u>Commitments</u>	<u>1968-69</u> <u>Budget</u>	<u>- Total</u>	<u>Estimated</u> <u>Disburse-</u> <u>ments</u>	<u>Committed</u> <u>But not</u> <u>Spent</u>
Immigration & Absorption	-	9,438,901.	9,438,901.	8,894,811.	544,090.
Social Welfare Services	-	16,975,193.	16,975,193.	16,339,259.	635,934.
Health Services	-	18,700,000.	18,700,000.	18,673,615.	26,385.
Education	5,217,387.	19,796,200.	25,013,587.	22,119,533.	2,894,054.
Institutions for Higher Learning	10,183,224.	31,925,279.	42,108,503.	39,874,885.	2,233,618.
Youth Care & Training	-	1,756,400.	1,756,400.	1,614,882.	141,518.
Absorption In Agricultural settlements	7,700,806.	18,457,230.	26,158,036.	20,886,953.	5,271,083.
Immigrant Housing	6,387,000.	26,058,891.	32,445,891.	30,961,936.	1,483,955.
Administration & Special Projects	-	2,050,000.	2,050,000.	2,050,000.	-
Land Amelioration & Development (cancellation of previous years commitments)		(1,785,714.)	(1,785,714.)	-	(1,785,714.)
	29,488,417.	143,372,380.	172,860,797.	161,415,874.	11,444,923.

UNITED ISRAEL APPEAL, INC.

515 PARK AVENUE, NEW YORK 22, N. Y.

PLAZA 5-7400

CABLE ADDRESS: ISFUND

MEMORANDUM

September 17, 1968

TO: Rabbi Herbert A. Friedman
FROM: Gottlieb Hammer
SUBJECT:

I attach hereto a copy of a Procedural Audit made recently at our request by Kesselman & Kesselman.

This Audit is being sent to you for your information only and it is not intended for general distribution. If you have any questions about it, please let me know.

att.



KESSELMAN & KESSELMAN

(PRACTISING IN ISRAEL SINCE 1954)

JERUSALEM

P.O.B. 2314

TEL. 23226

TEL-AVIV

P.O.B. 452

TEL. 56231

H A I F A

P.O.B. 1256

TEL. 521249

CABLES: ARDEKAY

JERUSALEM, AUGUST 18, 1968

MR. GOTTLIEB HAMMER
EXECUTIVE VICE-CHAIRMAN
UNITED ISRAEL APPEAL, INC.
NEW YORK

DEAR MR. HAMMER,

IN ACCORDANCE WITH YOUR REQUEST, WE HAVE REVIEWED THE PROCEDURES IN FORCE AT THE JEWISH AGENCY FOR ISRAEL, JERUSALEM, IN RESPECT OF EXPENDITURES MADE BY THEM ON BEHALF OF THE UNITED ISRAEL APPEAL, INC. (UIA), FOR THE YEAR ENDED MARCH 31, 1968.

IN ORDER TO DETERMINE THESE PROCEDURES, WE HAVE EXAMINED SUCH ACCOUNTING RECORDS, LEGAL DOCUMENTS, AGREEMENTS AND OTHER RELEVANT DATA AS WE CONSIDERED NECESSARY IN THE CIRCUMSTANCES.

THE ATTACHED REPORT SETS OUT THE FOLLOWING BASIC INFORMATION:

- (I) PARTICULARS OF THE EXPENDITURE INCURRED.
- (II) THE AUTHORITY FOR SUCH EXPENDITURE.
- (III) THE PROCEDURE AS TO PAYMENT THEREOF.

WE HAVE ESTABLISHED THAT ALL THE EXPENDITURES SHOWN IN THIS REPORT HAVE BEEN PROPERLY AUTHORIZED BY THE APPROPRIATE DEPARTMENTS OF THE JEWISH AGENCY, UNLESS OTHERWISE STATED.

PAYMENTS MADE BY OVERSEAS REGIONAL OFFICES OF THE JEWISH AGENCY THROUGH REPRESENTATIVES OF THE JEWISH AGENCY TREASURY DEPARTMENT ARE SUBJECT TO PERIODIC AUDIT.

OUR REPORT FOLLOWS THE ORDER SHOWN IN THE UIA BUDGET ALLOCATION SCHEDULES AS ADOPTED BY THE BOARD OF DIRECTORS OF UIA IN NEW YORK ON MARCH 13, 1968. THE BUDGET AND EXPENDITURE AMOUNTS INCLUDED IN THIS REPORT ARE FOR INFORMATION PURPOSES ONLY. A SEPARATE DETAILED AUDITED STATEMENT WAS SUBMITTED TO UIA. THE BUDGET AMOUNTS LISTED ARE THE AUTHORIZED ALLOCATIONS BY UIA TOWARDS SPECIFIC PROGRAMS. THE EXPENDITURE FIGURES ARE THE TOTAL AMOUNTS EXPENDED BY THE JEWISH AGENCY FOR THE BUDGET ITEMS DESCRIBED IN THE REPORT FOR SIMILAR ACTIVITIES.

CONVERSION FROM U.S. DOLLARS HAS BEEN MADE AT THE RATE OF \$1 = IL 3.

SHOULD YOU REQUIRE ANY FURTHER INFORMATION OR EXPLANATIONS, WE SHALL BE PLEASED TO FURNISH THE SAME.

VERY TRULY YOURS,

Kesselman & Kesselman

THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

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THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

IMMIGRATION AND ABSORPTION

THE EXPENDITURE UNDER THIS MAIN HEADING IS IN RESPECT OF ALL IMMIGRANTS DEALT WITH BY THE JEWISH AGENCY IN THE AGGREGATE NUMBER OF 21,644, OF WHICH 17,894 WERE FROM COUNTRIES OF ECONOMIC AND CULTURAL OPPRESSION.

I. SERVICING OF IMMIGRANTS ABROAD:

(A) OFFICES

BUDGET IL 2,013,600; EXPENDITURE IL 3,137,662

THIS EXPENDITURE WAS INCURRED FOR STAFF AND UPKEEP OF OFFICES OF THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY, DEALING WITH IMMIGRANTS FROM EASTERN EUROPE, ASIA AND NORTH AFRICA.

BREAKDOWN OF EXPENDITURE FOR THOSE OFFICES IN WHICH UIA PARTICIPATES IN IS AS FOLLOWS:

	<u>ISRAEL</u> <u>POUNDS</u>
SALARIES AND SOCIAL BENEFITS	IL 1,164,576
UPKEEP OF OFFICES	<u>1,301,141</u>
<u>T O T A L</u>	IL 2,465,717 *****

THESE PAYMENTS ARE MADE LOCALLY EITHER IN CASH OR BY CHEQUE TO THE EMPLOYEE, SUPPLIER, ETC.

(B) EXPENSES OF ISRAELI IMMIGRATION ADMINISTRATIVE STAFF ABROAD

BUDGET IL 183,000; EXPENDITURE IL 486,846

THE EXPENDITURE IS MADE FOR THE JEWISH AGENCY PERSONNEL WHO ADMINISTER THE IMMIGRATION OFFICES ABROAD. THE EXPENSES COMPRISE: TRAVELLING EXPENSES, MEDICAL CARE, PARTICIPATION IN RENT AND CHILDREN'S EDUCATION FEES, ALLOWANCES TO FAMILIES AND SOCIAL INSURANCE.

THESE PAYMENTS ARE MADE DIRECTLY TO THE JEWISH AGENCY STAFF PERSONNEL EITHER IN CASH OR BY CHEQUE TO THE EMPLOYEES OR ON THEIR BEHALF.

(c) EXPENSES OF IMMIGRANT COUNSELLING STAFF ABROAD

BUDGET IL 480,100;

EXPENDITURE IL 501,879

THIS EXPENDITURE COMPRISES SALARIES OF TEACHERS AND INSTRUCTORS IN NORTH AFRICA, TURKEY AND IRAN. ALSO, EXPENSES IN CONNECTION WITH EDUCATIONAL AND CULTURAL ACTIVITIES AMONG CANDIDATES FOR IMMIGRATION IN THOSE COUNTRIES, SUCH AS LECTURE ROOMS, TEACHING AIDS, ETC.

ALSO INCLUDED ARE ADMINISTRATIVE EXPENSES OF IL 245,321, BEING A CHARGE FOR PART OF HEAD OFFICE ADMINISTRATIVE COSTS.

THESE PAYMENTS ARE MADE LOCALLY EITHER IN CASH OR BY CHEQUE TO STAFF, SUPPLIERS, ETC.

(d) TRANSIT CENTERS

BUDGET IL 900,000;

EXPENDITURE IL 1,785,022

THESE EXPENSES ARE FOR MAINTAINING TRANSIT CAMPS IN EUROPE, ASIA AND AFRICA, AND COMPRISE SALARIES OF STAFF, FOOD, LODGING, CULTURAL ACTIVITIES AND OTHER SERVICES.

THESE PAYMENTS ARE MADE LOCALLY EITHER IN CASH OR BY CHEQUE TO STAFF, SUPPLIERS, ETC.

(e) MEDICAL SERVICES TO IMMIGRANTS EN ROUTE

BUDGET IL 139,195;

EXPENDITURE IL 270,844

THESE PAYMENTS ARE FOR MEDICAL SERVICES RENDERED TO IMMIGRANTS IN THOSE TRANSIT CAMPS MENTIONED IN (D) ABOVE. IMMIGRANTS ARE GIVEN MEDICAL EXAMINATION BEFORE LEAVING FOR ISRAEL.

THESE PAYMENTS ARE MADE LOCALLY TO DOCTORS, CLINICS AND MEDICAL SUPPLIERS, BY THE JEWISH AGENCY STAFF PERSONNEL FROM THE JEWISH AGENCY FUNDS.

2. TRANSPORTATION:

(A) TRANSPORTATION OF IMMIGRANTS AND DOCUMENTATION

BUDGET IL 6,682,000

EXPENDITURE IL 10,600,359

EXPENDITURE OF IL 7,907,503 REPRESENTS PAYMENTS FOR RAIL, SEA AND AIR FARES, FOR TRANSPORTATION OF IMMIGRANTS TO TRANSIT CENTERS AND THEN TO ISRAEL. ALSO, EXPENSES IN CONNECTION WITH TRAVEL SUCH AS VISAS, PASSPORTS, ETC.

ALL PAYMENTS ARE MADE DIRECTLY TO THE RAILWAY, SHIPPING OR AIRLINE COMPANIES IN ACCORDANCE WITH APPROVED INVOICES.

THE BALANCE OF IL 2,692,856 REPRESENTS EXPENDITURE FOR DOCUMENTATION AND OTHER SIMILAR ITEMS. BECAUSE OF THE HAZARDS INVOLVED IN THE RESCUE OPERATION FROM CERTAIN COUNTRIES OF OPPRESSION, DETAILS OF THE OPERATION CANNOT BE MADE AVAILABLE.

(B) TRANSPORTATION OF IMMIGRANTS' POSSESSIONS

BUDGET IL 877,000; EXPENDITURE IL 1,869,028

THIS EXPENDITURE IS FOR THE TRANSPORTATION OF THE LUGGAGE OF THE IMMIGRANTS DESCRIBED IN (A) ABOVE, INCLUDING INSURANCE, CUSTOMS CLEARANCE AND DELIVERY IN ISRAEL.

PAYMENTS ARE MADE DIRECTLY TO THE SUPPLIERS OF THE SERVICES BY THE JEWISH AGENCY PERSONNEL.

(C) ESCORT SERVICES

BUDGET IL 87,500; EXPENDITURE IL 122,053

THIS EXPENDITURE IS FOR SALARIES OF ESCORTS OF IMMIGRANTS WHO TAKE CARE OF THEM DURING THEIR TRAVEL, INCLUDING KASHRUT SUPERVISION.

PAYMENTS ARE MADE DIRECTLY TO STAFF PERSONNEL.

(D) TRANSFER TO SETTLEMENT SITES IN ISRAEL

BUDGET IL 167,000; EXPENDITURE IL 164,455

THIS EXPENDITURE IS FOR THE TRANSPORTATION OF NEW IMMIGRANTS FROM THEIR PORT OF ARRIVAL TO THEIR FINAL DESTINATION IN ISRAEL.

PAYMENTS ARE MADE FOR CHARGES INCURRED BY THE TRANSPORT DEPARTMENT OF THE JEWISH AGENCY FOR BUSES HIRED BY THE DEPARTMENT AND FOR THE USE OF THE JEWISH AGENCY'S OWN VEHICLES. THE BUS COMPANIES ARE PAID DIRECTLY BY THE JEWISH AGENCY TREASURY DEPARTMENT.

3. INITIAL CARE OF IMMIGRANTS:

(A) INITIAL ABSORPTION SERVICES

BUDGET IL 1,377,750; EXPENDITURE IL 2,868,846

THIS REPRESENTS SALARIES OF 140 EMPLOYEES OF THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY WHO CARE FOR IMMIGRANTS DURING THEIR INITIAL PERIOD IN ISRAEL, PARTICULARLY FOR SOCIAL CASES.

PAYMENTS ARE MADE DIRECTLY TO STAFF PERSONNEL.

(b) EQUIPMENT AND FURNITURE FOR IMMIGRANTS

BUDGET IL 907,000; EXPENDITURE IL 1,093,279

THESE ARE ITEMS SUPPLIED TO IMMIGRANTS, SUCH AS BEDS, MATTRESSES, BLANKETS AND HOUSEHOLD UTENSILS.

THE ITEMS ARE PURCHASED BY THE JEWISH AGENCY IN BULK AND THEN ISSUED FROM STOCK TO IMMIGRANTS, AS NEEDED.

(c) FOOD

BUDGET IL 78,000; EXPENDITURE IL 81,062

THIS REPRESENTS PROVISION OF MEALS AND FOOD PARCELS TO IMMIGRANTS AT THE PORT OF ARRIVAL. THE EXPENDITURE INCLUDES IL 63,844 FOR SALARIES OF THE JEWISH AGENCY STAFF ENGAGED IN THIS ACTIVITY.

PAYMENTS ARE MADE DIRECTLY TO STAFF AND SUPPLIERS.

(d) ABSORPTION IN SETTLEMENT AREAS

BUDGET IL 324,000; EXPENDITURE IL 448,440

THIS REPRESENTS GRANTS OR LOANS TO KIBBUTZIM FOR ABSORBING IMMIGRANTS. INCLUDED IS A CHARGE FOR ADMINISTRATIVE STAFF OF THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY IN THE AMOUNT OF IL 142,939.

PAYMENTS ARE MADE DIRECTLY TO SETTLEMENTS.

4. FINANCIAL ASSISTANCE TO NEW IMMIGRANTS:

(a) AID TO PROFESSIONALS, ETC.

BUDGET IL 198,000; EXPENDITURE IL 254,440

THESE ARE LOANS TO PROFESSIONALS DURING THEIR INITIAL ABSORPTION PERIOD FOR LIVING EXPENSES AND ALSO FOR PURCHASE OF FURNITURE.

PAYMENTS ARE MADE THROUGH BANKS OR OTHER FINANCIAL INSTITUTIONS.

(b) INITIAL ARRANGEMENTS

BUDGET IL 1,364,000; EXPENDITURE IL 1,396,401

THESE ARE GRANTS AND LOANS TO: IMMIGRANTS TRANSFERRED TO ABSORPTION AREAS, WHO NEED ASSISTANCE DURING AN INITIAL PERIOD OF UNEMPLOYMENT; AID TO PROFESSIONALS; SOCIAL CASES, CARE FOR VICTIMS OF PERSECUTION.

MOST OF THE PAYMENTS ARE MADE DIRECTLY TO THE IMMIGRANTS, BUT SOME ARE MADE THROUGH A FINANCIAL INSTITUTION, IN THE FORM OF A LONG-TERM LOAN.

(c) CONSTRUCTIVE ASSISTANCE

BUDGET IL 700,000;

EXPENDITURE IL 1,242,285

THIS REPRESENTS LOANS MADE THROUGH BANKS TO PROFESSIONALS FOR INITIAL ASSISTANCE IN SETTING UP THEIR PRACTICES. THE UIA ALLOCATIONS ARE USED FOR PROFESSIONALS FROM COUNTRIES OF OPPRESSION.

PAYMENTS ARE MADE FROM LOAN FUNDS HELD WITH BANKS.

5. GRANTS TO INSTITUTIONS ASSISTING IMMIGRANTS:

(a) IMMIGRANT ASSOCIATIONS

BUDGET IL 299,500;

EXPENDITURE IL 464,733

THESE ARE GRANTS TOWARDS THE EXPENDITURE OF ASSOCIATIONS OF IMMIGRANTS FROM VARIOUS COUNTRIES.

AMOUNTS PARTICIPATED IN BY UIA, ARE AS FOLLOWS:

				ISRAEL POUNDS
ASSOCIATION OF IMMIGRANTS FROM			NORTH AFRICA	IL 45,000
"	"	"	" LATIN AMERICA	60,000
"	"	"	" IRAN	15,200
"	"	"	" ALGERIA	4,000
"	"	"	" U.S.S.R.	30,000
"	"	"	" BUKOVINA	2,000
"	"	"	" INDIA	1,000
"	"	"	" HUNGARY	7,000
"	"	"	" LIBYA	6,000
"	"	"	" EGYPT	3,500
"	"	"	" POLAND	16,850
"	"	"	" RUMANIA	19,550
"	"	"	" TURKEY	10,000
"	"	"	" TUNIS	5,100
UNITED COMMITTEE FOR IMMIGRANTS OF UNIFIED FAMILIES				12,000
BNEI ISRAEL ASSOCIATION				3,000
ORGANIZATION OF IMMIGRANTS FROM			LATLAND	10,400
"	"	"	" LITHUANIA	4,000
"	"	"	" IRAQ	7,000
UNITED ORGANIZATION OF EMIGRANTS FROM RUMANIA				14,250
ORGANIZATION OF RELIGIOUS IMMIGRANTS FROM NORTH AFRICA				1,600
CIRCLE OF EMIGRANTS FROM HUNGARY				1,200
ORGANIZATION OF THE DISABLED IN THE WAR AGAINST THE NAZIS				10,000
WIZO				5,000
ORGANIZATION OF YIDDISH WRITERS AND JOURNALISTS				5,000
SUNDRY				850
<u>TOTAL</u>				<u>IL 299,500</u> -----

THESE ASSOCIATIONS DEAL WITH SOCIAL ABSORPTION PROBLEMS OF IMMIGRANTS.

PAYMENTS ARE MADE DIRECTLY TO THE ASSOCIATIONS.

(B) WOMEN'S ORGANIZATIONS

BUDGET IL 49,000;

EXPENDITURE IL 50,500

THESE ARE PARTICIPATIONS IN THE EXPENDITURE OF WOMEN'S ORGANIZATIONS IN CONNECTION WITH IMMIGRANT ABSORPTION ACTIVITIES. SUCH ORGANIZATIONS INCLUDE THE COUNCIL OF WOMEN WORKERS, HERUT WOMEN'S SOCIETY, ETC.

6. ADMINISTRATIVE COSTS - HEAD OFFICE ABSORPTION DEPARTMENT:

BUDGET IL 2,500,000;

EXPENDITURE IL 2,033,245

THIS EXPENDITURE COMPRISES STAFF SALARIES AND SOCIAL BENEFITS, RENT AND UPKEEP OF OFFICES IN ISRAEL, POSTAGE AND TELEPHONE, STATIONERY, ETC., AFTER DEDUCTION OF AMOUNTS CHARGED UNDER OTHER HEADINGS ABOVE.

PAYMENTS ARE MADE DIRECTLY TO STAFF, SUPPLIERS, ETC.



THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

SOCIAL WELFARE SERVICES

1. SOCIAL INTEGRATION

BUDGET IL 759,000;

EXPENDITURE IL 819,567

THESE ARE ALLOCATIONS TO SUNDRY INSTITUTIONS AND ORGANIZATIONS AS WELL AS PAYMENTS TO PUBLISHERS OF NEWSPAPERS IN EASY HEBREW AND TO THEATRES FOR SPECIAL PROGRAMS, AS FOLLOWS:

INSTITUTIONS AND ORGANIZATIONS:

WIZO - WOMEN'S INTERNATIONAL ZIONIST ORGANIZATION
WOMEN'S WORK COUNCIL
ASSOCIATION OF WORKING MOTHERS
U.S.S.R. IMMIGRANT ASSOCIATION
ACADEMICIANS ORGANIZATION
MOSHE SHARETT CLUB
BRIT AM
HEBREW YOUTH CLUB
ASSOCIATION OF ALGIER AND FRANCE IMMIGRANTS
IRAN IMMIGRANTS CLUB
THE HISTADRUT
CULTURAL CLUB IN LOD
HENRIETTA SZOLD INSTITUTE
LEVINGERT FUND FOR SCHOLARSHIPS
GYMNASIUM HALL IN HERZLIYAH
THE FALK INSTITUTE FOR ECONOMIC RESEARCH
YOUTH CLUBS IN JERUSALEM
THE SETTLEMENT RESEARCH CENTER

PUBLISHERS AND THEATRES:

OHEL THEATRE
HABIMA THEATRE
HAKAMEREI THEATRE
THE ISRAEL OPERA
MASSADA PUBLISHING
OMER NEWSPAPER
ARTZENU NEWSPAPER

2. SHELTERED WORKSHOPS FOR THE ELDERLY

BUDGET IL 6,189,000;

EXPENDITURE IL 6,323,227

THESE ARE PAYMENTS OF SUBSIDIES TO "HAMESHAKEM" - COMPANY FOR EMPLOYMENT OF THE ELDERLY AND DISABLED LTD., IN RESPECT OF THE EMPLOYMENT OF A MONTHLY AVERAGE OF 6,700 ELDERLY AND DISABLED WORKERS, FOR A TOTAL OF 1,585,330 WORKDAYS AT THE RATE OF IL 3.85 PER DAY.

THE COMPANY HAS NOW DULY BEEN REGISTERED WITH THE REGISTRAR OF COMPANIES, AND IS CONTROLLED BY THE WORLD ZIONIST ORGANIZATION.

FURTHER, AN AMOUNT OF IL 127,600 WAS PAID TO "MABAT" (A SUBSIDIARY OF THE JEWISH AGENCY) FOR THE EMPLOYMENT OF HANDICAPPED.

3. GRANTS TO AGED IMMIGRANTS

BUDGET IL 12,527,000;

EXPENDITURE IL 12,527,307

THESE ARE PAYMENTS TO AGED IMMIGRANTS WHO ARE INELIGIBLE FOR NATIONAL INSURANCE GRANTS MAINLY BECAUSE THEY CAME TO ISRAEL AT AN AGE WHICH DID NOT ENTITLE THEM TO JOIN THE NATIONAL INSURANCE SCHEME.

APPLICATIONS FOR THESE GRANTS ARE SUBMITTED TO THE DISTRICT WELFARE OFFICES OF THE MINISTRY OF WELFARE OR MUNICIPALITIES FOR INSPECTION AND APPROVAL. AFTER APPROVAL, PAYMENT OF THE GRANT IS RECOMMENDED TO THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY. AFTER FINAL AUTHORIZATION BY THE JEWISH AGENCY, LISTS ARE PREPARED BY THE WELFARE PAYMENT CENTER (MATAS) WHICH ARE SUBMITTED TO THE POST OFFICE BANK WHO THEN MAKE THE MONTHLY PAYMENTS. THE NUMBER OF CASES INVOLVED AVERAGES 15,170 PER MONTH.

4. PAYMENTS TO FAMILIES WHO ARE SOCIAL CASES

BUDGET IL 4,796,000;

EXPENDITURE IL 5,121,695

THESE ARE PAYMENTS TO NEEDY FAMILIES WHERE THE HEAD OF THE FAMILY IS UNABLE TO PROVIDE ALL THEIR NEEDS. PAYMENTS RANGE FROM IL 50 TO IL 399 PER MONTH AND ARE PAID TO AN AVERAGE OF 23,000 FAMILIES.

PAYMENTS BEGAN IN JANUARY 1968, ACCORDING TO BASIC LISTS PROVIDED BY THE MINISTRY OF WELFARE. SUBSEQUENTLY, CHANGES IN THE LISTS WERE RECOMMENDED BY DISTRICT WELFARE OFFICES AND APPROVED BY THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY.

PAYMENTS ARE MADE IN THE NAME OF THE RECIPIENT BY CHEQUE DRAWN ON A JEWISH AGENCY BANKING ACCOUNT AND ARE SENT TO HIS HOME.

5. RELIEF PAYMENTS TO IMMIGRANTS

BUDGET IL 2,300,000;

EXPENDITURE IL 2,050,000

THIS IS FOR RELIEF WORKERS EMPLOYED IN AMELIORATION AND AFFORESTATION OF LAND, THROUGH THE JEWISH NATIONAL FUND (J.N.F.) ACCORDING TO A CONTRACT WITH THE J.N.F. FOR PAYMENT OF IL 20.50 PER DAY. THE SUM REPRESENTS AN ADVANCE PAYMENT FOR AN ESTIMATED 100,000 WORKING DAYS IN MARCH 1968. A REPORT HAS SINCE BEEN RECEIVED STATING THE NUMBER OF WORKING DAYS (ACCORDING TO LISTS OF WORKERS), DESCRIPTION OF WORK PERFORMED AND DETAILS OF PLACES, ALL OF WHICH WERE WITHIN THE PRE-JUNE

5, 1967 BORDERS. THE ADVANCE EXCEEDS THE AMOUNT REPORTED BY IL 389,090 WHICH WILL BE ABSORBED IN THE SUCCEEDING FISCAL YEAR.

6. REHABILITATION OF THE CHRONICALLY ILL

BUDGET IL 429,420;

EXPENDITURE IL 537,036

THESE ARE PAYMENTS FOR THE REHABILITATION OF IMMIGRANTS MADE IN THE FORM OF LOANS OR GRANTS ACCORDING TO THE CIRCUMSTANCES.

PAYMENTS ARE MADE DIRECTLY TO THE NEEDY PERSONS BY THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY.

7. STAFF - SOCIAL SERVICE DIVISION

BUDGET IL 521,895;

EXPENDITURE IL 524,975

THIS IS THE PAYMENT OF SALARIES FOR 35 EMPLOYEES OF THE JEWISH AGENCY WHO DEAL WITH SOCIAL WELFARE SERVICES.

PAYMENTS ARE MADE DIRECTLY TO STAFF.

8. MINOR ITEMS OF ASSISTANCE

BUDGET IL 98,835;

EXPENDITURE IL 99,512

THESE ARE PAYMENTS FOR PERSONAL REQUISITES, CLOTHING, FOOD AND LODGING. IT ALSO INVOLVES WELFARE ACTIVITIES JOINTLY WITH VOLUNTARY WELFARE ORGANIZATIONS IN THE AMOUNT OF IL 16,585.

THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

HEALTH SERVICES

THESE INCLUDE:

1. HOSPITALIZATION AND MEDICAL ASSISTANCE - GENERAL CASES
BUDGET IL 28,260,000.
2. HOSPITALIZATION AND MEDICAL ASSISTANCE - MENTAL CASES
BUDGET IL 10,300,000.
3. MEDICAL SERVICES (CLINICS) TO IMMIGRANTS IN DEVELOPMENT TOWNS
BUDGET IL 23,300,000.

TOTAL EXPENDITURE ON THE ABOVE THREE HEADINGS IL 91,818,456.

THESE ARE PAYMENTS FOR PERSONS OF LIMITED MEANS WHOSE HOSPITALIZATION - GENERAL AND MENTAL CASES IS NOT COVERED BY OPERATION OF THE LAW OR OTHER SCHEMES. THE JEWISH AGENCY PERSONNEL VISIT THE HOSPITALS AND CHECK THE RECORDS IN ORDER TO ASCERTAIN ENTITLEMENT TO SUCH PAYMENTS. A DETAILED REPORT IS NOW IN PREPARATION.

AS OF MARCH 31, 1968, THE EXPENDITURES QUOTED ABOVE IN RESPECT OF GENERAL CASES ARE BY WAY OF ADVANCE PAYMENTS MADE TO GOVERNMENT AND MUNICIPAL HOSPITALS BASED ON FORECASTS OF THE NUMBER OF DAYS OF HOSPITALIZATION AT THE RATE OF IL 35.00 PER DAY. ACTUAL BILLING IN RESPECT OF THE PERIOD JULY 1, 1967 TO MARCH 31, 1968 WAS IL 29,461,760.

IN RESPECT OF MENTAL CASES THE EXPENDITURE AS OF THAT DATE REPRESENTS ONLY ADVANCE PAYMENTS BASED ON FORECASTS AT AN AGREED RATE WHICH VARIES ACCORDING TO THE TREATMENT GIVEN. ALL BILLINGS ARE AUTHORIZED BY A SPECIALIST IN MENTAL DISEASES WHO IS AN EMPLOYEE OF THE JEWISH AGENCY ACCORDING TO AN AGREEMENT DATED MAY 17, 1968, RETROACTIVE FROM FEBRUARY 1, 1968. ACTUAL BILLING IN RESPECT OF THE PERIOD JULY 1, 1967 TO MARCH 31, 1968 WAS IL 15,408,122.

IN RESPECT OF PAYMENTS TO KUPAT HOLIM FOR MEDICAL SERVICES (CLINICS) TO IMMIGRANTS IN DEVELOPMENT TOWNS, THIS WAS AN ADVANCE PAYMENT FOR AMBULATORY TREATMENT, MEDICINES AND OTHER CLINIC SERVICES FOR IMMIGRANTS AND REFUGEES IN 40 CLINICS IN IMMIGRANT CENTERS AS WELL AS GENERAL HOSPITALIZATION IN KUPAT HOLIM HOSPITALS.

IN REGARD TO CLINICAL SERVICES PAYMENT OF IL 91.60 PER PERSON IS MADE EVERY THREE MONTHS IN ACCORDANCE WITH LISTS TO BE PREPARED. REGARDING HOSPITALIZATION, TERMS ARE ON THE SAME BASIS AS THOSE APPLICABLE TO GOVERNMENT AND MUNICIPAL HOSPITALS.

SUCH ADVANCE PAYMENT AMOUNTED TO IL 50,000,000.

PARTIAL BILLINGS FOR CLINICAL SERVICES HAVE BEEN RECEIVED AND CHECKED. SUPPLEMENTARY REPORTS ON ALL RELATED DATA WILL BE SUBMITTED IMMEDIATELY UPON RECEIPT OF MATERIAL.

AMOUNTS NOT PARTICIPATED IN BY UIA FOR SIMILAR ACTIVITIES AGGREGATE IL 1,318,456.

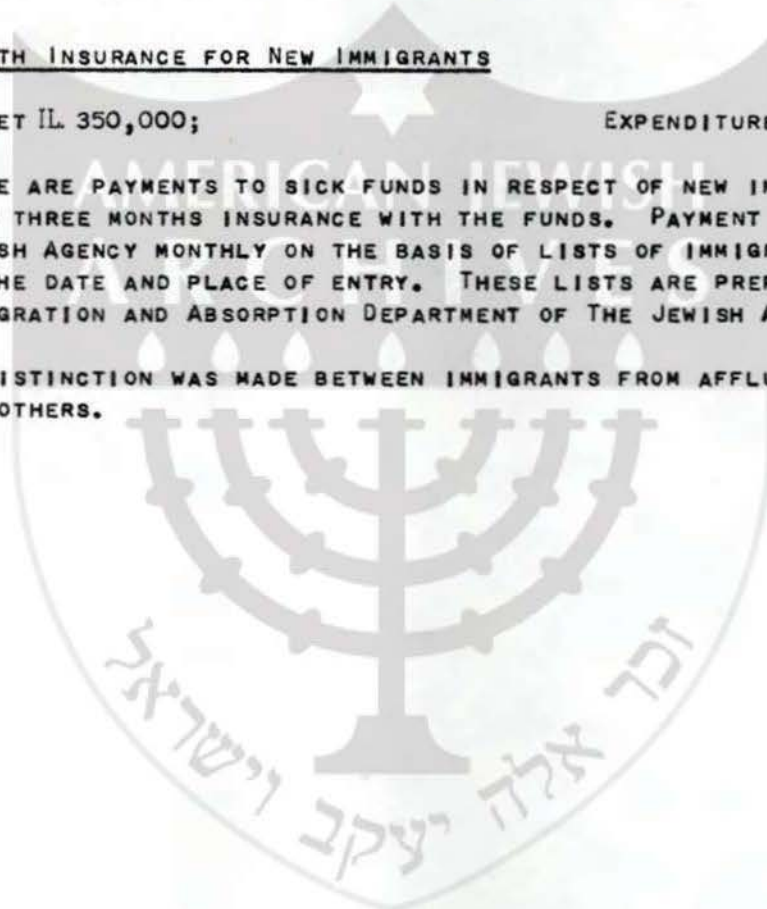
4. HEALTH INSURANCE FOR NEW IMMIGRANTS

BUDGET IL 350,000;

EXPENDITURE IL 470,673

THESE ARE PAYMENTS TO SICK FUNDS IN RESPECT OF NEW IMMIGRANTS GIVING THEM THREE MONTHS INSURANCE WITH THE FUNDS. PAYMENT IS MADE BY THE JEWISH AGENCY MONTHLY ON THE BASIS OF LISTS OF IMMIGRANTS ACCORDING TO THE DATE AND PLACE OF ENTRY. THESE LISTS ARE PREPARED BY THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY.

NO DISTINCTION WAS MADE BETWEEN IMMIGRANTS FROM AFFLUENT COUNTRIES AND OTHERS.



THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

EDUCATION

1. POST ELEMENTARY SCHOOL SCHOLARSHIPS

BUDGET IL 53,103,500;

EXPENDITURE IL 35,196,802
COMMITMENTS IL 17,906,698

THE EXPENDITURE WAS IN RESPECT OF PARTICIPATION BY THE JEWISH AGENCY IN A GRADUATED SCALE TUITION FEES PROGRAM WHICH FINANCES THE POST ELEMENTARY EDUCATION OF CHILDREN WHO HAVE ACHIEVED A CERTAIN BASIC LEVEL OF EDUCATION AND THE FINANCIAL POSITION OF WHOSE PARENTS DOES NOT ALLOW THEM TO PAY THE FULL FEES. THE RATE OF PARTICIPATION THEREFORE VARIES ACCORDING TO THE FINANCIAL POSITION AND SIZE OF THE FAMILIES OF THE STUDENTS. POST ELEMENTARY EDUCATION IN ISRAEL IS NOT A STATUTORY FUNCTION OF THE GOVERNMENT.

THE PAYMENTS BY THE JEWISH AGENCY WERE BY WAY OF ADVANCES ON ACCOUNT OF THE SCHOOL YEAR ENDING JUNE 30, 1968. THE FINAL REPORTS OF THE SCHOOLS WILL NOT BE PRESENTED BEFORE THE END OF AUGUST 1968.

THE ADVANCES WERE BASED ON PROVISIONAL LISTS OF NAMES OF STUDENTS, INCLUDING DETAILS OF THE FAMILY'S SITUATION AND GRADING OF THE INCOME OF THE HEAD OF FAMILY. ADDITIONAL EVIDENCE WAS PROVIDED BY THE APPLICATIONS OF THE PARENTS TO THE MINISTRY OF EDUCATION, WHICH WERE MADE BEFORE JULY 1, 1967, WHEN THE JEWISH AGENCY ASSUMED RESPONSIBILITY FOR THE PROGRAM. APPLICATIONS BY PARENTS IN RESPECT OF THE SCHOOL YEAR 1968/69 ARE SCHEDULED TO BE MADE DIRECTLY TO THE JEWISH AGENCY.

2. PRE-KINDERGARTENS

BUDGET IL 2,287,000;

EXPENDITURE IL 2,028,429
COMMITMENTS IL 258,571

THESE ARE PAYMENTS TO VARIOUS NON-PROFIT ORGANIZATIONS (MAINLY WOMEN'S ORGANIZATIONS) BY WAY OF PARTICIPATION IN SALARIES OF TEACHERS. PRE-KINDERGARTENS ARE FOR CHILDREN AGED 3 AND 4 WHICH IS BELOW THE AGE OF COMPULSORY EDUCATION.

THE PRE-KINDERGARTENS IN RESPECT OF WHICH THE PAYMENTS WERE MADE ARE INTENDED FOR CHILDREN OF PARENTS OF LIMITED MEANS OR NEW IMMIGRANTS.

PAYMENTS ARE MADE ACCORDING TO PAYROLLS CHECKED AND APPROVED BY THE IMMIGRATION AND ABSORPTION DEPARTMENT OF THE JEWISH AGENCY.

3. GRANTS FOR SPECIALIZED SCHOOL PROGRAMS

BUDGET IL 5,965,000;

EXPENDITURE IL 5,869,415
COMMITMENTS IL 95,585

AN AMOUNT OF IL 5,641,023 WAS PAID TO POST ELEMENTARY VOCATIONAL AND GENERAL SCHOOLS AS GRANTS TO COVER THE EXCESS OF OPERATIONAL EXPENDITURE OVER INCOME. NO REPORT HAS YET BEEN RECEIVED AND NONE IS EXPECTED BEFORE THE END OF AUGUST, 1968. ADVANCE PAYMENTS WERE MADE ON THE BASIS OF PRIOR YEARS' EXPENDITURES.

THE MAIN CATEGORIES OF SCHOOLS TO WHICH PAYMENTS WERE MADE ARE:

	<u>ISRAEL POUNDS</u>
1. GENERAL VOCATIONAL SCHOOLS ORT, AMAL, BRANDEIS CENTER, HAVAT HASHOMER AND OTHER NON-PROFIT SCHOOLS	IL 3,601,910
2. NON-PROFIT AGRICULTURAL SCHOOLS AND SCHOOLS IN KIBBUTZIM	<u>2,039,113</u>
	<u>IL 5,641,023</u> =====

PAYMENTS OF IL 228,392 WERE MADE TO STUDENTS OF REGIONAL POST ELEMENTARY SCHOOLS TO PARTICIPATE IN THEIR EXPENDITURE ON FARES TO AND FROM SCHOOL. THE PAYMENTS ARE MADE THROUGH THE SCHOOLS AND DISTRIBUTED TO THE STUDENTS.

4. ULPANIM

BUDGET IL 807,000;

EXPENDITURE IL 1,232,489

THESE ARE PAYMENTS OF IL 1,064,674 FOR HEBREW LANGUAGE COURSES IN TOWNS OR IN KIBBUTZIM (COOPERATIVE SETTLEMENTS).

THE REMAINDER REPRESENTS AID TO STUDENTS, MAINLY POCKET-MONEY.

PAYMENTS TO ULPANIM ARE MADE ONLY TO THOSE WHOLLY OWNED AND MAINTAINED BY THE JEWISH AGENCY AND COVER ALL THEIR EXPENDITURES - LECTURES, BOARD AND LODGING.

PAYMENTS TO STUDENTS ARE IN THE FORM OF LOANS AND ARE MADE MAINLY FROM JOINT FUNDS WITH BANKS TO ASSIST THEM DURING THEIR STAY IN ULPANIM, DURING WHICH TIME THEY ARE NOT EARNING A LIVING.

AN ADDITIONAL AMOUNT OF IL 47,262 WAS EXPENDED IN RESPECT OF ACTIVITIES NOT PARTICIPATED IN BY UIA.

5. VOCATIONAL TRAINING FOR YOUNG IMMIGRANTS

BUDGET IL 83,500;

EXPENDITURE IL 85,821

THESE ARE PAYMENTS TO VARIOUS NON-PROFIT ORGANIZATIONS FOR PARTICIPATION IN VOCATIONAL COURSES FOR IMMIGRANTS, SUCH AS COOKERY, SEWING, HAIRDRESSING, ETC.



THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

INSTITUTIONS FOR HIGHER LEARNING

BUDGET IL 101,919,000;

EXPENDITURE IL 66,277,715
COMMITMENTS IL 35,641,285

THESE ARE PAYMENTS TO FINANCE THE GENERAL EXPENSES OF INSTITUTIONS FOR HIGHER LEARNING AND NOT FOR DEVELOPMENT OR OTHER PURPOSES. AS OF JUNE 30, 1967, THE GOVERNMENT'S FORMER PARTICIPATION, WHICH WAS NOT A STATUTORY OBLIGATION, WAS ASSUMED BY THE JEWISH AGENCY IN RESPONSE TO THE GOVERNMENT'S REQUEST TO THE JEWISH AGENCY TO AUGMENT THIS ALLOCATION TO THE INSTITUTIONS FOR HIGHER LEARNING.

PAYMENTS TO THE INSTITUTIONS ARE MADE BY CHEQUE. EXPENDITURE IN RESPECT OF THE ACADEMIC YEAR ENDING JUNE 30, 1968, WHICH HAD NOT YET BEEN INCURRED, IS SHOWN AS A COMMITMENT (SEE ABOVE).



THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

YOUTH CARE AND TRAINING

1. MAINTENANCE AND CARE OF YOUTH IN YOUTH ALIYAH INSTITUTIONS

BUDGET IL 6,246,100;

EXPENDITURE IL 9,949,341

EXPENDITURE IN THE AMOUNT OF IL 7,602,691 WAS MADE FOR THE MAINTENANCE OF IMMIGRANT CHILDREN IN SEVERAL EDUCATIONAL INSTITUTIONS, INCLUDING THOSE IN AGRICULTURAL SETTLEMENTS. PAYMENTS ARE MADE ACCORDING TO AGREEMENTS BETWEEN THE JEWISH AGENCY AND THE INSTITUTIONS (WHICH ARE NON-GOVERNMENTAL) TO COVER EDUCATION, BOARD AND LODGING.

EXPENDITURE IN THE AMOUNT OF IL 978,598 WAS MADE FOR CLOTHING, FOOTWEAR AND OTHER PERSONAL REQUISITES DISTRIBUTED TO IMMIGRANT CHILDREN MAINTAINED IN YOUTH ALIYAH INSTITUTIONS.

A SUM OF IL 1,075,111 WAS EXPENDED TO MAINTAIN YOUTH ALIYAH INSTITUTIONS OWNED BY THE JEWISH AGENCY IN KIRYAT YEARIM AND RAMAT HADASSAH FOR PROBLEM CHILDREN. THIS COMPRISES SALARIES OF TEACHERS AND INSTRUCTORS, KITCHEN STAFF, FOOD AND OTHER SUPPLIES, ETC.

PARTICIPATION BY THE PARENTS HAVE BEEN DEDUCTED FROM THE GROSS EXPENDITURES AND THE FIGURES SHOWN ABOVE ARE, CONSEQUENTLY, NET.

AN AMOUNT OF IL 293,001 WAS PAID TO STAFF DEALING WITH RECEPTION OF STUDENTS AND FOR ADMINISTRATION.

2. YOUTH CENTERS

BUDGET IL 1,303,400;

EXPENDITURE IL 1,444,471

THIS EXPENDITURE IS FOR YOUTH CENTERS IN DEVELOPMENT TOWNS FULLY MAINTAINED BY THE JEWISH AGENCY. CHILDREN ARE KEPT ON A FULL-BOARD BASIS. THE EXPENDITURE INCLUDES SALARIES FOR INSTRUCTIONAL AND ADMINISTRATIVE STAFF, FOOD, CLOTHING, CULTURAL ACTIVITIES, EQUIPMENT AND FURNITURE. FURTHERMORE, THESE WERE PAYMENTS FOR THE JEWISH AGENCY'S PARTICIPATION IN THE EXPENDITURE OF OTHER VOLUNTARY INSTITUTIONS, ON THE BASIS OF AGREEMENTS. THE FIGURE SHOWN IS NET AFTER DEDUCTING VARIOUS PARTICIPATIONS FROM PARENTS, ETC.

3. SPECIAL MEDICAL SERVICES

BUDGET IL 1,185,910;

EXPENDITURE IL 1,234,963

THIS EXPENDITURE IS IN RESPECT OF CHILDREN IN THE CARE OF YOUTH ALIYAH FOR MEDICAL ADVICE, TRAVEL, INSPECTIONS, MEDICAL TREATMENT, HOSPITALIZATION AND SPECIAL TREATMENT FOR THOSE IN NEED THEREOF. ALSO INCLUDED ARE THE EMPLOYEES OF THE CLINIC UNIT OF THE JEWISH AGENCY AND SALARIES OF ADMINISTRATIVE STAFF DEALING WITH MEDICAL MATTERS.

4. YOUTH CLUBS IN IMMIGRANT TOWNS

BUDGET IL 441,800;

EXPENDITURE IL 738,183

THIS EXPENDITURE IS FOR SALARIES FOR JEWISH AGENCY YOUTH LEADERS, FOR WORKING MATERIALS, SPORTS AND GAMES, UPKEEP OF THE CLUBS, PLAYING FIELDS, READING MATERIAL, TOURS, PARTIES AND INSTRUCTION FOR VOCATIONAL GROUPS. THE CLUBS OWNED BY THE JEWISH AGENCY ARE SITUATED IN IMMIGRANT TOWNS FOR THE USE OF YOUTH IN THEIR LEISURE TIME.

5. SCHOLARSHIPS

BUDGET IL 280,990;

EXPENDITURE IL 303,453

THIS EXPENDITURE IS IN RESPECT OF SCHOLARSHIPS GRANTED TO YOUNG PEOPLE WHO UNDERTAKE ADVANCED STUDIES, AND FOR SALARIES (IL 28,927) OF STAFF WHO ADMINISTER THE SCHOLARSHIPS.

6. SPECIAL SERVICES FOR IMMIGRANT YOUTH IN ISRAEL

BUDGET IL 91,800;

EXPENDITURE IL 111,393

THESE ARE GRANTS TO YOUTH MOVEMENTS FOR CULTURAL ACTIVITIES AMONG YOUTH IN IMMIGRANT SETTLEMENTS FOR SEMINARS, COURSES, CONFERENCES AND YOUTH CAMPS.

7. PROCESSING OF IMMIGRANT YOUTH ABROAD

BUDGET IL 299,800;

EXPENDITURE IL 342,491

THESE ARE EXPENSES FOR PIONEER TRAINING, EDUCATIONAL AND CULTURAL ACTIVITIES IN COUNTRIES OF OPPRESSION, MAINLY FOR SALARIES OF FIELD PERSONNEL AND REPRESENTATIVES OF THE JEWISH AGENCY IN AFRICA AND ASIAN COUNTRIES.

8. DEPARTMENTAL ADMINISTRATION

BUDGET IL 246,500;

EXPENDITURE IL 516,531

THIS REPRESENTS SALARIES AND OTHER ADMINISTRATIVE EXPENSES OF THE HEAD OFFICE IN JERUSALEM, AS FOLLOWS:

	ISRAEL POUNDS
SALARIES	IL 777,332
ADMINISTRATIVE EXPENSES	984,499
	1,761,831
<u>L E S S</u> - AMOUNTS CHARGED TO OTHER ACTIVITIES	1,245,300
	IL 516,531

9. AID TO PARENTS

BUDGET IL 1,100;

EXPENDITURE IL 1,180

REPRESENTS A FUND FOR THE AID OF IMMIGRANTS WITH LARGE FAMILIES.

THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

ABSORPTION IN AGRICULTURAL SETTLEMENTS

1. NON-CAPITAL AID TO NEW IMMIGRANT FARMERS:

(A) PLANNING, ENGINEERING AND ADMINISTRATION SERVICES TO
NEW SETTLEMENTS - IRRIGATION, DRAINAGE, ETC.

BUDGET IL 12,746,000;

EXPENDITURE IL 13,407,145

THIS EXPENDITURE COMPRISES SALARIES, SOCIAL BENEFITS, TRAVEL AND UPKEEP OF EMPLOYEES' VEHICLES IN RESPECT OF THE TECHNICAL DEPARTMENT, INSTRUCTION AND ADMINISTRATIVE STAFF OF THE AGRICULTURAL SETTLEMENT DEPARTMENT OF THE JEWISH AGENCY (APPROXIMATELY 950 EMPLOYEES ARE INVOLVED).

(B) AGRICULTURAL EDUCATION AND TRAINING

BUDGET IL 180,000;

EXPENDITURE IL 188,652

THESE ARE PAYMENTS TO AGRICULTURAL SETTLEMENTS FOR REPAIRS AND RENOVATIONS IN SCHOOLS.

(C) MARKETING ASSISTANCE AND CROP SUBSIDIES

BUDGET IL 397,300;

EXPENDITURE IL 420,890

THESE ARE SUBSIDIES TO AGRICULTURAL SETTLEMENTS FOR CERTAIN CROPS, CHINCHILLA RAISING FARMS, AS WELL AS PAYMENTS FOR SORTING AND MARKETING OF AGRICULTURAL PRODUCTS OF NEW IMMIGRANT SETTLERS.

(D) CARE OF SOCIAL CASES IN VILLAGES

BUDGET IL 100,000;

EXPENDITURE IL 100,000

THESE ARE DIRECT GRANTS OR LOANS THROUGH FINANCIAL INSTITUTIONS TO SOCIAL CASES IN AGRICULTURAL SETTLEMENTS WHO ARE UNABLE TO SUPPORT THEMSELVES.

2. CAPITAL AID TO NEW IMMIGRANT FARMERS

(A) NEW CITRUS GROVES AND PARTICIPATION IN EXISTING GROVES

BUDGET IL 5,921,400;

EXPENDITURE IL 6,199,501

THIS EXPENDITURE IS FOR THE PLANTING OF NEW CITRUS GROVES AND THEIR DEVELOPMENT DURING THE INITIAL PERIOD. IT INCLUDES ALSO DIRECT EXPENDITURES FOR SALARIES, WAGES, MATERIALS, WATER, EQUIPMENT AND OTHER RELEVANT EXPENSES.

(B) KIBBUTZIM AND SETTLEMENTS

BUDGET IL 1,430,000;

EXPENDITURE IL 1,460,299

THIS EXPENDITURE IS FOR FARM BUILDINGS, PLANTATIONS AND WATER INSTALLATIONS.

3. RESEARCH

BUDGET IL 400,000;

EXPENDITURE IL 410,809

THIS EXPENDITURE IS IN RESPECT OF RESEARCH CONCERNING THE POSSIBILITIES OF SETTLEMENT IN VARIOUS AREAS AND EXPERIMENTATION IN AGRICULTURAL PRODUCTS.

AN AMOUNT OF IL 47,513 IS NOT PARTICIPATED IN BY UIA.

4. EDUCATIONAL AND CULTURAL ACTIVITIES AMONG NEW FARMERS

BUDGET IL 880,000;

EXPENDITURE IL 880,600

THIS CONSISTS OF EXPENDITURE FOR THE ESTABLISHMENT OF CULTURAL CENTERS. EXPENDITURE OF IL 113,400 WAS INCURRED ON UPGRADING THE SUB-STANDARD FACILITIES OF THE SETTLEMENTS.

5. EXPENDITURE IN EXISTING SETTLEMENTS:

(A) WATER PROJECTS

BUDGET IL 6,198,100;

EXPENDITURE IL 5,169,015
COMMITMENTS IL 2,250,698

THIS IS EXPENDITURE ON THE BUILDING AND UPKEEP OF WATER INSTALLATIONS, AND THE SINKING OF WELLS, INCLUDING IL 272,043 FOR REGIONAL WATER PROJECTS (EXCEPT FOR THOSE IMPLEMENTED BY "MEKOROT" WATER COMPANY LTD.).

(B) FARM BUILDINGS

BUDGET IL 4,500,000;

EXPENDITURE IL 6,070,064

THIS IS EXPENDITURE FOR THE ERECTION OF FARM BUILDINGS ON THATCHING, CATTLESHEDS, CHICKEN RUNS, ETC. THE GREATER PART WAS PAID DIRECTLY TO THE SETTLERS WHO PERFORMED THE WORK THEMSELVES.

(C) FRUIT ORCHARDS

BUDGET IL 2,087,500;

EXPENDITURE IL 5,097,008

THESE ARE DIRECT PAYMENTS FOR SALARIES, WAGES AND MATERIALS FOR NEW ORCHARDS OR IMPROVEMENT AND UPKEEP OF EXISTING ORCHARDS, MAINLY IN MOUNTAIN AND NEGEV AREAS.

(D) LIVESTOCK

BUDGET IL 2,700,000:

EXPENDITURE IL 2,835,679

THIS IS DIRECT EXPENDITURE ON THE ACQUISITION OF LIVESTOCK - CATTLE, POULTRY, SHEEP, ETC. ACQUISITIONS ARE EFFECTED BY THE EQUIPMENT AND SUPPLIES DEPARTMENT OF THE JEWISH AGENCY, DIRECTLY FROM VENDORS, AND ARE DELIVERED DIRECTLY TO THE SETTLERS.

(E) AGRICULTURAL TOOLS

BUDGET IL 900,000;

EXPENDITURE IL 1,279,522

THIS IS EXPENDITURE ON THE ACQUISITION OF AGRICULTURAL EQUIPMENT, SUCH AS MILKING MACHINES, TRACTORS, PRESSES, PICKING MACHINES AND COMBINES. PURCHASES ARE MADE BY THE EQUIPMENT AND SUPPLIES DEPARTMENT OF THE JEWISH AGENCY, AND ARE DELIVERED DIRECTLY TO THE SETTLERS.

(F) WORKING CAPITAL

BUDGET IL 1,599,000;

EXPENDITURE IL 1,540,205

THIS ITEM ALSO INCLUDES LOANS FOR ELECTRICITY INSTALLATION, INTERNAL ROADS AND OTHER AGRICULTURAL PROGRAMS; LOANS WERE ALSO GRANTED TO NEW SETTLERS IN EXISTING SETTLEMENTS.

6. REGIONAL SERVICES:

(A) TRACTOR STATIONS

BUDGET IL 1,650,000;

EXPENDITURE 5,916,517

THIS EXPENDITURE IS FOR ACTIVITIES PERFORMED BY A COMPANY, OWNED BY THE JEWISH AGENCY AND ESTABLISHED SOLELY FOR TRACTOR SERVICES. THE COMPANY WAS LIQUIDATED AND PAYMENTS WERE MADE MAINLY FOR SEVERANCE PAY TO EMPLOYEES.

(B) PACKING CENTERS

BUDGET IL 300,000;

EXPENDITURE IL 261,139

THESE ARE EXPENSES FOR THE ERECTION OF STOREHOUSES AND PACKING CENTERS FOR SORTING, PACKING AND STORAGE OF AGRICULTURAL PRODUCTS. THE WORK IS PERFORMED EITHER BY PRIVATE BUILDING CONTRACTORS OR BY THE CONTRACTORS OF THE SETTLEMENT ORGANIZATIONS, IN EACH CASE BY SPECIFIC ORDER FROM THE JEWISH AGENCY.

(c) STORAGE PLANTS

BUDGET IL 486,400;

EXPENDITURE IL 501,529

THIS EXPENDITURE IS FOR PARTICIPATION IN THE ERECTION OF COLD STORAGE PLANTS AND POULTRY ABATTOIRS FOR SETTLEMENTS.

(d) REGIONAL CENTERS

BUDGET IL 900,000

EXPENDITURE IL 534,782

COMMITMENTS IL 365,218

THESE AMOUNTS WERE EXPENDED FOR THE ERECTION OF HOUSING UNITS IN REGIONAL CENTERS.

(e) PROVISION OF ELECTRIC CURRENT

BUDGET IL 300,000;

EXPENDITURE IL 393,202

THESE ARE PAYMENTS TO THE ISRAEL ELECTRIC COMPANY LTD., FOR CONNECTING SETTLEMENTS TO THE NATIONAL ELECTRICITY NETWORK AND ALSO FOR RENOVATION OF ELECTRICAL INSTALLATIONS IN SETTLEMENTS.

(f) FARM ROADS

BUDGET IL 539,100;

EXPENDITURE IL 436,763

THIS EXPENDITURE IS FOR PARTICIPATION IN PAYMENTS TO CONTRACTORS FOR THE BUILDING OF ROADS LEADING FROM THE HIGHWAY TO THE SETTLEMENTS AND FOR INTERNAL ROADS.

7. ESTABLISHMENT OF NEW SETTLEMENTS

BUDGET IL 8,295,000;

EXPENDITURE IL 5,616,058

COMMITMENTS IL 2,678,942

THESE ARE EXPENSES PAID TO CONTRACTORS AND SUPPLIERS FOR THE ESTABLISHMENT OF NEW SETTLEMENTS OR ADDITIONAL EXPENDITURES FOR SETTLEMENTS ON WHICH WORK WAS BEGUN IN PRIOR YEARS. THESE SETTLEMENTS ARE WITHIN THE PRE-JUNE 5, 1967 BORDERS.

THE EXPENDITURE INCLUDES AMELIORATION OF LAND, ERECTION OF FARM BUILDINGS, WATER INSTALLATION, PLANTATIONS AND ORCHARDS, LIVESTOCK, EQUIPMENT AND WORKING CAPITAL. OF THIS EXPENDITURE, AN AMOUNT OF IL 1,300,000 WAS AN ALLOCATION FOR THE ADMINISTRATION EXPENSES OF THE AGRICULTURAL SETTLEMENT DEPARTMENT OF THE JEWISH AGENCY.

8. REGIONAL WATER PROJECTS

BUDGET IL 15,000,000;

EXPENDITURE IL 14,235,000

COMMITMENTS IL 865,000

THE ABOVE-STATED AMOUNT OF IL 14,235,000 WAS PAID TO THE "MEKOROT" WATER COMPANY LTD., FOR THE FOLLOWING:

AN ADVANCE OF IL 12,000,000 (ON ACCOUNT OF A TOTAL LOAN OF IL 15,000,000) FOR THE PURPOSE OF ENABLING "MEKOROT" TO PERFORM THE NECESSARY IMPROVEMENTS IN ITS PLANNED SUPPLY OF WATER TO SETTLEMENTS, (ACCORDING TO A LIST ANNEXED TO THE AGREEMENT BETWEEN THE JEWISH AGENCY, AS REPRESENTING UIA, AND THE "MEKOROT" WATER COMPANY LTD.) WHICH ARE NOT YET ECONOMICALLY VIABLE.

AN AMOUNT OF IL 2,135,000 WAS PAID TO THE "MEKOROT" WATER COMPANY LTD., FOR EXPANSION AND RENOVATION OF WATER INSTALLATIONS IN SETTLEMENTS.

THE REMAINDER OF IL 100,000 IS EXPENDITURE IN WHICH UIA DOES NOT PARTICIPATE.

9. FINAL CONSOLIDATION OF EXISTING AGRICULTURAL SETTLEMENTS

BUDGET IL 11,039,200; EXPENDITURE IL 8,156,481
COMMITMENTS IL 2,882,719

THESE ARE PAYMENTS TO COVER THE EXPENDITURE ON FARM BUILDINGS, MACHINERY, LIVESTOCK, CITRUS PLANTATIONS, FARMING TOOLS, ETC., OF EXISTING SETTLEMENTS IN THE FINAL STAGES OF ATTAINING ECONOMIC STABILITY.

10. HOUSING IN AGRICULTURAL SETTLEMENTS

(A) ADDITIONAL HOUSING, REHOUSING AND REHABILITATION AND NEW HOUSING IN NEW SETTLEMENTS

BUDGET IL 58,900,000; EXPENDITURE IL 49,963,756
COMMITMENTS IL 8,936,244

THIS AMOUNT WAS PAID TO THE MINISTRY OF HOUSING ON ACCOUNT OF A TOTAL OF IL 55,515,284 ACCORDING TO THE AGREEMENT BETWEEN THE MINISTRY OF HOUSING AND THE UIA (REPRESENTED BY THE JEWISH AGENCY) FOR THE BUILDING AND RENOVATION OF HOUSES IN SETTLEMENTS STILL IN THE CARE OF THE AGRICULTURAL DEPARTMENT OF THE JEWISH AGENCY. ACCORDING TO THE CONTRACT THERE IS A COMMITMENT TO PAY THE OUTSTANDING 10% UPON THE SATISFACTORY COMPLETION OF THE HOUSES AND THEIR TRANSFER TO THE AGRICULTURAL SETTLEMENT DEPARTMENT OF THE JEWISH AGENCY.

(B) ADDITIONAL ROOMS FOR OVERCROWDED HOUSES IN SETTLEMENTS

BUDGET IL 5,499,000; EXPENDITURE IL 2,775,000
COMMITMENTS IL 2,724,000

THIS AMOUNT WAS PAID TO THE MINISTRY OF HOUSING ON ACCOUNT OF A TOTAL OF IL 9,250,000 ACCORDING TO THE SAME AGREEMENT MENTIONED IN (A) ABOVE FOR THE BUILDING OF ADDITIONAL ROOMS FOR OVERCROWDED HOUSES IN SETTLEMENTS (MOSHAVIM). IN THIS CASE THE OUTSTANDING COMMITMENT IS 70%.

(c) LAND AMELIORATION AND DEVELOPMENT

BUDGET IL. 18,000,000;

EXPENDITURE IL. 11,750,000
COMMITMENTS IL. 6,250,000

THIS IS A GRANT TO THE JEWISH NATIONAL FUND FOR EFFECTING LAND AMELIORATION AND DEVELOPMENT. A DETAILED REPORT ON THE UTILIZATION OF THE AMOUNT ALLOCATED IS BEING PREPARED BY THE JEWISH NATIONAL FUND AND WILL SHORTLY BE SUBMITTED.



THE JEWISH AGENCY FOR ISRAEL
JERUSALEM
IMMIGRANT HOUSING

I. NEW HOUSING FOR IMMIGRANTS AND REHOUSING IN DEVELOPMENT TOWNS

BUDGET IL 67,950,000;

EXPENDITURE IL 45,595,500
COMMITMENTS IL 22,354,500

THE ACTUAL EXPENDITURE SHOWN ABOVE REPRESENTS PAYMENT TO THE MINISTRY OF FINANCE IN RESPECT OF THE LEASING OF 2,941 HOUSING UNITS, BUILT BY THE MINISTRY OF HOUSING. THE LEASE IS FOR A PERIOD OF 49 YEARS WITH AN OPTION OF RENEWAL FOR A FURTHER PERIOD OF 49 YEARS, SUBJECT TO CERTAIN TERMS.

ACCORDING TO THIS LEASE AGREEMENT, WITH REGARD TO APARTMENTS ALREADY OCCUPIED BY TENANTS AND IN RESPECT OF WHICH AN AGREEMENT HAS BEEN SIGNED BETWEEN THE TENANT AND "AMIDAR" NATIONAL COMPANY FOR IMMIGRANT HOUSING IN ISRAEL LTD. (THE MANAGING AGENT OF THE MINISTRY OF HOUSING), SUCH AGREEMENTS WILL BE TRANSFERRED INTO THE NAME OF UIA. AN ADDITIONAL AGREEMENT WAS SIGNED BETWEEN UIA AND "AMIDAR" PROVIDING FOR THE CONTINUATION OF "AMIDAR" AS THE MANAGING AGENT OF THE UIA.

A FURTHER AMOUNT OF IL 2,400,000 WILL BECOME PAYABLE TO THE MINISTRY OF FINANCE SUBJECT TO THE FULFILMENT BY THE LESSOR OF ALL THE TERMS OF THE AGREEMENT.

THE TERMS AND CONDITIONS FOR SELLING HOUSES TO NEEDY PERSONS ARE TO BE UNDER THE CONTROL OF THE JEWISH AGENCY, AND SPECIAL UIA AUTHORIZATION IS REQUIRED BY "AMIDAR" BEFORE A HOUSE IS SOLD.

THE TERMS OF THE CONTRACT WHICH "AMIDAR" SIGNS WITH THE TENANTS, AND THE PAYMENT OF RENT ARE APPROVED IN ADVANCE BY THE UIA THROUGH ITS AGENTS, THE JEWISH AGENCY.

LAND REGISTRATION OF THE PURCHASED UNITS IN NAME OF UIA HAS NOT YET BEEN EFFECTED. HOWEVER, UNDER CLAUSE 9 OF THE LETTER OF UNDERTAKING OF THE ISRAEL LAND BOARD TO THE UIA DATED JUNE 17, 1968, UIA MAY TAKE ALL THE NECESSARY STEPS TO REGISTER THE PROPERTIES IN THE LAND REGISTRY IN THE NAME OF UIA.

A SECOND AGREEMENT WAS SIGNED BETWEEN THE JEWISH AGENCY (REPRESENTING THE UIA) AND THE GOVERNMENT, FOR LEASING AN ADDITIONAL 1,180 UNITS ON THE SAME TERMS FOR A PAYMENT OF IL 23,300,684. THE COMMITMENT STATED ABOVE RELATES TO THIS AGREEMENT.

2. RENT SUBSIDIES FOR IMMIGRANTS

BUDGET IL 18,000,000;

EXPENDITURE IL 50,908,482

THE PAYMENTS WERE MADE TO "AMIDAR" ACCORDING TO AN AGREEMENT SIGNED BETWEEN THE JEWISH AGENCY AND "AMIDAR". THE AGREEMENT PROVIDES FOR PAYMENT OF IL 1,000 PER YEAR (OR A PRO RATA AMOUNT FOR PART OF A YEAR) IN RESPECT OF NEEDY TENANTS. PAYMENTS ARE MADE ACCORDING TO LISTS, DETAILING NAMES OF TENANTS AND DISTRICTS, AND ARE AUTHORIZED BY THE IMMIGRATION AND ABSORPTION DEPARTMENT.

AN ADDITIONAL AMOUNT OF IL 32,472,463 IS NOT PARTICIPATED IN BY UIA.

3. RENTAL PAYMENTS

BUDGET IL 12,833,000;

EXPENDITURE IL 12,988,616

THIS EXPENDITURE IS FOR RENTS PAID TO FOUR AMERICAN COMPANIES OWNING HOUSING IN ISRAEL, APART FROM AN AMOUNT OF IL 145,991, PAID FOR SALARIES OF PERSONS EMPLOYED IN SUPERVISING THE BUILDINGS AND FOR INSURANCE AND MAINTENANCE OF THE BUILDINGS. APPROXIMATELY IL 250,000 IS RECEIVED ANNUALLY FROM THE TENANTS IN THE FORM OF RENTS.

4. GRANTS AND LOANS TO IMMIGRANTS FOR HOUSING PURPOSES

BUDGET IL 2,326,000;

EXPENDITURE IL 2,932,202

THE PAYMENTS ARE GRANTS AND LOANS MADE TO IMMIGRANTS FOR HOUSING PURPOSES, EITHER AS A DIRECT PAYMENT OR AS A LOAN FROM JOINT FUNDS PROVIDED BY THE JEWISH AGENCY AND VARIOUS BANKS.

THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

ADMINISTRATION

BUDGET IL 4,500,000;

EXPENDITURE IL 6,340,361

THESE ARE GENERAL ADMINISTRATION EXPENSES OF THE OFFICES IN ISRAEL INCLUDING PERSONNEL DEPARTMENT, SECRETARIAT AND FINANCIAL DEPARTMENT, DETAILED AS FOLLOWS:

	<u>ISRAEL POUNDS</u>
SALARIES AND SOCIAL BENEFITS	IL 6,048,475
OPERATIONAL EXPENDITURE OF THE FINANCIAL DEPARTMENT	1,087,043
OPERATIONAL EXPENDITURE OF VISITORS BUREAU	127,961
TRAVEL AND UPKEEP OF VEHICLES	342,199
STATIONERY AND OFFICE SUPPLIES	104,113
UPKEEP OF OFFICES	544,582
POSTAGE, TELEPHONE AND CABLES	361,710
RENOVATION AND ACQUISITION OF OFFICE FURNITURE AND EQUIPMENT	14,215
MISCELLANEOUS	<u>21,132</u>
	8,651,430
<u>L E S S</u> - PARTICIPATION BY OTHER JEWISH AGENCY DEPARTMENTS, WORLD ZIONIST ORGANIZATION AND OTHER ORGANIZATIONS (NET)	<u>2,311,069</u>
<u>T O T A L</u>	IL 6,340,361 *****

THE JEWISH AGENCY FOR ISRAEL

JERUSALEM

SPECIAL PROJECTS

BUDGET IL 348,000;

EXPENDITURE IL 490,584

THIS IS EXPENDITURE FROM EARMARKED INCOME FOR A NUMBER OF SPECIAL PROJECTS, AS FOLLOWS:

	<u>ISRAEL POUNDS</u>
SCHOOL FOR MALADJUSTED CHILDREN, NETANYA	IL 15,000
SEMINARY IN SDE BOKER	96,060
JAMES FLEET CONTRIBUTION - JERUSALEM SOCIETY	64,160
FOR RENOVATION OF SCHOOL IN THE CITY OF TIBERIAS USED BY IMMIGRANTS	5,000
YOUTH CLUB IN BEER SHEBA	15,000
ORPHANAGE "SHMUEL LEPAP"	22,495
MEMORIAL TO THE JEWS OF LODZ	35,931
RELIGIOUS YOUTH VILLAGE	30,000
RELIGIOUS JEWISH EDUCATION IN ENGLAND	15,000
LIBRARY IN MABUIM SCHOOL	15,000
YOUTH CULTURAL CENTERS IN GIVAT YESHAYAHU AND SRIGIM	175,000
OTHER	<u>1,938</u>
<u>TOTAL</u>	IL 490,584 =====

UNITED ISRAEL APPEAL, INC.
 BUDGET ALLOCATIONS FOR THE YEAR
APRIL 1, 1969 - MARCH 31, 1969

<u>Item</u>	<u>Global Jewish Agency Budget</u>	<u>1969 - 1970 UIA Allocations</u>	<u>1968 - 1969 Commitments</u>	<u>Total Allocations and Commitments</u>	<u>Jewish Agency Expenditures on Behalf of UIA 4/1/69 - 10/31/69</u>
I Immigration and Absorption	\$ 13,961,025.00	\$ 11,295,000.00	\$ -	\$ 11,295,000.00	\$ 6,667,703.00
II Social Welfare Services	19,086,058.00	14,226,000.00	526,794.00	14,752,794.00	9,576,567.00
III Health Services	15,088,000.00	10,400,000.00	-	10,400,000.00	5,592,550.00
IV Education	20,872,457.00	9,210,000.00	2,590,998.00	11,800,998.00	10,213,666.00
V Institutions of Higher Learning	48,431,802.00	31,700,000.00	2,109,304.00	33,809,304.00	30,961,348.00
VI Youth Care and Training	5,019,857.00	1,401,000.00	-	1,401,000.00	951,719.00
VII Absorption in Agricultural Settlements	34,672,925.00	22,160,000.00	2,334,926.00	24,494,926.00	9,211,415.00
VIII Immigrant Housing	95,980,243.00	17,108,000.00	386,805.00	17,494,805.00	2,465,273.00
IX Administration	<u>3,310,032.00</u>	<u>2,500,000.00</u>	<u>-</u>	<u>2,500,000.00</u>	<u>2,393,508.00</u>
TOTALS	<u>\$256,422,399.00</u>	<u>\$120,000,000.00</u>	<u>\$7,948,827.00</u>	<u>\$127,948,827.00</u>	<u>\$78,033,749.00</u>

December 3, 1969

UNITED ISRAEL APPEAL, INC.
515 Park Avenue
New York, New York 10022

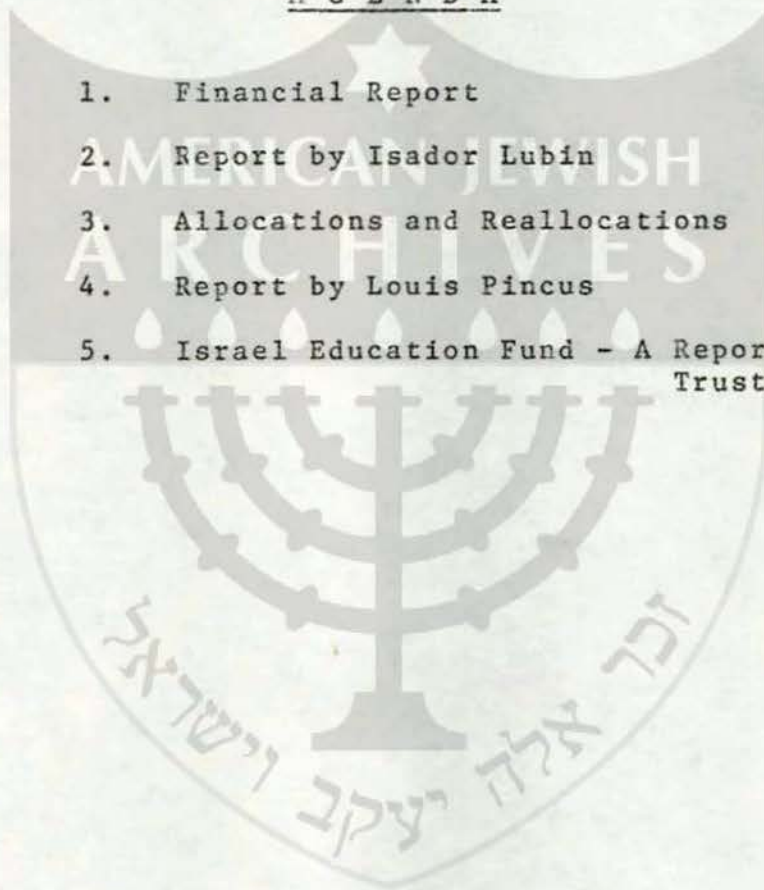
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MEETING OF THE BOARD OF DIRECTORS
of the
United Israel Appeal, Inc.

MAY 9, 1969 - 11 A.M.

A G E N D A

1. Financial Report
2. Report by Isador Lubin
3. Allocations and Reallocations
4. Report by Louis Pincus
5. Israel Education Fund - A Report on our Trusteeship





COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.

NATIONAL OFFICE: 315 PARK AVENUE SOUTH, NEW YORK, NEW YORK 10010

TELEPHONE: AREA CODE 212, 673-8200
CABLE: COUNCILFED, NEW YORK

WIA

September 9, 1969

Senator Peter H. Dominick
Senate Office Building
Washington, D. C.

Dear Senator:

As I wrote you, I greatly appreciate your sending me the pamphlet, "Is The Message In The Image?", and the following are the basic facts in response to your request, developed through the continuing studies we have been making over many years. These studies include examination of the financial reports of the United Jewish Appeal and United Israel Appeal, and budget information and consultation discussions with their officials. The facts as we know them are quite contrary to the impressions the pamphlet seeks to convey:

1. The funds received by the United Jewish Appeal and transmitted by it to the United Israel Appeal for use in Israel are utilized entirely for welfare, health, educational, housing, and vocational needs of refugees and other needy immigrants.

2. In the reports we issue regularly to our Jewish Community Federations and Welfare Funds, we have reported the expenditures for these refugees and immigrants as follows:

EXPENDITURES OF THE UNITED ISRAEL APPEAL, INC.
Years Ending March 31
(in thousands of dollars)

	<u>1967-68</u>
Immigration & Absorption	\$ 6,442
Other Social Welfare Services	9,207
Health Services	20,737
Settlement of Immigrants in Agriculture	53,649
Housing	33,703
Youth Care	3,366
Higher Education	33,973
Education	20,749
Administration in America & Israel	<u>1,616</u>
TOTAL	\$183,442

PRESIDENT
LOUIS J. FOX, BALTIMORE

VICE-PRESIDENTS
IRVING BLUM, BALTIMORE
MORRIS GLASSER, CHICAGO
LAWRENCE E. IRELL, LOS ANGELES
MORRIS L. LEVINSON, NEW YORK
IRVING W. RABB, BOSTON
HYMAN SAFRAN, DETROIT
SAMUEL J. SILBERMAN, NEW YORK
RAY D. WOLFE, TORONTO

SECRETARY
MRS. JOSEPH COHEN, NEW ORLEANS

TREASURER
EDWIN ROSENBERG, NEW YORK

EXECUTIVE VICE-PRESIDENT
PHILIP BERNSTEIN



Senator Peter H. Dominick

-2-

September 9, 1969

3. As a result of our studies we have further reported to our community organizations:

"Complete responsibility for the use of the American Jewish philanthropic funds provided by Federations to the UIA through the UJA for needs in Israel is centered in the United States.

"The UIA utilizes American staff appointed by and responsible to itself (stationed in Israel) in order to assure American supervision and control of the expenditures for specific programs in resettlement, absorption of immigrants and related service for which it assumes responsibility for financing."

4. We have been informed periodically by the United Israel Appeal over the past several years that the Internal Revenue Service has thoroughly investigated its activities and flow of funds, and similar investigations have been made of the United Jewish Appeal.

5. The United Israel Appeal is an autonomous American corporation, under American control.

6. The United Israel Appeal is not part of the World Zionist Organization nor of the Jewish Agency.

7. The United Jewish Appeal is not a "foreign agent" -- nor is the UIA.

8. The Jewish Agency for Israel-Jerusalem, is the operating agent for the United Israel Appeal in Israel to carry out the humanitarian services financed by the United Israel Appeal, under the supervision and control of the United Israel Appeal in accordance with the provisions of the contract between the two organizations and the specific instructions of the United Israel Appeal. The control of the American funds is in the American body, the United Israel Appeal.

9. The United Israel Appeal and United Jewish Appeal have made available continuing and detailed disclosure of their finances and activities.

I trust that the above will be helpful to you. Again, with appreciation for your inquiry.

Sincerely yours,

PHILIP BERNSTEIN
Executive Vice-President

PB:fk



GREEN, STROCKER & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

SIDNEY S. GREEN (C. P. A.)
STANLEY STROCKER (C. P. A.)
HAROLD L. KRAMER (C. P. A.)
JACOB SHAMPAIN (C. P. A.)
AARON J. ELIACH (C. P. A.)

850 THIRD AVENUE
NEW YORK, N. Y. 10022
PLAZA 2-5430

CABLE ADDRESS: GRENSTROCK NEW YORK

November 20, 1969

The Board of Directors
United Israel Appeal, Inc.
515 Park Avenue
New York, New York 10022

We have examined the consolidated statement of assets, liabilities and estimated reserves of the United Israel Appeal, Inc., as at September 30, 1969, and the related consolidated statements of income and expenditures and changes in fund balances for the six months then ended.

Our examination was made in accordance with generally accepted auditing standards, except that the scope of our examination, for this interim report, did not include the independent verification of the Corporation's assets and liabilities. We are, therefore, at this time, unable to express an opinion on the accompanying statements.

At the close of the year, we will complete our examination and render an opinion on the financial position of the Corporation, and the results of its operations for the year.

Green, Strocker & Company

Certified Public Accountants

UNITED ISRAEL APPEAL, INC.

CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES AND ESTIMATED RESERVES

SEPTEMBER 30, 1969

	General Fund	Earmarked Funds	
		Israel Education Fund	Greenberg Estate Fund
<u>ASSETS</u>			
Cash in banks and on hand	\$ 919,585	\$ 3,076	\$ 12,278
Cash in banks in Israel			
Less: Funds committed for programs in Israel	\$1,217,837 <u>1,217,837</u>		
Investments (Note 2)	-	-	-
State of Israel Bonds in process of conversion to Israel pounds for the use of the Corporation's programs in Israel	4,785,215	620,000	-
Receivables	203,930	141,570	-
Accrued interest receivable on investment	-	8,502	-
Miscellaneous securities and investments (Note 3)	48,500	12,448	-
Prepaid expenses and deferred charges	18,970	-	-
Real estate	\$2,635,455		
Less: Mortgage payable (Note 4)	<u>1,442,075</u>		
Furniture, equipment and automobile	\$ 135,029		
Less: Estimated allowance for depreciation (to March 31, 1969)	<u>105,091</u>		
Amounts advanced out of Israel Education Fund (Note 5)	29,938	-	-
Housing project in Israel (Note 5)	-	13,617,494	-
	<u>-</u>	<u>-</u>	<u>450,200</u>
<u>Total Assets (Net of Mortgage on Real Estate)</u>	<u>\$ 7,199,518</u>	<u>\$14,403,090</u>	<u>\$462,478</u>
<u>LIABILITIES AND ESTIMATED RESERVES</u>			
Notes payable (Note 6)	\$ 40,355,713	\$ -	\$ -
Accrued interest on notes payable	924,820	-	-
Accounts payable, expenses accrued, etc.	52,436	1,945	-
Rental security deposits - Israel housing	231,055	-	-
Estimated reserves - severance and vacation (Note 7)	165,440	-	-
<u>Total Liabilities and Estimated Reserves</u>	<u>\$ 41,729,464</u>	<u>\$ 1,945</u>	<u>\$ -</u>
Fund Balances -		\$14,401,145	\$462,478
<u>(Deficit in Fund Balance) -</u>	<u>\$(34,529,946)</u>		
<u>(Exhibit C)</u>			

The accompanying notes are an integral part of this statement.
This report is issued without opinion - see letter of transmittal.

UNITED ISRAEL APPEAL, INC.
CONSOLIDATED STATEMENT OF INCOME AND EXPENDITURES

	<u>SIX MONTHS ENDED SEPTEMBER 30, 1969</u>			<u>SIX MONTHS ENDED SEPTEMBER 30, 1968</u>		
	<u>General Fund</u>	<u>Earmarked Funds</u>		<u>General Fund</u>	<u>Earmarked Funds</u>	
		<u>Israel Education Fund</u>	<u>Greenberg Estate Fund</u>		<u>Israel Education Fund</u>	<u>Greenberg Estate Fund</u>
<u>Income</u>						
United Jewish Appeal, Inc.	\$62,399,329	\$ -	\$ -	\$51,291,616	\$ -	\$ -
Israel Education Fund	-	1,584,425	-	-	510,134	-
Bequests and other sundry income	70,652	-	-	2,000	-	-
Interest and dividend income	24,366	15,260	-	98,594	-	-
<u>Total Income</u>	<u>\$62,494,347</u>	<u>\$1,599,685</u>	<u>\$ -</u>	<u>\$51,392,210</u>	<u>\$510,134</u>	<u>\$ -</u>
<u>Expenditures and Commitments</u>						
Interest on \$50,000,000 borrowing	\$ 1,115,848	\$ -	\$ -	\$ 1,134,720	\$ -	\$ -
On account of allocations for operations in Israel	\$57,277,920	-	-	\$59,187,991	-	-
Less: Portion of funds allocated which were included in the funds committed for programs in Israel at beginning of year	(301,824)	-	-	(11,487,500)	-	-
Additional funds committed for programs in Israel	56,976,096	-	-	47,700,491	-	-
General and administrative expenses	1,217,837	-	-	239,446	-	-
	186,269	-	-	136,842	-	-
<u>Total Expenditures and Commitments</u>	<u>\$59,496,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$49,211,499</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Excess of Income Over Expenditures and Commitments</u>	<u>\$ 2,998,297</u>	<u>\$1,599,685</u>	<u>\$ -</u>	<u>\$ 2,180,711</u>	<u>\$510,134</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.
This report is issued without opinion - see letter of transmittal.

UNITED ISRAEL APPEAL, INC.

CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES

	<u>SIX MONTHS ENDED SEPTEMBER 30, 1969</u>			<u>SIX MONTHS ENDED SEPTEMBER 30, 1968</u>		
	<u>General Fund</u>	<u>Earmarked Funds</u>		<u>General Fund</u>	<u>Earmarked Funds</u>	
		<u>Israel Education Fund</u>	<u>Greenberg Estate Fund</u>		<u>Israel Education Fund</u>	<u>Greenberg Estate Fund</u>
<u>(Deficit in Fund Balances) -</u>	<u>\$(37,528,243)</u>			<u>\$(42,205,854)</u>		
<u>Fund Balances -</u>						
<u>Beginning of Period</u>		\$12,801,460	\$462,478		\$10,753,653	\$463,457
Add: Excess of income over expenditures and commitments (Exhibit B)	2,998,297	1,599,685	-	2,180,711	510,134	-
<u>(Deficit in Fund Balances) -</u>	<u>\$(34,529,946)</u>			<u>\$(40,025,143)</u>		
<u>Fund Balances -</u>						
<u>End of Period</u>		\$14,401,145	\$462,478		\$11,263,787	\$463,457
<u>(Exhibit A)</u>						

The accompanying notes are an integral part of this statement.
This report is issued without opinion - see letter of transmittal.

UNITED ISRAEL APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1969

Note 1 - The attached statements have been prepared on the following bases:

- (a) Income from campaigns and contributions has been taken into account when received.
- (b) Expenditures have been reflected on the accrual basis.

In accordance with (a) above, the accompanying statements do not reflect, as a reduction of income, any amounts expended by the United Jewish Appeal, Inc., during the six months ended September 30, 1969, in connection with the Israel Education Fund Project. The United Jewish Appeal, Inc., had expended approximately \$78,875 for this purpose, no part of which had been charged to your organization.

Note 2 - Investments of Israel Education Fund consist of the following:

Commercial paper maturing October 6, 1969	\$220,000
Time deposits maturing on various dates between November 12, 1969 and May 13, 1973	<u>400,000</u>
	<u>\$620,000</u>

Note 3 - Miscellaneous securities and investments are reflected at cost or contributed value.

Note 4 - It has not been your Corporation's policy to charge its operations for depreciation of its improved real estate. Such real estate is reflected on the attached statement of assets, liabilities and estimated reserves, at cost, without reduction for estimated allowance for depreciation.

The mortgage is payable in constant quarterly installments of \$34,850, which include interest at the rate of 5 3/8% per annum. The mortgage matures November 1, 1984.

Note 5 - The attached statements reflect separately the earmarked funds of the Israel Education Fund and Greenberg Estate Fund.

Israel Education Fund

To September 30, 1969, the Corporation had advanced \$13,617,494 to The Jewish Agency for Israel - Israel Education Fund, in accordance with the purpose of the contributions to the Fund (erecting and equipping of schools, libraries, etc., and funding of scholarships). The schools, libraries, etc., erected are to be owned by your Corporation. Whenever feasible, only the income from the endowment of scholarship funds is to be used. Since the projects are still in process of construction, and all costs have not been incurred, the amounts transferred have been

UNITED ISRAEL APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1969

Note 5 - (Continued)

reflected as an advance on the accompanying statement of assets, liabilities and estimated reserves.

Greenberg Estate Fund

The project in Israel consists of 72 apartments built in accordance with the terms of the bequest of Samuel Greenberg.

Note 6 - The notes payable represent the balance outstanding on the \$50,000,000 borrowing. The loan is repayable in constant semi-annual installments of \$2,469,221, which installments include interest at the rate of 5 1/2% per annum. The final installment is due on May 1, 1980.

Under the terms of the \$50,000,000 loan, your Corporation has agreed that: it will not have outstanding long-term debt or guarantees in excess of \$75,000,000 (as defined in the agreement); it will not have any short-term debt outstanding during a period of twelve consecutive months in excess of \$10,000,000; and it will not have more than \$1,000,000 of short-term debt outstanding for a period of forty-five consecutive days in any period of twelve consecutive months. The Corporation has further agreed; to a limitation on its power of guaranty and pledging of its assets; to a ceiling of \$10,000,000 per annum for payment of interest, principal and rental with respect to long-term debts and certain rental payments for housing in Israel; and that it will not have outstanding or create any debts ranking senior to the notes representing the instant loan.

Note 7 - At September 30, 1969, certain individuals, for technical reasons (over-age, etc.), could not be covered under the Corporation's regular employees' retirement plan, nor had they been covered by other means. Accordingly, your management has retained the balance of the "Estimated reserve - severance and vacation" in reduced amount of \$165,440.

Your Corporation has agreed to reimburse the Jewish Telegraphic Agency, Inc., for payments made, or to be made, by them against severance accruable to certain of their employees at March 31, 1960. At that date, the relationship of parent (The Jewish Agency for Israel, Inc., predecessor of the United Israel Appeal, Inc.) and subsidiary (the Jewish Telegraphic Agency, Inc.) terminated. The maximum of payments required to be made under the agreement has been calculated at \$134,231, against which \$42,310 had been paid at September 30, 1969. The payments made to September 30, 1969 were charged against allocations, and any future payments will be provided from current income.

UNITED ISRAEL APPEAL, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 1969

Note 8 - At September 30, 1969, your Corporation was contingently liable on guarantees, which are not reflected on the accompanying statement of assets, liabilities and estimated reserves, as follows: - \$16,725,000 - composed of \$2,325,000, \$2,550,000, \$5,700,000 and \$6,150,000, representing the unpaid face amount of notes issued by American Associates, Inc., United Associates, Inc., Intercontinental Associates, Inc., and Atlantic Associates, Inc., respectively.

Your Corporation, by instruments dated May 7, 1962, February 26, 1963, December 16, 1963 and November 23, 1964, guaranteed the principal, interest and premiums, if any, payable on the notes referred to above, and agreed to certain limitations concerning its borrowing and guarantee powers.

Your Corporation had loaned \$534,000 to American Associates, Inc., in order to provide a reserve fund required under the terms of a subordinated loan agreement dated April 30, 1962. The advances had been charged to "Expenditures on account of allocations for operations in Israel." A new subordinated loan agreement, dated February 12, 1969, terminated the reserve fund established under the prior agreement, and authorized the refund of the reserve fund to American Associates, Inc. Under the terms of the new agreement, in the event the United Israel Appeal, Inc., fails to renew its Allocation Agreement, the American Associates, Inc., may be required to establish a reserve fund, and United Israel Appeal, Inc., has agreed to provide sufficient funds for this purpose.

Your Corporation has agreed to lend to United Associates, Inc. such sums as may be required to provide and maintain the reserve fund provided for in the Senior Notes, and to Intercontinental Associates, Inc., and Atlantic Associates, Inc., the sum of \$600,000 plus interest, each, under the terms of the subordinated loan agreements dated March 6, 1963, December 18, 1963 and November 25, 1964, respectively.

Your Corporation has entered into net net leases with American Associates, Inc., United Associates, Inc., Intercontinental Associates, Inc., and Atlantic Associates, Inc., on May 8, 1962, March 6, 1963, December 18, 1963 and November 25, 1964, respectively, covering certain real property in Israel for the periods from May 8, 1962 through April 30, 1982, March 6, 1963 through February 28, 1983, December 18, 1963 through December 31, 1983, and November 25, 1964 through November 30, 1984.

The operating agent of the properties covered by the leases referred to above has been receiving rents from subsidized tenants (newly-arrived immigrants) and has rendered accountings through June 30, 1969.

UNITED ISRAEL APPEAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1969

Note 9 - The attached statements have been prepared by consolidating the records of the United Israel Appeal, Inc., and those of the Agency Holding Corp., a wholly-owned subsidiary.



UNITED ISRAEL APPEAL, INC.
 RECEIPTS AND DISBURSEMENTS
4/1/69 through 11/30/69

11/30/69
 Table I
 (Unaudited Report)

Balance 4/1/69		
Cash-Bonds in Bank and on Hand		\$4,088,267.36
Dollar Accounts in Israel		<u>301,824.08</u>
		\$4,390,091.44

Received from UJA

Cash

Campaign Funds All Years	\$25,117,246.28	
Emergency Funds	<u>46,752,538.17</u>	
		\$71,869,784.45

Bonds

Campaign Funds	4,513,075.50	
Due J. D. C.	<u>1,147,333.84</u>	
UIA Share Campaign Funds	3,365,741.66	
Emergency Fund Bonds	<u>3,534,581.50</u>	
Total UIA Share of Bonds		6,900,323.16

Direct Remittances and Charges

Campaign	50,585.32	
Emergency	<u>6,196.44</u>	
		56,781.76

Total		78,826,889.37
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Rent Proceeds from Associate Companies		126,499.98
--	--	------------

Other Income

Interest and Dividends	31,061.43	
Contributions	64,500.00	
Bequests	6,152.51	
Miscellaneous	<u>14,125.99</u>	
		<u>115,839.93</u>

Total		<u>79,069,229.28</u>
-------	--	----------------------

Total		\$83,459,320.72
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Disbursements

We remitted to JAFI Jerusalem

Direct Cash	69,541,899.42
Direct Remittances	317,201.03
Payments for Associate Housing	2,510,650.00
Conversion Costs	286,103.12
Building Expenses	160,990.03
Activities in Jerusalem	
AID Expenses	(22,781.93)
Palmon Expense	<u>96.00</u>

\$72,803,651.42

UNITED ISRAEL APPEAL, INC.
RECEIPTS AND DISBURSEMENTS
4/1/69 through 11/30/69

(Continued)

Payments on \$50 M. Loan	\$4,938,442.00	
Principal and Interest	-	
Administrative Expenses	295,505.97	
Exchange Account	(6,799.43)	
Amortization of Mortgage	45,803.63	
Accrued Expenses at 3/31/69	<u>43,407.70</u>	
TOTAL		<u>\$78,120,011.29</u>
Balance 11/30/69		\$ 5,339,309.43
Cash	\$1,084,257.18	
Dollar Accounts in Israel	1,070,818.95	
Bonds - UIA Share	3,183,423.04	
Travelers Checks	500.00	
Foreign Exchange	<u>310.26</u>	
		\$5,339,309.43

UNITED ISRAEL APPEAL, INC.
 Analysis of UJA Income
4/1/69 through 3/31/70

11/30/69
 Table II
 (Unaudited Report)

	<u>Received</u> <u>4/1/69-11/30/69</u>	<u>Anticipated</u> <u>12/1/69-3/31/70</u>	<u>Total</u>
Regular Campaigns			
All Years	\$ 28,533,573.26	\$17,363,000.00	\$ 45,896,573.26
1967 Emergency	3,121,524.53	153,000.00	3,274,524.53
1968 Emergency	11,887,021.41	4,078,000.00	15,965,021.41
1969 Emergency	<u>35,284,770.17</u>	<u>23,948,000.00</u>	<u>59,232,770.17</u>
Total	\$ 78,826,889.37	\$45,542,000.00	\$124,368,889.37
<u>Note:</u>	<u>1967 Emergency</u>	<u>1968 Emergency</u>	<u>1969 Emergency</u>
Total Raised	\$174,000,000.00	\$83,000,000.00	\$ 99,800,000.00
Less Expenses 870,000		1,500,000.00	1,700,000.00
JDC Allocation 569,000	<u>1,439,000.00</u>		
	\$172,561,000.00	\$81,500,000.00	\$ 98,100,000.00
Amounts Received to 3/31/69	<u>166,530,852.00</u>	<u>52,328,681.77</u>	<u>2,430,848.00</u>
Balance at 3/31/69	6,030,148.00	29,171,318.23	95,669,152.00
Received 4/1/69-11/30/69	<u>3,121,524.53</u>	<u>11,887,021.41</u>	<u>35,284,770.17</u>
Uncollected Balance 11/30/69	\$ 2,908,623.47	\$17,284,296.82	\$ 60,384,381.83

UNITED ISRAEL APPEAL, INC.
 Analysis of UJA Income
4/1/69 through 3/31/70

11/30/69
 Table II
 (Unaudited Report)

	Received <u>4/1/69-11/30/69</u>	Anticipated <u>12/1/69-3/31/70</u>	<u>Total</u>
Regular Campaigns			
All Years	\$ 28,533,573.26	\$17,363,000.00	\$ 45,896,573.26
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JDC Allocation 569,000	<u>1,439,000.00</u>		
	\$172,561,000.00	\$81,500,000.00	\$ 98,100,000.00
Amounts Received to 3/31/69	<u>166,530,852.00</u>	<u>52,328,681.77</u>	<u>2,430,848.00</u>
Balance at 3/31/69	6,030,148.00	29,171,318.23	95,669,152.00
Received 4/1/69-11/30/69	<u>3,121,524.53</u>	<u>11,887,021.41</u>	<u>35,284,770.17</u>
Uncollected Balance 11/30/69	\$ 2,908,623.47	\$17,284,296.82	\$ 60,384,381.83

UNITED ISRAEL APPEAL, INC.

REMITTANCE ACCOUNT

TO JAFI, JERUSALEM

4/1/69 through 11/30/69

11/30/69

Table III

(Unaudited Report)

Funds Held by JAFI, JERUSALEM, 3/31/69	\$ 8,942,777.00
Funds Transmitted by UIA, Inc. April 1 through November 30, 1969	<u>72,803,651.42</u>
	\$81,746,428.42
Funds Expended through 10/30/69	<u>78,033,749.00</u>
Balance Unexpended and Held by JAFI, JERUSALEM	\$ 3,712,679.42



UNITED ISRAEL APPEAL, INC.
CASH AVAILABLE FOR
BUDGET ALLOCATION
4/1/69 through 3/31/70

11/30/69
Table IV
(Unaudited Report)

Balance Held by JAFI, Inc., Jerusalem 4/1/69	\$ 8,942,777.00
On Deposit in UIA Dollar Accounts in Israel for JAFI 4/1/69	301,824.08
Received from UJA 4/1/69 - 11/30/69	78,826,889.37
Anticipated Income 12/1/69 - 3/31/70	<u>45,542,000.00</u>
TOTAL	\$133,613,490.45
Reserved for Loan Repayments, Administrative Expenses, etc.	<u>5,500,000.00</u>
Balance Presumed Available for Allocation	\$128,113,490.45
Allocation Approved on 3/10/69 for 4/1/69 - 3/31/70	\$120,000,000.00

UNITED ISRAEL APPEAL, INC. 11/30/69
 ISRAEL EDUCATION FUND Table V
January 1, 1965 - November 30, 1969 (Unaudited Report)

Total Income - Cash, Bonds, Direct Remittances	\$14,857,329.17
Interest on Time Deposits	2,356.15
Interest on Commercial Paper	4,695.90
Interest on Investment - Ferkauf	<u>2,184.03</u>
Total	\$14,866,565.25
Disbursements and Remittances	
Payments to Banks on \$3 M. Loan	<u>14,304,533.21</u>
Balance 11/30/69	\$ 562,032.04
Cash FNC	\$ 4,770.35
Cash Man. Han.	190.19
Bonds in Office	171,570.00
Bonds at Government of Israel office	27,000.00
Investment - Ferkauf Contribution	350,000.00
Conversion Cost Exchange (to be refunded by JAFI in Israel to IEF Account and then credited to us).	<u>8,501.50</u>
	\$562,032.04

Overall Pledges to Date - \$31,000,000.00

UNITED ISRAEL APPEAL, INC.

515 PARK AVENUE
NEW YORK, NEW YORK 10022AREA CODE 212
PLAZA 5-7400

file

December 3, 1969

To: Members of the Board of Directors

From: Gottlieb Hammer

Subject: Confirmation of Telegraphic Notice of
Board of Directors Meeting - December 14, 1969

Mr. Max Fisher has asked me to call a meeting of the Board of Directors of the United Israel Appeal, Inc. This meeting will be held on Sunday, December 14, 1969 at 12 noon, at the New York Hilton Hotel, 53rd Street and Avenue of the Americas, Suite 524-26. Luncheon will be served.

The agenda for this meeting will be:

- I. Current Financial Report
- II. Final Report for the year 1968/69
- III. Final Allocations and Reallocations for the year 1968/69
- IV. 1970 Budget Problems - Remarks by Mr. Dulzin
- V. Interim Allocations and Reallocations for the year 1969/70
- VI. Report of Committee on the Reconstitution of the Jewish Agency
- VII. Remarks by Mr. Pincus
- VIII. Report of Nominations Committee
- IX. Absorption Department - Ministry of Absorption Relationships
- X. Miscellaneous

We enclose herewith the following material

- A. Financial Report for Six Months' ended September 30, 1969 as prepared by Green, Strocker & Co.

B. Financial data for the period ended November 30, 1969:

1. Receipts and Disbursements
2. Analysis of UJA Income
3. Remittance Account to JAFI, Jerusalem
4. Cash Available for Budget Allocation
5. Israel Education Fund

C. Comparative Budget Statements 1969/70

Will you be good enough to indicate on the enclosed post-card that you will be present.

att.

