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United Israel Appeal and the Jewish Agency for Israel.
Agreements. 1985-1994.

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JEWISH AGENCY ASSEMBLY CONCLUDES WITH STRAINED PARTNERSHIP INTACT

By Cynthia Mann

JERUSALEM, July 11 (JTA) -- The Jewish Agency Assembly concluded last month with the strained partnership between the Zionists and the Diaspora fund-raisers intact -- at least for the next three years.

Assembly delegates signed an agreement that continues to designate the Jewish Agency as the exclusive recipient of funds raised by the United Jewish Appeal and transferred by the United Israel Appeal.

The agreement is to last five years, with an option for either side to reopen the terms after three years.

The assembly also agreed to implement key reforms aimed at making the agency less political and more efficient. The reforms were pushed primarily by the fund-raisers and were resisted by some of the Zionists, who believed the reforms were part of an effort to undermine their status.

Some members say the decision to continue the contract after three years will depend on how successfully the reforms are implemented.

The assembly, the policy-setting body of the Jewish Agency, met amidst deeply felt tensions between its two partners.

On one side is the World Zionist Organization, with representatives of Diaspora Zionist organizations and Israel's Zionist political parties.

On the other side are the Diaspora fund-raisers, who contribute the bulk of the Jewish Agency's \$500 million budget with funds raised by UJA through local federations and by Keren Hayesod, UJA's international sibling.

The contract agreement between the two sides followed heated debate begun even before the assembly, when some of the fund-raisers threatened to eliminate the Jewish Agency's exclusivity.

The threat triggered a fierce response in some quarters of the Jewish Agency. Agency Treasurer Hanan Ben-Yehuda threatened to sever the agency's ties with UJA and raise funds independently if agency exclusivity were removed.

Eliminating Heads Of Three Departments

During the assembly, Ben-Yehuda offered a carefully worded, formal apology for his threat, saying he would work to "heal the wounds" inflicted by the episode and to rebuild confidence among "those who provide the resources."

As part of the reforms, meanwhile, the assembly voted to eliminate the department heads of three agency departments: immigration and absorption, youth aliyah, and rural and urban development. The positions have long been denigrated by the fund-raisers as Zionist political posts.

The change is slated to be carried out in 1997 at the next World Zionist Congress.

The assembly also agreed on a controversial plan to take immediate effect, to raise the number of members on the Board of Governors from 74 to 120 and on the assembly from 398 to 518.

The increase is aimed at broadening the base of participation to include sectors not traditionally represented, including academia and industry.

The assembly also agreed to reduce the WZO staff by 20 percent over the next four years.

The three actions were part of a package of reforms proposed by the Committee of Six, composed of three representatives from each side of the partnership.

They were approved only after a secret vote by the Zionist General Council, the WZO's legislative body, of 84 to 52.

The vote came after pressure was applied by WZO leaders who told delegates the entire partnership would be threatened if they didn't support the reforms.

"The (WZO) deliberations were difficult," said one well-placed WZO source. The delegates labored under the "distinct feeling" the contract agreement and the Committee of Six recommendations would "undermine their status within the partnership."

But they accepted both "for the sake of the partnership that is necessary for the mission" of the Jewish Agency, he said. Meanwhile, the contract "gives us three years to sort out the differences (between us) and find appropriate solutions," he said.

The assembly meeting was held against a background of increasingly insistent calls by Deputy Foreign Minister Yossi Beilin to dismantle the Jewish Agency. Beilin has charged it is an outmoded body and no longer effectively serves the Israel-Diaspora partnership.

Beilin renewed his calls at a meeting with reporters in New York earlier this month, promising to have a full, detailed plan available by September.

Beilin Not The Only Critic

Beilin said in New York he believes that Diaspora philanthropy should leave Israel's social welfare problems totally to the government, and instead should increase its efforts for Jewish education by fully subsidizing youth trips to Israel.

Yehiel Leket, whose tenure as acting chairman of the Jewish Agency was extended through October, said he expects to meet with Beilin in the coming weeks to talk about the agency's role and performance.

But, Beilin, who is dismissed by some Jewish Agency officials as a firebrand, is not the only critic.

Gary Tobin, head of the Cohen Center for Modern Jewish Studies at Brandeis University and a keynote speaker at the assembly, termed Beilin's prescription "throwing the baby out with the bath water."

But Tobin warned that reform is urgent. He presented data on changing patterns of Jewish giving showing "this system needs retooling."

Donors are rethinking previously automatic contributions to "umbrella agencies" and are beginning to consider the UJA-Federation system as only "one of many choices," he said.

According to Richard Pearlstone, the new national director of UJA, "Gary's message has (already) been taken to heart in America."

He cited the recent UJA-Council of Jewish Federations study of the relationship of the agencies to the wider Jewish world.

"All the partners recognize this is a living organism which, to survive, has to change and adapt to the new environment," Pearlstone said.

(JTA staff writer Larry Yudelson in New York contributed to this report.)

NEW AJCOMMITTEE POLL SHOWS 1.1 PERCENT DENY HOLOCAUST; REFUTES EARLIER SURVEY

By Pamela Druckerman

NEW YORK, July 11 (JTA) -- The shocking statistic that one in five Americans believes the Holocaust may not have occurred has been retested, and officially refuted in a new poll.

A new survey commissioned by the American Jewish Committee and conducted by Roper Starch Worldwide Inc. found that just over 1 percent of respondents deny that the Holocaust occurred, contradicting the group's disputed 1992 poll which had put denial at more than 20 percent.

The new survey, released July 6, also found a strong correlation between denial of the Holocaust and knowledge of basic facts about it. Many of those who questioned or denied that the Holocaust occurred cited lack of information as the reason for their uncertainty, or displayed ignorance of basic facts about the Holocaust.

"Not only are the levels of denial low, but few are dedicated, committed deniers. Most of the questioning of the Holocaust reflects ignorance rather than anti-Semitic commitment," said Tom Smith of the University of Chicago's National Opinion Research Center, who analyzed the Roper poll and other data for AJCommittee.

In the new Roper poll, which was conducted in March, 1.1 percent of respondents said it was possible that the Holocaust did not occur, compared with 22 percent in the original survey.

Eight percent of respondents in the new poll said they were not sure whether the Holocaust happened, compared with 12 percent in 1992.

First Survey Questioned Since Release

The drop is attributed to a change in the question meant to gauge denial, which analysts said contained a confusing double negative that led some respondents to answer the opposite of what they intended or to answer "not sure" because they did not understand the question.

The original question was, "Does it seem possible or does it seem impossible to you that the Nazi extermination of the Jews never happened?"

Burns Roper, the now-retired chairman of the Roper group, explained that questioners were attempting to avoid phrasing that would encourage a positive response.

The new question asked, "Does it seem possible to you that the Nazi extermination of the Jews never happened, or do you feel certain that it happened?"

In the new poll, 91 percent of those questioned said they were certain the Holocaust happened, compared with 65 percent in the original survey.

The results of the original survey had been questioned since they were released in April 1993 and were officially disavowed by Roper himself in May 1994.

"We should never have approved the question, and we certainly never should have written it," he told a conference of professional pollsters.

The results of the original survey had been viewed by some as shocking evidence that neo-Nazi Holocaust deniers had had a significant impact on American beliefs. There were reports that neo-Nazi groups even cited the AJCommittee poll to encourage their supporters.

But the new poll found that only about half of deniers surveyed and 4 percent of those unsure had ever heard denial claims.

"Without exposure to these claims," said Smith, "these people cannot be adopting and following their denials."

The AJCommittee has been criticized within the American Jewish community for failing to repudiate the statistics publicly once questions were raised.

"The fact that the AJCommittee knew fairly early on and did nothing about it for 14 months, that's really the scandal and that's what has angered a lot of people" said the leader of a U.S. Jewish organization who requested anonymity.

The AJCommittee had attempted to dissuade Roper from publicly disavowing the question's results at the conference last spring.

AJCommittee Executive Director David Harris said the group had wanted to wait until results of the new poll had been analyzed before making a public statement.

"This was not something that happened the day after the survey was released," said Harris, who said the serious conflicts over the question became clear in December 1993, and were referred to in an AJCommittee publication last January.

"When we were convinced of it, I think we acted entirely appropriately," Harris said.

The denial question was written by the Roper group.

The recent Roper poll was the result of in-person interviews with 991 adults across the country. It had a margin of error of plus or minus 3 percentage points.

The poll also found a 7 percent increase from the 1992 survey in general knowledge about the Holocaust.

Smith attributed the increase to publicity surrounding the opening of Holocaust memorial museums in Washington and Los Angeles, as well as the popularity of the movie "Schindler's List."

Harris said that, ironically, publicity surrounding the first Roper poll may also have contributed to the increase in knowledge about the Holocaust itself.

"Maybe it had a sort of unintended, salutary effect," he said.

MAX OPPENHEIMER ART IS SHOWN IN VIENNA

By Gil Sedan

BONN, July 11 (JTA) -- One of the forgotten great artists of Austrian Jewry is receiving belated recognition this summer at Vienna's recently opened Jewish Museum.

The museum is showing a retrospective of the works of Max Oppenheimer, who died 40 years ago, alone and forgotten. Oppenheimer, once a famed painter known throughout Europe, fled the Nazis in 1938, the year Austria was declared part of Germany.

The Jewish Museum of Vienna has gathered Oppenheimer's scattered works from many European countries, Israel and the United States for this avant-garde artist's first retrospective.

The museum's curators say this exhibit is taking place not only because Oppenheimer was Jewish but in order to "rectify an omission" created by the Nazis, who had labeled his art "degenerate."

The exhibition will remain through Sept. 18.

HERBERT A. FRIEDMAN

KEY CLAUSES

Article I - VIA designates Agency as exclusive operating agent in all matters concerned with ~~immigrant~~ aid to immigrants (and not for any other purpose)

Article II - This agreement (June 1994) is valid until Dec 31, 1997, unless notice is given before Sept. 30, 1997, with termination Dec. 31, 1997

Article IV A - VIA decides which programs it wishes ^{Agency to carry out,} ~~to support~~ and allocates ^{amount of} whatever money it wishes for those programs.

Agreement

between

UNITED ISRAEL APPEAL, INC.

and

**The
JEWISH AGENCY FOR ISRAEL**

June 30, 1994

21 Tammuz 5754

Jerusalem

Agreement

Agreement entered into on June 30, 1994, (hereinafter referred to as the "Agreement") by and between UNITED ISRAEL APPEAL, INC., 110 East 59th Street, New York, New York, (hereinafter referred to as "U.I.A.") and the JEWISH AGENCY FOR ISRAEL, whose headquarters are in Jerusalem (hereinafter referred to as the "AGENCY"). U.I.A. and the AGENCY are parties to an agreement dated October 23, 1985, and both are in concurrence that this agreement is in need of revision.



HEREAS

AMERICAN JEWISH
ARCHIVES

A. U.I.A. is a non-profit charitable organization, organized and existing under the Not-For-Profit Law of the State of New York, whose principal objectives are to assist refugee immigration into Israel, their relief, rehabilitation and resettlement therein, and to aid charitable, educational and scientific institutions in Israel, and has been determined by the Internal Revenue Service to be an organization exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code (hereinafter referred to as the "Code") contributions to which are deductible under Section 170 of the Code:

B. U.I.A. is the recipient of income from United Jewish Appeal (hereinafter referred to as "U.J.A.") and other income in the United States inuring to U.I.A. under the terms of the agreement constituting U.J.A., and is the body responsible for the disposition of such funds:

C. U.I.A. desires to provide for the most effective and efficient use of its funds for the aforesaid purposes, and for the control of the expenditure of such funds:

D. The AGENCY has, since its establishment, been engaged in the task of assisting Jews to immigrate to Israel and in their rehabilitation and settlement therein;

E. The AGENCY has financed its work in the fields of immigration, rehabilitation and resettlement with the aid of charitable contributions received over the years from various parts of the world, including U.I.A. and U.J.A. in the United States, and with other means placed at its disposal, and has available the requisite facilities, services and personnel, in Israel and elsewhere, necessary for the efficient implementation of its work;

F. The AGENCY has been determined by the Internal Revenue Service to be an organization exempt from Federal income tax under Section 501 (c) (3) of the Code;

G. U.I.A., in the interest of efficiency of operation and maximum utilization of the funds at its disposal, and in order to avoid unnecessary duplication of administrative and other expenditures, desires to implement its aforesaid purposes by employing the facilities, services and personnel of the AGENCY, and wishes to appoint the AGENCY as its operating agent in accordance with the terms and conditions more fully, hereinafter set forth:

H. Wherever it is mentioned throughout this agreement "Operating Agent" it should read "Exclusive Operating Agent".

I. The AGENCY is ready and willing to act as such operating agent for U.I.A.:

NOW, THEREFORE, U.I.A. AND THE AGENCY HAVE AGREED AS FOLLOWS:

ARTICLE I

A. U.I.A. hereby designates the AGENCY as its exclusive operating agent in all matters concerned with rendering aid and assistance to Jewish men, women, their spouses and children to immigrate into Israel, their absorption, rehabilitation and resettlement therein so that they may

become self-supporting members of the community; and to render aid to charitable, educational and scientific institutions in Israel. This work, among other things, deals with immigrants in their countries of origin, in transit, in transportation, upon arrival in Israel, and during various phases in the process of their absorption and resettlement in the country.

B. The AGENCY hereby agrees to act as the operating agent for U.I.A. in accordance with the provisions of this Agreement, and U.I.A. hereby agrees that it will not engage in any of the activities set forth in ARTICLE I, A. above except through the facilities of the AGENCY.

ARTICLE II

Subject to Article X hereof, the terms of this Agreement shall be for the period ending December 31, 1999, and shall continue for successive five-year periods thereafter, unless either party shall notify the other not less than twelve months prior to the termination of any such period of its intention not to renew this agreement; provided however, that if either party shall notify the other on or before September 30, 1997 of its desire to review this agreement and if such review does not result in a complete agreement by December 31, 1997, between the parties on the terms under which this agreement should continue, then this agreement will terminate on December 31, 1997.

ARTICLE III

A. U.I.A. may evaluate the activities and programs conducted on its behalf by the AGENCY and will designate, in the manner hereafter described, the spheres of the activity and the specific programs which it desires the AGENCY to carry out on its behalf, will allocate the funds it has available therefore, and will make such funds available to the AGENCY.

B. Except for monies required for the servicing of debts, present and future, and for its administration and operating expenses, U.I.A. will use its funds solely for the purposes set forth in Article I of this Agreement and for activities and programs approved by U.I.A.

C. U.I.A. will use its best efforts in coordination with U.J.A. and other appropriate organizations to establish and achieve an objective of an equal share of U.J.A. Federation campaigns for overseas needs.

D. U.I.A. will attempt to include appropriate representation of the AGENCY in financial negotiations between U.I.A. and The American Jewish Joint Distribution Committee, Inc. regarding the distribution of U.J.A. funds.

ARTICLE IV

A. In order to assist U.I.A. in the preparation of its budgets, the AGENCY will furnish to U.I.A. as early as possible and with periodic updates its estimates of the number of prospective immigrants into Israel who will require assistance during the ensuing budgetary year, together with an estimate of the total amount required to cover the cost of such immigration, specifying in detail, "line- by- line," the various items and amounts. The AGENCY will likewise furnish to U.I.A. a detailed statement of needs for the absorption of such new immigrants as well as the needs of immigrants who have previously entered Israel but whose process of rehabilitation and resettlement has not been completed, specifying in detail, "line-by-line," the various items and amounts required for each item. The AGENCY shall likewise furnish U.I.A. an estimate of the income which it expects to receive during the ensuing year from all sources other than the United States.

The aforesaid information will be furnished to U.I.A. by the AGENCY through U.I.A.'s officers, the Israel Representative (as hereinafter defined in Article VI) or representatives on the Executive and Board of Governors of the AGENCY, as shall be determined from time to time by the officers of U.I.A.

B. The Agency may in each case recommend to U.I.A. the amount which it believes should be allocated from U.I.A. sources. Such recommendations shall be advisory only and shall not be binding upon U.I.A.

ARTICLE V

A. The U.I.A. Board of Directors in its sole and absolute discretion will determine the activities and programs which, in the light of the data made available to it by the AGENCY in accordance with the preceding Article, as well as such other information as may be available to it, it wishes to have the AGENCY carry out for the account of U.I.A. and the amounts of money it wishes to allocate for such activities and programs; and the amounts thus allocated by U.I.A. shall constitute the budget it wishes the AGENCY to administer on its behalf (hereinafter referred to as the "Budget").

B. Prior to the 31st day of December in each year, U.I.A. shall transmit to the AGENCY its Budget containing a list of the programs and activities which U.I.A. has determined to have the AGENCY carry out for its account during the ensuing budgetary year, stating the amount it has allocated for each item in such programs and activities. The transmission of the Budget to the AGENCY to carry out on its behalf the programs and activities contained therein shall constitute the authorization to the AGENCY to expend, on behalf of U.I.A., the amounts allocated to each item contained in such Budget.

C. U.I.A. may from time to time decide upon supplementary budgets to be administered by the AGENCY, whether in respect of items contained in the Budget or otherwise, within the purposes and objectives of U.I.A.

D. Changes in the Budget may be made in the course of the budgetary year as circumstances may require, after consultation and by mutual consent between U.I.A. and the AGENCY. U.I.A. will not instruct the AGENCY in respect of any changes without prior consultation; nor will the AGENCY effect any changes in the provisions of the Budget without the prior written approval of U.I.A. Failing agreement by consultation, then irrespective of disagreement by the AGENCY, the changes determined upon by U.I.A. shall prevail and the AGENCY will be bound by them.

E. The AGENCY is authorized to undertake commitments and to plan its operations in reliance upon the authorization given to it by U.I.A. in accordance with the provisions contained in this Article, and U.I.A. may not without the consent of the AGENCY make any changes in the Budget if the AGENCY has made commitments or undertakings in reliance upon authorization received from U.I.A.

F. The AGENCY will develop a mechanism and process to provide flexibility in considering and responding to requests by Federations (after prior review of requests by U.I.A. and other appropriate national organizations), or any of the constituents of the AGENCY, with advice and information to each of the constituents.

G. The AGENCY recognizes the need for evolutionary constructive changes, independent of and without being hindered by considerations unrelated to the merits of proposed changes.

H. The Parties hereby agree that for three (3) years from the coming into force of this agreement, neither party will raise any request on any matter relating to governance of the AGENCY.

ARTICLE VI

A. U.I.A. will appoint one or more persons to act on its behalf in Israel (such person or persons being hereinafter referred to as the "Israel Representative") for the following purposes:

1. To participate with the AGENCY in the preparation of the proposed programs of activity and estimates of expenditures relative thereto for submission to U.I.A. pursuant to the provisions of Article IV hereof.
2. To observe the operations of the AGENCY with reference to the areas of activity and programs which the AGENCY administers as the operating agent for U.I.A., to evaluate activities and programs, and to report to the appropriate officials and Board of Directors of U.I.A.;

3. To receive funds from U.I.A. and to pay the same to the AGENCY for the account of allocations provided for in the budget of U.I.A., and to ascertain that such funds have been expended exclusively for and in accordance with the authorization of U.I.A.

B. The Israel Representative shall be responsible only to U.I.A. U.I.A. may, at its pleasure, replace the Israel Representative from time to time.

C. U.I.A. may appoint an auditor of its own choosing in Israel who will have the right to examine the books and records of the AGENCY in respect of its income and expenditure of funds as the operating agent for U.I.A. Such auditor will make reports to U.I.A. and will deliver a copy of these reports to the AGENCY.

D. The AGENCY will make available to the Israel Representative all available data and information affecting activities and programs in which U.I.A. is concerned. The Israel Representative shall have the right to attend all meetings of the AGENCY including meetings of the Executive, Board of Governors or committees which deal with U.I.A. funds. The Israel representative and the AGENCY will mutually cooperate and coordinate all the activities described in this Article.

ARTICLE VII

The AGENCY undertakes that it will not engage in any activities which are considered inappropriate for organizations exempt from Federal income tax under Section 501 (c) (3) of the Code and other pertinent legislation.

ARTICLE VIII

A. The AGENCY undertakes to maintain detailed records of all amounts received from or for the account of U.I.A. and of all expenditures incurred with such funds, or otherwise, for the account of U.I.A. It is understood, however, that such funds will be administered by the AGENCY together with other funds received and derived by it from other sources for like purpose and that the AGENCY may co-mingle such funds.

B. The AGENCY will render to U.I.A., not later than the 25th of August, November, February and May in each year, statements of monies received from or for the account of U.I.A. for the three month periods ending June 30, September 30, December 31 and March 31, respectively, in such form acceptable to U.I.A. In addition, the Treasury Department of the AGENCY at least three times a year will submit to U.I.A. a quarterly report of expenditures of the AGENCY during the preceding period and for the year to date in such form acceptable to the U.I.A.

C. The AGENCY has agreed to furnish U.I.A. each year, not later than the 15th day of August, with a report for the preceding budgetary year of all funds administered by it as the operating agent of U.I.A., duly certified by a firm of certified public accountants. Such report shall also contain a statement of account between the parties at the end of each budgetary year.

D. The AGENCY will furnish U.I.A. each year, not later than the 25th day of November, with a copy of its financial statements for the preceding budgetary year, duly certified by a firm of certified public accountants.

ARTICLE IX

The AGENCY will keep U.I.A. currently and fully informed of its activities and of the general developments in the areas of activity in which it acts as operating agent for U.I.A.

ARTICLE X

If it is established to the satisfaction of U.I.A. that the AGENCY has used funds received from U.I.A., or for its account, in a manner inconsistent with or contrary to its authorizations, U.I.A. may - - after giving adequate opportunity to the AGENCY to present its views in the premises and a reasonable opportunity to correct any departure from such authorization as may have occurred, and the AGENCY having failed to satisfy U.I.A. either by way of representation or by way of correction of any such departure - - withhold the transmission of further funds to the AGENCY, and it may thereupon terminate the designation of the AGENCY as its operating agent, by giving written notice thereof to the AGENCY. The Agreement between parties will terminate at the end of six months from the date of such notice, in such event U.I.A. may proceed to carry

out its objectives through other means of its choosing. It is agreed that any decisions and findings applicable in respect of this Article may be made only by the Board of Directors of U.I.A.

ARTICLE XI

This Agreement shall come into force upon its signature by the parties hereto.

In Witness Whereof the parties hereto have signed this Agreement by their duly authorized representatives as of the date set forth above.

The Jewish Agency for Israel The United Israel Appeal, Inc.

By Y. Leket
Yehiel Leket
Acting Chairman of the Executive

By Shoshana S. Cardin
Shoshana S. Cardin
Chairman of the Board

By Hanan Ben-Yehuda
Hanan Ben-Yehuda
Treasurer

By Jay Yorkowitz
Jay Yorkowitz
Executive Vice Chairman

By Mendel Kaplan
Mendel Kaplan
Chairman of the Board of Governors
The Jewish Agency for Israel

Jerusalem

AGREEMENT

between

UNITED ISRAEL APPEAL, INC.

and

THE JEWISH AGENCY FOR ISRAEL
(Jerusalem, October 23, 1985)



Resolution passed by the UIA Board of Directors on September 22, 1993:

Resolved that, in accordance with Article II of the October 23, 1985 agreement between the United Israel Appeal and the Jewish Agency for Israel, the corporation hereby authorizes, directs and empowers the officers of the corporation to deliver to the Jewish Agency for Israel the notification required by such Article II to not automatically renew the agreement.

AGREEMENT

Agreement entered into on October 23, 1985, (hereinafter referred to as the "Agreement") by and between UNITED ISRAEL APPEAL, INC., 515 Park Avenue, New York, New York (hereinafter referred to as "U.I.A.") and the JEWISH AGENCY FOR ISRAEL, whose headquarters are in Jerusalem (hereinafter referred to as the "AGENCY"). U.I.A. and the AGENCY are parties to an agreement dated October 25, 1960, and both are in concurrence that said agreement is in need of revision.

PREAMBLE

WHEREAS:

- A. U.I.A. is a non-profit charitable organization, organized and existing under the Not-For-Profit Law of the State of New York, whose principal objectives are to assist refugee immigration into Israel, their relief, rehabilitation and resettlement therein, and to aid charitable, educational and scientific institutions in Israel, and has been determined by the Internal Revenue Service to be an organization exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code (hereinafter referred to as the "Code") contributions to which are deductible under Section 170 of the Code;
- B. U.I.A. is the recipient of income from United Jewish Appeal (hereinafter referred to as "U.J.A.") and other income in the United States inuring to U.I.A. under the terms of the agreement constituting U.J.A., and is the body responsible for the disposition of such funds;
- C. U.I.A. desires to provide for the most effective and efficient use of its funds for the aforesaid purposes, and for the control of the expenditure of such funds;
- D. The AGENCY has, since its establishment, been engaged in the task of assisting Jews to immigrate to Israel and in their rehabilitation and settlement therein;
- E. The AGENCY has financed its work in the fields of immigration, rehabilitation and resettlement with the aid of charitable contributions received over the years from various parts of the world, including U.I.A. and U.J.A. in the United States, and with other means placed at its disposal, and has available the requisite facilities, services and personnel, in Israel and elsewhere, necessary for the efficient implementation of its work;

F. The AGENCY has been determined by the Internal Revenue Service to be an organization exempt from Federal income tax under Section 501 (c) (3) of the Code;

G. U.I.A., in the interest of efficiency of operation and maximum utilization of the funds at its disposal, and in order to avoid unnecessary duplication of administrative and other expenditures, desires to implement its aforesaid purposes by employing the facilities, services and personnel of the AGENCY, and wishes to appoint the AGENCY as its operating agent in accordance with the terms and conditions more fully, hereinafter, set forth;

H. The AGENCY is ready and willing to act as such operating agent for U.I.A.;

NOW, THEREFORE, U.I.A. AND THE AGENCY HAVE AGREED AS FOLLOWS:

ARTICLE I

A. U.I.A. hereby designates the AGENCY as its exclusive operating agent in all matters concerned with rendering aid and assistance to Jewish men, women and children to immigrate into Israel, their absorption, rehabilitation and resettlement therein so that they may become self-supporting members of the community; and to render aid to charitable, educational and scientific institutions in Israel. This work, among other things, deals with immigrants in their countries of origin, in transit, in transportation, upon arrival in Israel, and during various phases in the process of their absorption and resettlement in the country.

B. The AGENCY hereby agrees to act as the operating agent for U.I.A. in accordance with the provisions of this Agreement, and U.I.A. hereby agrees that it will not engage in any of the activities set forth in ARTICLE I, A. above except through the facilities of the AGENCY.

ARTICLE II

Subject to Article X hereof, the terms of this Agreement shall be for the period ending December 31, 1989, and shall continue for successive five-year periods thereafter, unless either party shall notify the other not less than twelve months prior to the termination of any such period of its intention not to renew this agreement.

ARTICLE III

A. U.I.A. may evaluate the activities and programs conducted on its behalf by the AGENCY and will designate, in the manner hereafter described, the spheres of the activity and the specific programs which it desires the AGENCY to carry out on its behalf, will allocate the funds it has available therefore, and will make such funds available to the AGENCY.

B. Except for moneys required for the servicing of debts, present and future, and for its administration and operating expenses, U.I.A. will use its funds solely for the purposes set forth in Article I of this Agreement and for activities and programs approved by U.I.A.

ARTICLE IV

A. In order to assist U.I.A. in the preparation of its budgets, the AGENCY will furnish to U.I.A. as early as possible and with periodic updates its estimates of the number of prospective immigrants into Israel who will require assistance during the ensuing budgetary year, together with an estimate of the total amount required to cover the cost of such immigration, specifying in detail, "line-by-line", the various items and amounts. The AGENCY will likewise furnish to U.I.A. a detailed statement of needs for the various stages of the absorption of such new immigrants as well as the needs of immigrants who have previously entered Israel but whose process of rehabilitation and re-settlement has not been completed, specifying in detail, "line-by-line", the various items and the amounts required for each item. The AGENCY shall likewise furnish U.I.A. an estimate of the income which it expects to receive during the ensuing year from all sources other than the United States.

The aforesaid information will be furnished to U.I.A. by the AGENCY through U.I.A.'s officers, the Israel Representative (as hereinafter defined in Article VI) or representatives on the Executive and Board of Governors of the AGENCY, as shall be determined from time to time by the officers of U.I.A.

B. The AGENCY may in each case recommend to U.I.A. the amount which it believes should be allocated from U.I.A. sources. Such recommendations shall be advisory only and shall not be binding upon U.I.A.

ARTICLE V

A. The U.I.A. Board of Directors in its sole and absolute discretion will determine the activities and programs which, in the light of the data made available to it by the AGENCY in accordance with the preceding Article, as well as such other information as may be available to it, wishes to have the AGENCY carry out for the account of U.I.A., and the amounts of money it wishes to allocate for such activities and programs; and the amounts thus allocated by U.I.A. shall constitute the budget it wishes the AGENCY to administer on its behalf (hereinafter referred to as the "Budget").

B. Prior to the 31st day of March in each year, U.I.A. shall transmit to the AGENCY its Budget containing a list of the programs and activities which U.I.A. has determined to have the AGENCY carry out for its account during the ensuing budgetary year, stating the amount it has allocated for each item in such programs and activities. The transmission of the Budget to the AGENCY to carry out on its behalf the programs and activities contained therein shall constitute the authorization to the AGENCY to expend, on behalf of U.I.A., the amounts allocated to each item contained in such Budget.

C. U.I.A. may from time to time decide upon supplementary budgets to be administered by the AGENCY, whether in respect of items contained in the Budget or otherwise, within the purposes and objectives of U.I.A.

D. Changes in the Budget may be made in the course of the budgetary year as circumstances may require, after consultation and by mutual consent between U.I.A. and the AGENCY. U.I.A. will not instruct the AGENCY in respect of any changes without prior consultation; nor will the AGENCY effect any changes in the provisions of the Budget without the prior written approval of U.I.A. Failing agreement by consultation, then irrespective of disagreement by the AGENCY, the changes determined upon by U.I.A. shall prevail and the AGENCY will be bound by them.

E. The AGENCY is authorized to undertake commitments and to plan its operations in reliance upon the authorization given to it by U.I.A. in accordance with the provisions contained in this Article, and U.I.A. may not without the consent of the AGENCY make any changes in the Budget if the AGENCY has made commitments or undertakings in reliance upon authorization received from U.I.A.

ARTICLE VI

A. U.I.A. will appoint one or more persons to act on its behalf in Israel (such person or persons being hereafter referred to as the "Israel Representative") for the following purposes:

1. To participate with the AGENCY in the preparation of the proposed programs of activity and estimates of expenditures relative thereto for submission to U.I.A. pursuant to the provisions of Article IV hereof;
2. To observe the operations of the AGENCY with reference to the areas of activity and programs which the AGENCY administers as the operating agent for U.I.A., to evaluate activities and programs, and to report to the appropriate officials and Board of Directors of U.I.A.;
3. To receive funds from U.I.A. and to pay the same to the AGENCY for the account of allocations provided for in the budget of U.I.A., and to ascertain that such funds have been expended exclusively for and in accordance with the authorization of U.I.A.

B. The Israel Representative shall be responsible only to U.I.A. U.I.A. may, at its pleasure, replace the Israel Representative from time to time.

C. U.I.A. may appoint an auditor of its own choosing in Israel who will have the right to examine the books and records of the AGENCY in respect of its income and expenditure of funds as the operating agent for U.I.A. Such auditor will make his reports to U.I.A. and will deliver a copy of his reports to the AGENCY.

D. The AGENCY will make available to the Israel Representative all available data and information affecting activities and programs in which U.I.A. is concerned. The Israel Representative and the AGENCY will mutually cooperate and coordinate all the activities described in this Article.

ARTICLE VII

The AGENCY undertakes that it will not engage in any activities which are considered inappropriate for organizations exempt from Federal income tax under Section 501 (c) (3) of the Code and other pertinent legislation.

ARTICLE VIII

A. The AGENCY undertakes to maintain detailed records of all amounts received from or for the account of U.I.A. and of all expenditures incurred with such funds, or otherwise, for the account of U.I.A. It is understood, however, that such funds will be administered by the AGENCY together with other funds received and derived by it from other sources for like purpose and that the AGENCY may co-mingle such funds.

B. The AGENCY will render to U.I.A., not later than the 25th of August, October, February and May in each year, statements of monies received from or for the account of U.I.A. for the three-month periods ending June 30, September 30, December 31 and March 31, respectively, in such form acceptable to U.I.A. In addition, the Treasury Department of the AGENCY at least three times a year will submit to U.I.A. a quarterly report of expenditures of the AGENCY during the preceding period and for the year to date in such form acceptable to U.I.A.

C. The AGENCY has agreed to furnish U.I.A. each year, not later than the 15th day of November, with a report for the preceding budgetary year of all funds administered by it as the operating agent of U.I.A., duly certified by a firm of certified public accountants. Such report shall also contain a statement of account between the parties at the end of each budgetary year.

D. The AGENCY will furnish U.I.A. each year, not later than the 25th day of February, with a copy of its financial statements for the preceding budgetary year, duly certified by a firm of certified public accountants.

ARTICLE IX

The AGENCY will keep U.I.A. currently and fully informed of its activities and of the general developments in the areas of activity in which it acts as operating agent for U.I.A.

ARTICLE X

If it is established to the satisfaction of U.I.A. that the AGENCY has used funds received from U.I.A., or for its account, in a manner inconsistent with or contrary to its authorizations, U.I.A. may — after giving adequate opportunity to the AGENCY to present its views in the premises and a reasonable opportunity to correct any departure from such authorization as may have occurred, and the AGENCY having failed to satisfy U.I.A. either by way of representation or by way of correction of any such departure — withhold the transmission of further funds to the AGENCY, and it may thereupon terminate the designation of the AGENCY as its operating agent, by giving written notice thereof to the AGENCY. The Agreement between parties will terminate at the end of six months from the date of such notice. In such event U.I.A. may proceed to carry out its objectives through other means of its choosing. It is agreed that any decisions and findings applicable in respect of this Article may be made only by the Board of Directors of U.I.A.

ARTICLE XI

This Agreement shall come into force upon its signature by the parties hereto.

IN WITNESS WHEREOF the parties hereto have signed this Agreement by their duly authorized representatives as of the date set forth above.

THE JEWISH AGENCY
FOR ISRAEL, JERUSALEM

UNITED ISRAEL
APPEAL, INC.

by _____ (Signed)
AKIVA LEWINSKY
TREASURER

by _____ (Signed)
IRWIN S. FIELD
CHAIRMAN OF THE BOARD

by _____ (Signed)
IRVING KESSLER
EXECUTIVE
VICE CHAIRMAN