



## Abba Hillel Silver Collection Digitization Project

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### **MS-4787: Abba Hillel Silver Papers, 1902-1989.**

Series I: General Correspondence, 1914-1969, undated.

Sub-series A: Alphabetical, 1914-1965, undated.

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American Zionist Emergency Council, Israel Corporation, 1948-  
1949.

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#### **Western Reserve Historical Society**

10825 East Boulevard, Cleveland, Ohio 44106  
(216) 721-5722  
[wrhs.org](http://wrhs.org)

#### **American Jewish Archives**

3101 Clifton Avenue, Cincinnati, Ohio 45220  
(513) 487-3000  
[AmericanJewishArchives.org](http://AmericanJewishArchives.org)

THE ISRAEL CORPORATION OF AMERICA

To : Dr. Abba Hillel Silver

Date: March 25, 1949

From: Abe Tuvim

Re :


Thank you very much for your letter of March 24th which you sent to me at the Emergency Council. I guess that has become a habit which is hard to break.

We are trying in every way possible to set up parlor meetings but there is a great deal of resistance, some of which is actuated by the fact that members of our Board are busy with their own affairs and some resulting from the tensions and political bickerings which are so prevalent in ZOA circles these days. I am, however, pressuring these people as much as I can.

I would like to suggest that instead of the slogan, "Every Member of the ZOA a Share-Holder in the Corporation", that we use "Every Jew an Investor in Israel". I think the former is too limited and the word Corporation doesn't have enough appeal.

I am taking up the matters of procedure indicated by you with Dr. Marks as soon as he returns to town in a few days. Yesterday he was to have had a meeting with his executive and field staff to tie them up with work in their districts in behalf of the Israel Corporation. I do not know the results of this meeting since Marks left for a trip that will last until this coming Tuesday, and none of the men are around today because of a one-day walkout of the ZOA executives and staff because of some union controversy. As soon as I know which of the field directors have been assigned to this work, I will begin setting up their tasks in the given areas, and keep you informed.

Kindest regards.





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# Contract

BETWEEN

THE JEWISH AGENCY FOR PALESTINE

AND

THE ISRAEL CORPORATION OF AMERICA



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*Dated October 15, 1948*

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October 15, 1948

THE ISRAEL CORPORATION OF AMERICA  
501 Fifth Avenue  
New York 17, New York

Att.: Mr. ALBERT SCHIFF, *President*

Dear Sirs:

1. The undersigned Dr. Israel Goldstein is authorized in the name and on behalf of the Jewish Agency for Palestine (herein referred to as "the Agency"), of which he is the Treasurer, to enter into a contract with your Corporation with respect to the development of a housing project in the State of Israel.

2. The Agency understands that your Corporation proposes to offer to American investors 250,000 units of its preferred and common shares, the total proceeds of which, before deduction of the expenses of issue, are estimated at \$6,250,000.

3. For the construction, ownership and operation of the housing project a corporation (hereinafter referred to as "the Housing Corporation"), shall be organized under the laws of the United States or of the State of Israel, as we may mutually determine. The housing units to be owned by the Housing Corporation shall not be of the "temporary housing" or "emergency housing" variety but of standard workmanlike construction customarily employed for permanent dwellings in Israel. The Housing Corporation will endeavor to secure land for the project from or through the Jewish National Fund, or public land from the State of Israel. The Housing Corporation shall have the following capital structure: (a) Common Shares, fully paid and non-assessable, which shall be the only voting shares, and of which the Agency and your corporation shall hold 50 percent each respectively; and (b) non-voting preferential dividend shares as described in paragraph 5 hereof, all of which shall be issued to the Agency as provided in paragraph 5 hereof.

4. In addition, your investment in the Housing Corporation shall be evidenced by its promissory note or notes, or bond or bonds secured by first mortgage on all of the assets of the Housing Corporation, including a first mortgage on all housing units upon completion there-



of, said mortgage to be senior to all other liens except only liens for taxes, and liens of mechanics or materialmen, if any, in a principal amount equal to the total principal amount invested by you in the Housing Corporation. Such obligations shall bear interest at a rate of 5 percent per annum on any unpaid principal payable semi-annually. Each such investment by you in the Housing Corporation shall be treated as a separate transaction for purposes of issuance of secured debt obligations to you and for interest and amortization payments thereon. The total of interest and amortization payments (which shall be payable semi-annually) on each such investment shall be at an annual rate of  $9\frac{1}{2}$  percent per annum until the investment shall have been completely amortized, so that each investment by you will be liquidated, under a so-called "constant payment plan" over a period of approximately fifteen and one-half years.

5. Your investment in the Housing Corporation will be matched on a dollar for dollar basis by funds provided by the Agency. If and to the extent that the Agency shall, on any occasion, make its investment in the Housing Corporation in currency of the State of Israel rather than in currency of the United States, you will recognize the investment of the Agency in the Housing Corporation on the basis of the official rate of exchange, if any, of the Government of the State of Israel for investment within the State of Israel of currency of the United States prevailing at the time of such investment by the Agency, and, if there shall be no such official rate, then at the market rate prevailing at the time of such investment. The investment of the Agency equal in amount to the investment of your Corporation will be represented by shares entitled to preferential dividends on a non-cumulative basis at a rate not to exceed 3 percent per annum, which shares shall not, in the event of any liquidation, partial or complete, on winding up of the Housing Corporation (whether voluntary or involuntary), be entitled to participate in any distribution or payment, it being the intent of this agreement that the Agency's participation in such partial or complete liquidation, or winding up shall be solely by virtue of and to the extent of its ownership of 50 percent of the capital shares referred to in paragraph 3 hereof.

6. The amount of your commitment under this agreement shall not be more than the lesser of

(a) \$3,000,000; or



(b) 50 percent of the net proceeds realized by you from the sale of your securities above referred to, within a period of 6 months from the date when a registration statement respecting such securities shall have become effective under the Securities Act of 1933, as amended; provided however that if such net proceeds realized by you within a period of four months from such effective date are less than \$3,000,000, your commitment shall be \$1,500,000 or 75 percent of such net proceeds, whichever sum is less.

However, you may elect at any time prior to January 1, 1952, upon giving not less than 60 days' written notice to the Agency to increase your investment in the Housing Corporation upon the terms set forth herein. Your acceptance of this proposal will also serve to confirm an undertaking on your part to maintain an investment of capital in the Housing Corporation in an amount equal at least to the amounts provided in subparagraph (b) of this paragraph 6 upon those terms. The amount of such additional investments on your part representing either reinvestment of funds received by you in amortization of the secured debt obligations of the Housing Corporation referred to in paragraph 4 hereof, or otherwise, will be made on condition that the Agency will make additional investments in equal amounts upon the same terms as set forth herein.

7. At the end of 4 months from the effective date of the registration statement, the Agency or the Housing Corporation may, by 10 days' written notice to you, call upon you to make funds available hereunder, in installments of \$250,000 each, within the maximum of your commitment under paragraph 6 hereof, provided that

(a) We shall have mutually approved the capital structure, charter, by-laws, securities and corporate proceedings of the Housing Corporation, and the Housing Corporation shall be in a position promptly to make use of the funds called for; and

(b) Satisfactory evidence shall have been furnished to you that the Agency is ready, able and willing to match the funds called for as provided in paragraph 5 hereof.

8. The Agency undertakes that:

(1) As units are ready for occupancy, it will thereupon lease the same from the Housing Corporation for the first period of 5 years



thereafter at annual rentals which so long as the total expenses of the Housing Corporation (exclusive of interest and amortization payable to The Israel Corporation of America) do not exceed three (3%) percent of the cost of the units, shall not be less than ten (10%) percent of the cost of the units; all such calculations to be made by independent public accountants of the Housing Corporation who shall be either chartered or certified and practicing in the State of Israel, and who shall be selected by the Housing Corporation from a list of three such accountants furnished to it by you.

(2) The Agency will at the expiration of said first 5-year period renew the lease of said units for a second 5-year period provided that it may in its sole discretion effect a reduction in rental to an amount which will not be less than the sum necessary for the payment by the Housing Corporation of  $9\frac{1}{2}$  percent for principal and interest on the outstanding senior obligations applicable to such units plus the sums required for taxes, repairs, maintenance, insurance and all other necessary and proper expenses applicable to such units. The Housing Corporation shall have the option to terminate the lease of any units during the second 5-year period on 60 days' notice in writing to the Agency which option it is agreed shall be exercised by the Housing Corporation on written demand of your Corporation.

(3) If tenants occupying units under lease to the Agency should pay rents which in the aggregate exceed the rentals payable hereunder by the Agency, the excess, if any, shall be paid as additional rent to the Housing Corporation.

9. The Agency also undertakes

(a) To make available to your Corporation in United States dollars in New York City, at the official rate of exchange in effect at the time of payment, if any, and otherwise at the prevailing market rate, interest, dividend and amortization payments made by the Housing Corporation on the obligations or other securities of the Housing Corporation held by your Corporation as provided in paragraphs 3 and 4 above.

(b) To use its best efforts to obtain from the Government of the State of Israel, and from local taxing or regulatory bodies having jurisdiction, such concessions in respect of taxes and other regulations as will make the financial burdens of the Housing Corporation as low as practicable, so that the Housing



Corporation may achieve its objective of providing low rental housing, without impairing its ability to earn a reasonable return on its investment.

10. The Agency further specifically agrees and undertakes

(a) That if any other person, firm or corporation, public or private, engaged in housing development in the State of Israel should obtain from the Agency terms or concessions in manner, shape, form or effect more advantageous than those enjoyed by the Housing Corporation or by you hereunder, terms at least as favorable will thereupon immediately be granted to the Housing Corporation and made applicable to the investment of The Israel Corporation of America therein;

(b) That if any other person, firm or corporation, public or private, engaged in housing development in the State of Israel should obtain from the Government of the State of Israel or from local taxing or regulatory bodies having jurisdiction, terms or concessions in manner, shape, form or effect more advantageous than those enjoyed by the Housing Corporation or by you hereunder, the Agency will use its best efforts to secure comparable terms or concessions for the Housing Corporation and for you which will have the effect of equalizing the terms hereof with such more advantageous terms.

11. You may accept the foregoing proposal by signing and returning to us the enclosed carbon copy of this letter. Upon such acceptance, the agreement herein set forth shall become mutually binding, provided, however, that your obligations hereunder shall be subject to the following conditions:

(a) Our mutual approval of the terms and provisions of the charter and by-laws, securities and corporate proceedings of the Housing Corporation; it being understood that prior thereto you may be required by the provisions of your Certificate of Incorporation to obtain the consents of the holders of at least two-thirds of your corporations Preferred Shares to the issuance by the Housing Corporation of its preferential dividend shares referred to in paragraph 5 above.

(b) Between the date of this letter and the date of any call upon you for funds which you are committed to furnish hereunder, there shall have been no materially adverse change in



political, economic or legal conditions affecting the project or the carrying out of this agreement which in the judgment of your Board of Directors and counsel would make it impracticable for you to proceed therewith.

Yours very truly,

THE JEWISH AGENCY FOR PALESTINE

By ISRAEL GOLDSTEIN  
Treasurer

Accepted:

THE ISRAEL CORPORATION OF AMERICA

By ALBERT SCHIFF  
President





# The New York Times

TUESDAY, MARCH 22, 1949.

## AID FROM U. S. JEWS A 'MUST' FOR ISRAEL

Investment Dollars Are Vital  
to Firm Economy, Zionist  
Conference Is Told

The national economy of Israel must be developed by a well-planned financial program that will enable that country to support a growing population and increase its domestic and foreign markets, speakers declared last night at a dinner-meeting of the Economic Commission of the Zionist Organization of America in the Waldorf-Astoria Hotel.

The speakers included Albert Schiff, president of the Israel Corporation of America, and Rabbi Abba Hillel Silver, chairman of the American Zionist Emergency Council.

Mr. Schiff emphasized that Jews here would have to carry the main financial burden for the immigration and complete absorption of between 750,000 and 1,000,000 Jews into Israel in the next four years. He asserted that Israel's economy could produce approximately one-fourth of the investment capital needed in the same period, and added that the remainder must come from private investments abroad, channeled through institutions or made directly by individuals and through international loans.

"From now on, as far as private capital in the United States is concerned, the gift dollar will have to be joined by the investment dollar," he said.

Rabbi Silver declared that American Jews would be called on for many years to help Israel through

public gifts and private investments. He asserted that Israel did not want to be regarded as "only an object of philanthropic interest" and said that, while contributions were indispensable to finance immigration and rehabilitation, philanthropy was not enough.

Earlier in the day the National Executive Committee of the Zionist Organization held a plenary session in the Hotel Commodore. Dr. Emanuel Neumann, who presided, warned that the movement was not prepared to abdicate its responsibilities before its mission had been fully completed.

"Today there are many who would like to take over—many who are pushing to the front, willing to thrust the Zionist movement aside and consign it to oblivion," he said. "To them we say, 'Not so fast.'"

Joseph Jacobson of the Israeli Defense Ministry spoke at the national executive meeting and asked for continued food shipments to Israel. He declared that the maintenance of the army because of the situation there, half war and half armistice, was draining the available resources of the country and that more and more food supplies must be obtained.

The committee approved a resolution to convene the fifty-second annual convention of the ZOA here beginning Saturday night, May 28, through Monday, May 30.



NY Times  
Mar. 22-24

## AID FROM U. S. JEWS A 'MUST' FOR ISRAEL

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## SAO PAULO ASKS U. S. AID

Governor Says Brazilian States  
Should Specialize on Crops

Special to THE NEW YORK TIMES.

SAO PAULO, March 21—Adhemar de Barros, Governor of this state, said today that all Brazilian states should mechanize their agriculture and determine after study what was best to grow both for internal consumption and for export.

The Governor, a possible Presidential candidate, said he was aware of what a threat the agricultural development of British Africa would be to Brazil.

He added that he believed that Brazil must import foreign capital and that the United States should come into Brazil and help it. "A weak Brazil is dangerous in time of a world war," he added.

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## PROSPECTUS

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# The Israel Corporation of America

250,000

### CUMULATIVE PREFERRED SHARES, \$.80 DIVIDEND SERIES

without nominal or par value

(Dividends cumulative from January 1, 1951 or such earlier date as may be fixed by the Board of Directors. Convertible prior to January 1, 1954 into four (4) Common Shares, the conversion rate being subject to adjustment so as to protect holders against dilution.)

250,000

### COMMON SHARES

par value \$1 per share

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public	Underwriting Discounts or Commissions	Proceeds to Registrant (1)
Preferred Shares			
Total .....	\$5,000,000	(1)	\$5,000,000 (2)
Per Unit (2) .....	\$20	(1)	\$20 (2)
Common Shares			
Total .....	\$1,250,000	(1)	\$1,250,000 (2)
Per Unit (2) .....	\$5	(1)	\$5 (2)

(1) The securities offered hereunder will be offered in units of one Cumulative Preferred Share, \$.80 Dividend Series, and one Common Share. They will be sold through the efforts of the directors and employees of the registrant. Directors and officers will receive no remuneration for this service, but will be reimbursed for their necessary expenses, such as cost of travel, etc. Employees of the registrant who may be engaged in the sale of these securities will receive a fixed salary not based on a percentage of sales of securities made by them. If salesmen on a commission basis are employed, total discounts or commissions will not exceed three (3) per cent. of the sale price of the securities sold on commission. If all of the securities offered by this Prospectus were to be sold on a commission basis, the maximum total commissions would amount to \$187,500. The directors and executive officers of the registrant, who are expected to devote a substantial portion of their time to the sale of these securities, may be considered underwriters as that term is defined in the Securities Act of 1933, as amended. They receive no compensation as directors or as officers, for any services rendered or to be rendered by them to the registrant, including their services in connection with the distribution of these securities. It is estimated that the cost of the issue, including sales expense and discounts and commissions, if any, will be approximately \$125,000.

(2) Before deducting estimated expenses of issue.

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The date of this Prospectus is November 9, 1948.

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# The Israel Corporation of America

## INTRODUCTORY STATEMENT

The Israel Corporation of America (herein called the "registrant") has filed with the Securities and Exchange Commission, Washington, D. C., a Registration Statement under the Securities Act of 1933, as amended, with respect to the securities which are offered hereunder. This Prospectus does not contain all of the information contained in the Regis-

tration Statement, certain items of which are omitted, or included in condensed or summarized form as permitted by the Rules and Regulations of the Commission. Copies of the Registration Statement may be obtained from the Commission on payment of the charges specified by the Commission.

## HISTORY OF THE REGISTRANT

THE ISRAEL CORPORATION OF AMERICA was organized under Delaware law on September 21, 1948. Its principal office is at No. 501 Fifth Avenue, New York, N. Y.

Three of the incorporators, Messrs. Benjamin Browdy, Abraham Goodman and Albert Schiff (see the caption "Management and Control"), advanced to the registrant the sum of \$10,000, to defray preliminary organization expenses, which advances are to be repaid, without interest, out of the proceeds of sales of the shares hereby offered.

The registrant is not yet actively engaged in any business and owns no property other than cash.

The Certificate of Incorporation of the registrant confers broad powers. The principal business activities upon which the registrant proposes to enter are as follows:

Registrant proposes to engage in business and commercial enterprises in the State of Israel and

to engage in promoting and developing business and commercial dealings in commodities and services of any and all kinds between the United States and countries of the Near East, and particularly the State of Israel; and to provide investment capital, and management and production personnel for the purpose of assisting in the development, growth and expansion of production in the State of Israel in various fields, including industry, housing and agriculture. It is not the intention of the registrant to operate as an "Investment Company," as that term is defined in the Investment Company Act of 1940; but rather it is the registrant's intention to engage in business enterprises, either directly or through subsidiaries in which it owns at least 50% of the voting stock.

Within the general scope of these objectives arrangements have been concluded to undertake one specific project in the housing field. See the caption: "Purpose of Issue".

## CAPITAL STRUCTURE

The capital structure of the registrant is as follows:

Title of Class	Authorized	Outstanding	
		October 15, 1948	If all securities being registered are sold
Cumulative Preferred Shares... (no par value)	750,000 shs.	None (2)	
\$.80 Dividend Series (1).....			250,000 shs.
Special Shares (\$1 par value)...	10 shs.	None	None
Common Shares (\$1 par value)...	4,999,990 shs. (3)	None (2)	250,000 shs. (4)

(1) Cumulative Preferred Shares \$.80 Dividend Series, convertible prior to January 1, 1954, at any time up to and including the second full business day prior to redemption, into Common Shares at the conversion price (subject to adjustment in certain contingencies) of \$5 per Common Share (taking the Cumulative Preferred Shares, \$.80 Dividend Series at \$20 per share).

(2) At October 15, 1948, 5,300 units of one Cumulative Preferred Share, \$.80 Dividend Series, and one Common Share had been subscribed for by directors of the registrant. However, none of these shares has yet been issued.

(3) Includes 1,000,000 shares reserved for conversion of Cumulative Preferred Shares, \$.80 Dividend Series, and such additional Common Shares as may be issuable upon conversion of such Preferred Shares by virtue of the operation of the anti-dilution provisions of such Preferred Shares.

(4) Does not include shares reserved for conversion. See Note (3).



## PRICE TO PUBLIC

The securities offered hereunder will be offered to the public in units of one Cumulative Preferred Share \$.80 Dividend Series and one Common Share at a unit price of \$25, \$20 of such price being allocable to the Preferred Share and \$5 being allocable to the Common Share.

Under the terms of the resolutions of the Board of Directors creating and fixing certain terms of the Cumulative Preferred Shares, \$.80 Dividend Series,

(herein called "\$.80 Preferred Shares"), dividends on the shares of that series do not become cumulative until January 1, 1951, unless the Board of Directors shall fix an earlier date therefor. Therefore, no adjustment of the price of the \$.80 Preferred Shares on account of dividends is contemplated at this time, or unless and until one or more quarterly dividends shall have been declared thereon.

## ALLOCATION OF CONSIDERATION

Out of the consideration to be received by the registrant from the sale of the \$.80 Preferred Shares and Common Shares offered hereby in units, the sum of \$20 per unit is to be credited to the capital account applicable to the \$.80 Preferred Shares, the sum of \$1 per unit is to be credited to the capital account applicable to the Common Shares, and the balance received by the registrant in excess of \$21

per unit is to be credited to an account entitled "Paid-in Surplus". Registrant has determined that, when the offering covered by this Prospectus has been completed, registrant will charge off its organization expenses and the expenses of the offering against the paid-in surplus resulting from such offering.

## UNDERWRITING AND MARKETING

Registrant believes that investors in its Preferred and Common Shares will be predominantly, if not exclusively, persons who are especially interested in providing investment capital for the upbuilding and development of business and industry within the State of Israel and the development of trade and commerce between the United States and the State of Israel. Registrant's board of directors and officers are persons identified with the Zionist Movement and are known for such affiliation among numerous people in the United States who have the special interest just described. It is intended that the holders of Special Shares (See the caption "Principal Holders of Equity Securities") shall be people who have attained and hold places of prominence in the Zionist Movement and whose record of achievement therein would inspire confidence on the part of the class of persons described above that the registrant will devote itself to the accomplishment of its corporate purposes in a manner best calculated to advance the economic well-being of the people of the State of Israel, as well as its own interests.

The securities offered hereunder will be sold

through the efforts of directors and employees of the registrant. Directors and officers will receive no remuneration for this service, but will be reimbursed for necessary expenses, such as cost of travel, etc. Employees of the registrant who may be engaged in the sale of the securities will receive fixed salaries not based on any percentage of sales made by them. If salesmen on a commission are employed, commissions or discounts will not be in excess of three (3) per cent. of the sale price of the securities sold on commission.

Mr. Albert Schiff, President of the registrant, will be in direct charge of the sale of these securities. Employees of the registrant, so far as they are engaged in the sale of securities, and any commission salesmen who may be employed will work under the direct supervision of Mr. Schiff. Mr. Schiff receives no compensation as President or for any services rendered or to be rendered by him to the registrant, including his services in connection with the distribution of these securities. Mr. Schiff as well as the other directors and executive officers of the registrant may be considered underwriters of the securities offered by this Prospectus, as the term



"underwriter" is defined in the Securities Act of 1933, as amended.

There is no present market for the securities offered by this Prospectus, and the registrant has not

made any arrangements and does not know of any arrangements made by others for the creation of such a market.

## GENERAL INFORMATION

On June 24, 1922, Great Britain was confirmed as the mandatory power over Palestine by the Council of the League of Nations. On September 29, 1923, the Mandate for Palestine became effective. On December 3, 1924, the United States and Great Britain executed a Palestine Mandate Convention, in which the United States (subject to conditions which at this time and for the purpose of this Prospectus are not relevant) consented to the terms of the Mandate which were recited therein in full. On February 25, 1925, the Senate of the United States ratified the Palestine Mandate Convention.

The preamble of the Mandate for Palestine provided that the Mandatory would be responsible for putting into effect the declaration (commonly referred to as "the Balfour Declaration"), originally made on November 2, 1917 by the Government of His Britannic Majesty in favor of the establishment in Palestine of a national home for the Jewish people. Article 4 of the Mandate provided that:

"An appropriate Jewish agency shall be recognized as a public body for the purpose of advising and co-operating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.

"The Zionist organization, so long as its organization and constitution are in the opinion of the Mandatory appropriate, shall be recognized as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the co-operation of all Jews who are willing to assist in the establishment of the Jewish national home."

The Zionist organization, referred to in the Mandate, which was founded in 1897 to create for the Jewish people a home in Palestine secured by public law, constituted a public body known as the

Jewish Agency for Palestine (hereinafter referred to as the Agency) for the declared purpose of discharging the functions of the Jewish agency as set forth in the Mandate.

From the date of the creation of the Agency until the termination of the British Mandate for Palestine on May 14, 1948, its primary economic function has been to assist Jewish immigration into Palestine, to facilitate and finance the creation of economic conditions to enable such immigrants to become integrated into the economy of that country on a self-sustaining basis as quickly as possible, and to stimulate fund raising activities in the various countries of the world for the collection of necessary funds to accomplish its purposes.

On May 14, 1948, upon the departure of the British administration incident to the termination of the Mandate on that date, the existence of the State of Israel was proclaimed and its Provisional Government was established over the area designated in the Resolution on Palestine adopted by the General Assembly of the United Nations on November 29, 1947 approving the partition of Palestine, the establishment of independent Jewish and Arab states with economic union, and the internationalization of the City of Jerusalem.

On May 15, 1948 the Government of the United States accorded *de facto* recognition to the Provisional Government of Israel and has since effected an exchange of diplomatic and consular representatives. A number of other States, great and small, have likewise given recognition to the Provisional Government of Israel, some *de jure* and others *de facto*.

Since May 14, 1948, the Jewish Agency has, with the approval of the Government of Israel, continued as an entity to discharge the functions above described. The Government of Israel has adopted a policy of encouraging immigration and has charged the Agency with substantial responsibilities, particularly with reference to housing and the economic



welfare of recently arrived immigrants. During the year 1948 and particularly since May 14, 1948 the rate of immigration has been rapidly accelerating and at the present time is believed to be in excess of 10,000 immigrants per month.

The figures of Jewish immigration into the area of Israel since January 1, 1948 are as follows: January 1, 1948 to May 14, 1948, 20,000 arrived; from May 15 to September 30, 1948 the arrivals numbered 47,000, or a total of 67,000 for the first nine months of the current year. It has been estimated by the Agency that during the first year of the existence of the State of Israel there will be in excess of 100,000 Jewish immigrants admitted to that country.

Immediately following the adoption by the General Assembly of the United Nations of its resolution on Palestine on November 29, 1947, conditions of security in Palestine rapidly deteriorated. The Jewish community in Palestine before and after the proclamation of its sovereign existence in that country faced military attacks launched by the armed forces of the Arab rulers of neighboring areas, and gave proof of their ability to repulse such attacks. While preoccupation with military and security problems has been costly in life, property and money and has undoubtedly diverted part of the manpower and economy of the country into military and war production channels, ordinary economic life and productivity have none the less continued.

Housing and building construction and various other forms of industry and business activity have continued to function and even to grow.

On June 11, 1948 and July 18, 1948 truce resolutions adopted by the Security Council of the United Nations became effective. The first truce expired on July 9, 1948 and the second truce was decreed to remain in force until a peaceful adjustment of the future situation in Palestine is reached. The second truce is still in force. The Government of Israel and those of the adjacent Arab states indicated to the United Nations their intention to comply with the terms of those resolutions. However, there have been sporadic attacks and engagements between Jewish and Arab soldiers, the nature and extent of which personnel of the United Nations have succeeded to a considerable degree in limiting.

The conditions within the State of Israel and adjacent areas just summarized have been given wide and prominent publicity in newspapers throughout the United States as well as in books, periodicals and over the radio, and are believed to be generally known by the public. It is therefore believed that prospective investors in the securities offered hereunder will be aware of the general conditions within the State of Israel at this time and will purchase such securities recognizing the inherent risks to their investments presented by the economic, security, and political factors referred to above.

## PURPOSE OF ISSUE

The purpose of the issue is to provide working capital for the registrant, from which it will repay the advances for its organization expenses referred to above, defray the expenses of this issue, assemble a staff of employees and experts (the latter to a considerable extent on a consulting basis), and from time to time, as the Board of Directors may determine, engage in active business.

Registrant has entered into a contract with the Jewish Agency for Palestine under date of October 15, 1948, for the joint construction, ownership and operation of a rental housing development in the State of Israel. A copy of such contract (herein sometimes called "the agreement") is filed as an exhibit to the Registration Statement.

The origin of, and the functions performed by, the Agency are set forth under the caption "General Information". The primary present source of funds of the Agency is contributions received by it outside the State of Israel, and the Agency's ability to carry out its commitments under the agreement will continue to be dependent upon its future receipt of such contributions. The Agency's income from the United States is received from United Palestine Appeal, Inc., which is a beneficiary of the United Jewish Appeal which annually since 1939 has conducted a fund-raising campaign on behalf of the United Palestine Appeal, the American Jewish Joint Distribution Committee Inc., and United Service for New Americans, Inc.



The agreement provides for the joint development by the registrant and the Agency of a housing project in the State of Israel through the instrumentality of a Housing Corporation of which the Agency and the registrant shall each own common shares representing one-half the equity and one-half the voting power. Registrant will receive such common shares without cost to it in the sense that it will also receive debt obligations of the Housing Corporation to the full principal amount of registrant's investment in the Housing Corporation. Such debt obligations will be secured by a first mortgage, will bear interest at five per cent. (5%) per annum, and will be required to be fully amortized over a period of approximately fifteen years and six months. The Agency will receive preferential dividend shares bearing non-cumulative dividends at a rate not in excess of 3 per cent per annum on the Agency's investment in the Housing Corporation, but not entitling the holder to any participation or distribution on liquidation, dissolution or winding up of the Housing Corporation. The investments of the registrant and of the Agency will be in equal amounts.

The commitment of the registrant under the agreement is not more than the lesser of

(a) \$3,000,000, or

(b) 50 per cent of the net proceeds realized from the sale of the securities offered by this Prospectus within a period of 6 months from the date when the registration statement, of which this Prospectus is a part, shall have become effective; provided, however, that if in a period of 4 months from such effective date less than \$3,000,000 shall have been realized, the registrant's commitment is \$1,500,000 or 75 per cent of such net proceeds, whichever sum is less.

The registrant has the right at any time prior to January 1, 1952 by written notice to the Agency to increase its investment in the Housing Corporation upon these terms, and the registrant has confirmed to the Agency an undertaking on its part to maintain an investment of capital in the Housing Corporation in an amount equal at least to its minimum commitment above described, on condition that the Agency will make additional investments in the Housing Corporation in equal amounts upon the terms set forth in the agreement.

The registrant's obligation to furnish funds under the agreement is conditioned upon the mutual approval by the registrant and the Agency of the capital structure, etc. of the Housing Corporation and the furnishing to the registrant of satisfactory evidence of the Agency's readiness, willingness and ability to make the investment in the Housing Corporation which the agreement requires it to make.

The agreement further provides that as housing units are ready for occupancy, the Agency will lease them from the Housing Corporation for a period of 5 years at annual rentals which, so long as the total expenses of the Housing Corporation (exclusive of interest and amortization payable to the registrant) do not exceed 3% of the cost of the units, shall be not less than 10 per cent of the cost of the units. All determinations of cost and expenses are to be made by independent public accountants. The Agency is further obligated to renew these leases for a second 5-year period but may in its sole discretion then reduce the rentals to an amount not less than the sum necessary for the payment by the Housing Corporation of its necessary expenses and charges including interest and amortization on its secured debt obligations held by the registrant. During the second 5-year period the Housing Corporation shall have the option of cancelling any lease to the Agency on 60 days' notice, and shall exercise such option when so requested by registrant.

If tenants occupying units under lease to the Agency should pay rents which in the aggregate exceed the rentals payable hereunder by the Agency, the excess, if any, shall be paid as additional rent to the Housing Corporation.

The Agency has further undertaken in the agreement:

(a) To make available to the registrant in United States dollars in New York City at the official rate of exchange, if any, and otherwise at the prevailing market rate, interest, dividend and amortization payments on the securities of the Housing Corporation held by the registrant.

(b) To use its best efforts to obtain from the State of Israel, and from local taxing or regulatory bodies having jurisdiction, such concessions in respect of taxes and other regulations as will



make the financial burdens of the Housing Corporation as low as practicable.

(c) That if any person, firm or corporation other than the registrant or the Housing Corporation engaged in housing development in the State of Israel should obtain from the Agency terms in manner, shape, form or effect more advantageous than those enjoyed by the registrant under the agreement, terms at least as favorable will thereupon immediately become and be applicable to the investment of the registrant in the Housing Corporation.

The agreement further provides that the registrant's obligation thereunder shall be subject to

(a) Registrant's approval of the terms and provisions of the charter, by-laws, securities, capital structure and corporate proceedings of the Housing Corporation; and

(b) that between the date of the agreement and the date of any call upon the registrant for funds, there shall have been no materially adverse change in political, economic or legal conditions affecting the housing development or the carrying out of the agreement with the Agency which in the judgment of registrant's board of directors and its counsel would make it impracticable for registrant to proceed therewith.

No specific site has been selected for the proposed housing project and no studies to that end have yet been made by the registrant.

Registrant is unable to state when or under what conditions the housing development may be initiated or completed, or whether, if completed, the housing project will be able to operate competitively with other facilities available in the State of Israel. However, the development will consist of multi-family

buildings, containing small units, intended for rental to tenants of moderate income, and the agreement provides that the units shall not be of the "temporary" or "emergency" housing variety, but of standard workmanlike construction customarily employed for permanent dwellings in Israel. Except as here set forth registrant is unable to state the number of units or the size or character of the units to be constructed or to estimate their cost. Registrant's sole reliance in entering into this agreement with the Agency is based upon its belief that the recent substantial rate of immigration into Israel, apart from any other factor, has created and will continue to create an acute need for housing; that the terms of the agreement are favorable to the registrant; and that general conditions in Israel are such as to permit the agreement to be successfully carried through.

Since there is no agreement on the part of anyone other than the directors of the registrant to purchase any of its securities, there is no assurance as to the aggregate amount of money that will be available to the registrant from this offering. Subject only to the conditions noted above, registrant has definite obligations under the agreement with the Agency to make investments in the housing project, the precise amounts of such investments being dependent upon the amount realized from this offering. Except for the housing project, registrant has no specific plans for the use of the proceeds of this offering. However, registrant intends to employ the entire proceeds as permitted by its Certificate of Incorporation, and intends therefore promptly to investigate opportunities for investment in the State of Israel and elsewhere, and to engage in active business when one or more particular projects appear to offer reasonable security for the funds invested, and the prospect of a reasonably adequate return on those funds.

### THE FOREIGN EXCHANGE SITUATION

The official currency of the State of Israel established by its currency ordinance of August 16, 1948, is the Israeli pound. The official rate of exchange was declared to be equivalent to that of the Pound Sterling, or \$4.025 per Pound. However, the effective import cover rate for transactions with approved dollar countries continues at the former "gift

dollar" rate of \$3.015 to the Israeli pound. This latter rate is made available by the Israeli exchange-control authorities for imports of "essentials". In practice, therefore, the effective rates for approved imports from hard-currency countries are:

Buying rate: \$3.015 to the Israeli pound.

Selling rate: \$2.986 to the Israeli pound.



The exact rate which will be accorded export bills, although nominally \$4.025, has not yet been decided.

The registrant expects from time to time to engage actively in business in the State of Israel, either directly or through subsidiaries. Therefore, a substantial proportion of the proceeds of this offering will probably be converted within a reasonably short time into Israeli pounds.

Funds once converted into Israeli pounds cannot freely be reconverted into United States dollars at the present time. However, so far as may be practicable and as may be permitted by applicable laws of the United States and of the State of Israel, the

registrant will seek to conclude contractual arrangements similar to that included in the above-mentioned contract with the Jewish Agency for Palestine to make funds available to it in dollars in the United States. There are other agencies which have in the past sent substantial American dollar funds to Palestine for philanthropic purposes. No representation is made either that any such arrangements for the conversion of Israeli currency into United States dollars can be made in the future, or that any such arrangement, including that provided in the agreement with the Agency, will accomplish its purpose.

### MANAGEMENT AND CONTROL

The management of the registrant is controlled by the Board of Directors.

The names and addresses of the Directors are as follows:

<u>Name</u>	<u>Address</u>
JACOB M. ALKOW	8161 Laurel View Drive Hollywood, Calif.
BENJAMIN G. BROWDY	3 West 19th Street New York, N. Y.
BENJAMIN DOFT	450 Seventh Avenue New York, N. Y.
ABRAHAM GOODMAN	3355 Flamingo Drive Miami Beach, Florida
SAMUEL GREENBLATT	225 Fourth Avenue New York, N. Y.
MORTIMER MAY	436 Houston Street Nashville, Tennessee
DR. EMANUEL NEUMANN	521 Fifth Avenue, Room 1903 New York, N. Y.
ALBERT SCHIFF	160 Central Park South New York, N. Y.
MARK SUGARMAN	South Coatesville, Penna.
WILLIAM H. SYLK	6953 Greenhill Road Philadelphia, Penna.
I. S. TUROVER	4725 Bethesda Avenue Bethesda, Maryland
HERMAN L. WEISMAN	295 Madison Avenue New York, N. Y.

There are three vacancies on the Board of Directors which will be filled by persons not yet selected, elected by the holders of registrant's Special Shares. None of the Special Shares have yet been issued.



The names and addresses of the executive officers of the registrant are as follows:

<u>Name</u>	<u>Address</u>	<u>Office</u>
ALBERT SCHIFF	160 Central Park South New York, N. Y.	President
ABRAHAM GOODMAN	3355 Flamingo Drive Miami Beach, Florida	Chairman of the Board
MORTIMER MAY	436 Houston Street Nashville, Tennessee	Vice-President
MARK SUGARMAN	South Coatesville, Pa.	Vice-President
WILLIAM H. SYLK	6953 Greenhill Road Philadelphia, Pa.	Vice-President
BENJAMIN G. BROWDY	3 West 19th Street New York, N. Y.	Treasurer
SAMUEL GREENBLATT	225 Fourth Avenue New York, N. Y.	Comptroller
JACOB M. ALKOW	8161 Laurel View Drive Hollywood, Calif.	Secretary

The business experience of each of the executive officers of the registrant during the last five years is as follows:

ALBERT SCHIFF,	Vice-President and Director, Shoe Corporation of America (formerly The Schiff Company), operators of a chain of retail shoe stores and departments, and manufacturers of shoes; Director, A. S. Beck Company since 1947.
ABRAHAM GOODMAN,	President, H. Goodman & Sons, Inc., manufacturers of metal and plastic devices; Secretary and Treasurer, Delamere Co. Inc., holding company and operator of department stores.
MORTIMER MAY,	President, May Hosiery Mills, manufacturers of seamless hosiery.
MARK SUGARMAN,	Town planning, management and construction.
WILLIAM H. SYLK,	Executive Vice-President and Treasurer, Sun-Ray Drug Company, Inc., operators of chain drugstores; Vice-President, Radio Station WPEN.
BENJAMIN G. BROWDY,	President, B. G. Browdy, Inc. and Chetwin Fabrics, Inc., textile converters; Director, Eastern Life Insurance Company.
SAMUEL GREENBLATT,	Chairman of the Board, Greenleaf Textile Corporation, textile converters.
JACOB M. ALKOW,	Export and import business, and real estate ownership and management.

Directors of the registrant will not receive remuneration as such. At the present time none of the executive officers of the Corporation is receiving remuneration. Although registrant contemplates engaging compensated employees, some of whom may serve as officers, it is not contemplated that the aggregate remuneration received by any such person during the first year of registrant's operations will exceed \$20,000 or that the aggregate remuneration paid to all officers of the registrant during such year will exceed \$50,000. All of the di-

rectors and executive officers of the registrant may be deemed "Promoters" as that term is used in the Securities Act of 1933, as amended, but are not to receive any compensation for services as such. There are no arrangements to compensate any officer or director or any other person by way of options, securities or other property, or by bonus or profit-sharing, and no such arrangements are contemplated.

The law firm of Weisman, Grant & Jaffe, of which Herman L. Weisman, one of the directors of the registrant, is a member, have been retained



as general counsel to the registrant, and will be compensated for legal services in connection with its organization and the registration and distribution of these securities.

Registrant's Certificate of Incorporation provides that every director and officer of the registrant is

relieved from any disability which might otherwise prevent him from contracting with the registrant for his own benefit, or for the benefit of any firm, corporation, company, association, trust or organization in which or with which he may be in anywise interested or connected.

### PRINCIPAL HOLDERS OF EQUITY SECURITIES

At October 15, 1948, 5,300 \$.80 Preferred Shares, and 5,300 Common Shares of the registrant had been subscribed for by Directors of the registrant.

The names, addresses, and the holdings of each person who as at October 15, 1948, had subscribed for 10% or more of the total of the securities subscribed for at that date, are as follows:

<u>Name and Address</u>	<u>Title of Class</u>	<u>Amount</u>	<u>Percent of Class</u>
ABRAHAM GOODMAN 3355 Flamingo Drive Miami Beach, Fla.	\$.80 Preferred Shares	1,000 sh.	18.87%
	Common Shares	1,000 sh.	18.87%
BENJAMIN G. BROWDY 3 West 19th Street New York, N. Y.	\$.80 Preferred Shares	1,000 sh.	18.87%
	Common Shares	1,000 sh.	18.87%
ALBERT SCHIFF 160 Central Park South New York, N. Y.	\$.80 Preferred Shares	2,000 sh.	37.74%
	Common Shares	2,000 sh.	37.74%

The investment in registrant of holders of the Special Shares, as such, will be nominal. Registrant has not yet determined to whom or at what time or times Special Shares will be issued. However, registrant created these Special Shares in recognition of the fact that its business objectives necessarily require integration with the program of economic development of Palestine and the Near East long espoused by the Zionist Movement. The registrant therefore desires that individuals prominently and publicly identified with that Movement have a voice in the policies and activities of the registrant through their ownership of securities possessing the

particular characteristics of the Special Shares. To that end, it is the intention of the registrant, from time to time, to issue Special Shares at par, to persons who, in the judgment of registrant's Board of Directors, will, by reason of such identification, make available to the registrant, through their right to representation as a separate class on its Board of Directors, and through the particular voting powers which the Special Shares possess, the benefit of their experience and judgment on matters pertaining to Israel. The Special Shares will not be publicly offered.

### DESCRIPTION OF SECURITIES OFFERED

The information set forth below is summarized from the Certificate of Incorporation of the registrant and from the Resolutions of its Board of Directors adopted October 8, 1948 creating and fixing, in accordance with the authority granted by the Certificate of Incorporation, certain of the terms of the Cumulative Preferred Shares \$.80 Dividend Series.

Copies of the Certificate of Incorporation and of said Resolutions of the Board of Directors are filed as exhibits to the Registration Statement. The state-

ments and descriptions hereinafter contained do not purport to be complete. Reference is made to the Certificate of Incorporation and said Resolutions of the Board of Directors and the statements and description which follow are expressly qualified thereby.

#### PREFERRED SHARES

Of the 750,000 authorized Preferred Shares of the registrant, 5,300 shares had been subscribed for at October 15, 1948, as indicated above under the



caption "Principal Holders of Equity Securities."

Certificates for the \$.80 Preferred Shares may be issued in the first instance in temporary form exchangeable without charge for definitive certificates.

The transfer agent for the \$.80 Preferred Shares will be The New York Trust Company and the registrar will be The Marine Midland Trust Company of New York.

Preferred Shares, in addition to the \$.80 Preferred Shares offered by this Prospectus, may be issued at any time or from time to time subject to the restrictions hereinafter set forth, and may be issued in series. The Preferred Shares of all series shall be of equal rank and all shares of any particular series of Preferred Shares shall be identical except, if dividends on said series shall be cumulative, as to the date or dates from which dividends thereon shall be cumulative. Subject to any applicable provision of law, the Preferred Shares of different series may vary as to the following terms, which shall be fixed in the case of any series, at any time prior to the issuance of the shares thereof, by resolutions adopted from time to time by the Board of Directors:

(a) The annual rate of dividends payable thereon; whether or not such dividends shall be cumulative, and if so from what date and for what period or periods;

(b) The redemption price or prices, if any, for the particular series;

(c) The amount or amounts per share for the particular series payable to the holders thereof upon any voluntary or involuntary liquidation, dissolution or winding up of the registrant;

(d) The terms and amount of the sinking fund, if any, provided for the purchase or redemption of shares of the particular series;

(e) The shares, other than the Special Shares, or other securities into which shares of the particular series shall be convertible, the price or prices or rate or rates of exchange, and adjustments thereto, at which such conversions may be made and the duration of such conversion rights; and

(f) Any other relative, participating, conversion, optional or other special rights and powers, and the qualifications, limitations or restrictions thereof, of such Preferred Shares or any series thereof.

(Paragraph (1) of Article Fourth of the Certificate of Incorporation)

### ***Dividend Rights***

The holders of Preferred Shares, in preference to the holders of Special and Common Shares or of any other class of shares ranking junior to the Preferred Shares, are entitled to receive, as and when declared by the Board of Directors, out of any funds legally available for the purpose, cash dividends at the annual rate per share fixed by the Board of Directors as set forth above, and no more, payable quarterly on the first days of January, April, July, and October.

(Paragraph (2) of Article Fourth of the Certificate of Incorporation)

No dividends shall be paid upon, or declared or set apart for, any Preferred Share for any quarterly dividend period unless, at the same time, a like dividend (proportionate in accordance with the respective dividend rates on the various series of the Preferred Shares) for the same quarterly period shall be paid upon, or declared or set apart for, all Preferred Shares then issued or outstanding.

(Paragraph (2) of Article Fourth of the Certificate of Incorporation)

The annual dividend rate for the \$.80 Preferred Shares is \$.80 per Share from October 1, 1948. The right of holders of such Shares to one or more dividends annually aggregating \$.80 per Share shall become cumulative from January 1, 1951 and not earlier, unless an earlier date for such cumulative right is determined by the Board of Directors.

(Paragraph II (a) of Resolutions of the Board of Directors adopted October 8, 1948)

### ***Voting Rights***

The holders of Preferred Shares of any series, including the \$.80 Preferred Shares, will have no right to vote and are not entitled to notice of any meetings of shareholders except for those purposes, if any, for which voting rights cannot be denied or waived under some mandatory provision of law and under the following circumstances, as provided in the Certificate of Incorporation:

(1) In case at any time six or more cumulative quarterly dividends (whether or not consecutive)



on any series of Preferred Shares shall be in default, in whole or in part, then until all dividends in default on such Preferred Shares shall be paid or deposited in trust and the dividend thereon for the current quarterly period shall have been declared and funds for the payment thereof set aside, the holders of Preferred Shares then outstanding, voting as a class, shall have the right, at any annual or other meeting for the election of directors, by plurality vote, to elect not to exceed sixty-five per cent. (65%) of the membership of the Board of Directors. In such event the holders of the Common Shares issued and outstanding, voting as a class, shall be entitled to elect fifteen per cent. (15%) of the membership of the Board of Directors and the holders of the Special Shares, voting as a class, shall have the right to elect twenty per cent. (20%) of the membership of the Board of Directors. Voting for the election of directors is cumulative.

(2) So long as any Preferred Shares are outstanding, the consent of the holders of at least two-thirds of the Preferred Shares at the time outstanding, voting as a class, shall be necessary to effect or validate,

(a) the sale, lease or conveyance of all or substantially all of the property or business of the registrant or the parting with control thereof, or the consolidation or merger of the registrant with or into any other company; provided, however, that this restriction shall not apply to, nor shall it operate to prevent a consolidation or merger of the registrant with or into any subsidiary of the registrant within certain limitations set forth in the Certificate of Incorporation;

(b) the amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation, which affects adversely the voting powers, rights or preferences of the holders of the Preferred Shares; provided, however, that if any such amendment, alteration or repeal shall be prejudicial to the holders of shares of one or more, but not all, of the series of Preferred Shares at the time outstanding, such consent shall be required only from the holders of two-thirds of the total number of outstanding shares of all series so affected. The amendment of the provisions of the Certificate

of Incorporation so as (i) to create or authorize a new class of shares ranking junior to the Preferred Shares or (ii) to increase the authorized amount of the Special or Common Shares or of any other class of shares ranking junior to the Preferred Shares shall not be deemed to affect adversely the voting powers, rights or preferences of the holders of the Preferred Shares;

(c) the authorization or creation, or the increase in the authorized number of shares of any class ranking prior to the Preferred Shares or any security convertible into such shares; or

(d) the issue (except to the registrant or another subsidiary) by any subsidiary of any preference shares, or any security convertible into preference shares, of such subsidiary; or the sale or resale by the registrant or by any subsidiary (except to the registrant or another subsidiary) of any preference shares or any security convertible into preference shares of a subsidiary, unless (i) such securities were acquired in good faith from a person, firm or company not a subsidiary at the time of the acquisition, in connection with a debt previously contracted, or (ii) the registrant and its subsidiaries at the same time shall sell or otherwise dispose of all of the shares of such subsidiary at the time held by the registrant or by its subsidiaries; provided, however, that the provisions of this subparagraph (d) shall not be deemed to prevent the registrant from at any time acquiring a subsidiary (not theretofore a subsidiary) which at the time of such acquisition has outstanding any preference shares or any security convertible into such preference shares.

(Paragraphs (6), (7), (11) and (13) of Article Fourth of the Certificate of Incorporation)

No vote or consent of the holders of Preferred Shares is required for the issuance of debt securities by the registrant or any subsidiary.

### ***Redemption Provisions***

The registrant may redeem the whole or any part of any series of Preferred Shares at any time or from time to time at the redemption price fixed for the particular series upon notice published at least once in a daily newspaper printed in the English language and of general circulation in the Borough of Man-



hattan, New York City, N. Y., and in a daily newspaper printed in either the English or the Hebrew language, or both, and of general circulation in the City of Tel Aviv, State of Israel, the first such publication to be at least thirty (30) and not more than ninety (90) days prior to the date set for redemption. In case of the redemption of part only of any series of Preferred Shares, the shares to be redeemed shall be selected by lot in such manner as the Board of Directors shall prescribe.

(Paragraph (5) of Article Fourth of the Certificate of Incorporation)

The \$.80 Preferred Shares are redeemable at the following redemption prices: \$25 per Share if redeemed prior to January 1, 1950; \$24 per Share if redeemed after December 31, 1949 and prior to January 1, 1951; \$23 per Share if redeemed after December 31, 1950 and prior to January 1, 1952; \$22 per Share if redeemed after December 31, 1951 and prior to January 1, 1953; \$21 per Share if redeemed after December 31, 1952 and prior to January 1, 1954; \$20 per Share if redeemed after December 31, 1953; plus in each case a sum computed at the rate of \$.80 per share for the period from the date from which dividends on the \$.80 Preferred Shares shall be cumulative to the date fixed for such redemption less the aggregate of the dividends applicable to such period which shall have been theretofore paid thereon or declared and set aside for payment thereon.

(Paragraph II (b) of Resolutions of the Board of Directors adopted October 8, 1948)

### ***Liquidation Rights***

The amount per share payable on the \$.80 Preferred Shares in the event of any voluntary liquidation, dissolution or winding up of the registrant shall be the amount per share at which such share can be redeemed, and in the event of any involuntary liquidation, dissolution or winding up of the Corporation shall be \$20 plus a sum computed at the rate of \$.80 per share for the period from the date from which dividends on such shares shall be cumulative to the date fixed for such liquidation, dissolution or winding up, less the aggregate of the dividends applicable to such period which shall have been theretofore paid thereon or declared or set aside for payment thereon.

(Paragraph II (c) of Resolutions of the Board of Directors adopted October 8, 1948)

### ***Limitation Upon Payment of Dividends on Preferred Shares***

No dividends are to be declared on any series of Preferred Shares unless there shall likewise be declared on all shares of all series of the Preferred Shares at the time outstanding like dividends (proportionate in accordance with respective dividend rates on the various series of Preferred Shares) for the same quarterly dividend period.

(Paragraph (2) of Article Fourth of the Certificate of Incorporation)

### ***Liability for Further Calls or Assessments***

The \$.80 Preferred Shares, when duly issued, will be fully paid and non-assessable.

### ***Pre-emptive Rights***

Except as may otherwise be provided in the case of any convertible Preferred Shares, no holders of shares of any series of Preferred Shares will be entitled as of right to purchase or subscribe for any securities of any class of the registrant.

(Paragraph (22) of Article Fourth of the Certificate of Incorporation)

The holders of the \$.80 Preferred Shares are not entitled as of right to purchase or subscribe for any securities of the registrant.

### ***Sinking Fund Provisions***

No provision has been made for a sinking fund for the \$.80 Preferred Shares.

### ***Conversion Rights***

The \$.80 Preferred Shares are convertible at the option of the holders thereof prior to January 1, 1954, at any time up to and including the second full business day prior to redemption, into fully paid and non-assessable Common Shares of the registrant, at the conversion price of \$5 per Common Share (each \$.80 Preferred Share being taken at \$20 for the purpose of such conversion), subject to adjustment of such conversion price from time to time in the event of the registrant's issuing or selling additional



Common Shares or any securities convertible into Common Shares upon such terms and for such consideration that the effect is to dilute the conversion privilege of the \$.80 Preferred Shares.

(Paragraph II (g) of Resolutions of the Board of Directors adopted October 8, 1948)

### **COMMON SHARES**

Of the 4,999,990 authorized Common Shares of the registrant 5,300 shares had been subscribed for at October 15, 1948, as indicated above under the caption "Principal Holders of Equity Securities."

Certificates for the Common Shares may be issued in the first instance in temporary form exchangeable without charge for definitive certificates. The transfer agent for the Common Shares will be The New York Trust Company and the registrar will be The Marine Midland Trust Company of New York.

### **Dividend Rights**

Whenever full dividends on the outstanding shares of all series of Preferred Shares upon which dividends shall be cumulative shall, for such period or periods as such dividends shall be cumulative, have been paid or declared and set aside for payment and full dividends on all outstanding Preferred and Special Shares for the then current quarterly dividend period shall have been paid or declared and set aside for payment, then such dividends as may be determined by the Board of Directors may be declared and paid or set aside for payment on the Common Shares.

(Paragraph (19) of Article Fourth of the Certificate of Incorporation)

### **Voting Rights**

Except in the case at any time when six or more cumulative quarterly dividends (whether or not consecutive) on any series of Preferred Shares shall be in default, in whole or in part, at all meetings of shareholders for the election of directors, the holders of the Common Shares issued and outstanding, voting as a class, shall be entitled to elect eighty per cent. (80%) of the membership of the Board of Directors of the registrant and the holders of the Special Shares, voting as a class, shall be entitled to elect

twenty per cent. (20%) of the membership of the Board of Directors of the registrant. Voting for the election of directors is cumulative.

(Paragraphs (6) and (11) of Article Fourth of the Certificate of Incorporation)

The respective voting rights of the Preferred, Common and Special Shares in the event that six (6) or more cumulative quarterly dividends on any series of Preferred Shares are in default are as outlined in connection with "Voting Rights" under the subheading "Preferred Shares."

Except in certain specified instances where consent of the holders of at least two-thirds of the Preferred Shares at the time outstanding, voting as a class, must be obtained to take certain action (as outlined in connection with "Voting Rights" under the subheading "Preferred Shares"), it shall be necessary to obtain, in respect of all matters requiring the vote, approval, authorization, ratification or other action of shareholders of the registrant other than election of directors of the registrant

(a) the favorable vote or written consent of the holders of at least two-thirds of the Special Shares at the time outstanding, voting as a class;

(b) the favorable vote or written consent of the holders of a majority of the Common Shares voting as a class.

(Paragraphs (15) and (17) of Article Fourth of the Certificate of Incorporation)

The first annual meeting of shareholders is required by the By-Laws to be held on the first Tuesday in May, 1950.

### **Liquidation Rights**

In the case of any liquidation, dissolution or winding up of the registrant, after paying or providing for the payment of all creditors of the registrant and after a payment to the holders of Preferred Shares of the amounts to which they are entitled (as outlined in connection with "Liquidation Rights" under the subheading "Preferred Shares") and after payment in cash of the sum of \$5 per share to the holders of the Special Shares at the time outstanding, all assets and funds of the registrant remaining shall be divided *pro rata* among and paid or set aside for payment to the holders of the Common Shares.



(Paragraphs (20) and (21) of Article Fourth of the Certificate of Incorporation)

### ***Limitations Upon Payment of Dividends on Common Shares***

There are no limitations upon payment of dividends on Common Shares other than as outlined in connection with "Dividend Rights" under this subheading "Common Shares."

### ***Liability for Further Calls or Assessments***

The 250,000 Common Shares being offered by this

prospectus, when duly issued, will be fully paid and non-assessable. The Common Shares reserved for conversion of the \$.80 Preferred Shares, when duly issued upon such conversion, will be fully paid and non-assessable.

### ***Pre-emptive Rights***

No holder of Common Shares will be entitled as of right to purchase or subscribe for any securities of any class of the registrant.

(Paragraph (22) of Article Fourth of the Certificate of Incorporation)

## **OTHER SECURITIES OF THE REGISTRANT**

In addition to the Preferred and Common Shares of the registrant described above, the registrant has ten Special Shares of the par value of \$1 per share, authorized. None of the Special Shares are presently outstanding. Reference is made to the caption "Principal Holders of Equity Securities" for a statement as to registrant's intention with respect to the issuance of the Special Shares.

### ***Dividend Rights***

Whenever full dividends on the outstanding shares of all series of Preferred Shares upon which dividends shall be cumulative shall, for such period or periods as such dividends shall be cumulative, have been paid or declared and set aside for payment and full dividends on all outstanding Preferred Shares for the current quarterly dividend period shall have been paid or declared and set aside for payment, then the holders of the Special Shares, in preference to the Common Shares, are entitled to receive, as and when declared by the Board of Directors out of any funds legally available for the purpose, cash non-cumulative dividends at the annual rate of \$.80 per share.

(Paragraph (18) of Article Fourth of the Certificate of Incorporation)

### ***Voting Rights***

The respective voting rights of the Preferred, Special and Common Shares are outlined in connection with "Voting Rights" under the subheading "Common Shares."

### ***Liquidation Rights***

In the case of any liquidation, dissolution or winding up of the registrant, after paying or providing for the payment of all creditors of the registrant and after the payment to the holders of Preferred Shares of the amounts to which they are entitled (as outlined in connection with "Liquidation Rights" under the subheading "Preferred Shares"), the holders of the Special Shares are entitled to receive, in preference to the Common Shares, the sum of \$5 per share.

(Paragraph (20) of Article Fourth of the Certificate of Incorporation)

### ***Pre-emptive Rights***

Except as set forth in the two following paragraphs, no holders of Special Shares are entitled as of right to purchase or subscribe for any securities of any class of the registrant.

### ***Redemption Provisions and Restrictions Upon Transfer***

The Special Shares may be redeemed at the option of the registrant, in part or in whole, pursuant to the prior approval of not less than three-fourths of the entire membership of the Board of Directors of the registrant, upon not less than ten nor more than forty days' notice at a price of \$5 per share.

No holder of one or more Special Shares may transfer the same except upon notice to the registrant of an intention to effect transfer, after which notice the registrant has the exclusive option for a thirty



day period to purchase said share or shares at the price of \$5 per share. In the event the registrant fails to exercise such option within the specified period of thirty days any holder of Special Shares may, with the approval of the holders of not less than two-thirds of the Special Shares then outstanding, purchase the share or shares covered by such notice at a price of \$5 per share. The respective options

of the registrant and other holders of Special Shares set forth above come into force and effect upon the death of any holder of Special Shares as though notice of an intention to effect transfer had been received by the registrant on the day when the registrant is notified of the death of any holder of Special Shares.

(Paragraph (16) of Article Fourth of the Certificate of Incorporation)

## INDEMNIFICATION

The By-Laws of the registrant include the following provisions:

"36. (a) No present or future director, officer or employee of the Corporation (or his legal representatives) shall be liable for any act, omission, step or conduct taken or had in good faith, which (whether by condition or otherwise) is required, authorized or approved, or is otherwise in compliance with or in reliance upon a regulation, rule, order or determination issued or made, by a department, agency, board, commission or authority pursuant to any statute of any state or of the United States or of any other country or political subdivision thereof, whether or not such regulation, rule, order or determination shall subsequently have been amended, rescinded or determined by judicial or administrative authority to be invalid or illegal, or which is taken in contesting, in good faith, the validity or legality of any such regulation, rule, order or determination. In any action, suit or proceeding based on any act, omission, step or conduct, as in this paragraph described, the provisions hereof shall be brought to the attention of the court. In the event that any of the foregoing provisions of this paragraph is found by the court not to constitute a valid defense on the ground that any such provisions are not applicable to the particular class of plaintiff, each such director, officer or employee (or his legal representatives) shall be reimbursed for, or indemnified against, all expenses and liabilities reasonably incurred by him or imposed on him, in connection with or resulting from any such action, suit or proceeding (other than for any sums ordered to be paid to the Corporation by him).

Such expenses and liabilities shall include, but shall not be limited to judgments, court costs and attorneys' fees.

"(b) In addition to the foregoing rights of indemnification any director, officer or employee (or his legal representatives) shall be entitled to all rights of indemnification by, and assessment of expenses against the Corporation to which he may be entitled under any statute now or hereafter in effect or otherwise as a matter of law but any such right of indemnification or assessment shall apply with respect to any liability of any director, officer or employee (or his legal representatives) arising under any of the provisions of the Securities Act of 1933, as amended, only to the extent that such rights of indemnification or assessment may be determined to be valid by a court of competent jurisdiction."

In the opinion of counsel for the registrant the exculpatory provisions of Article 36(a) of the By-Laws, quoted above, have no application to liabilities arising under the Securities Act of 1933.

Insofar as the foregoing provisions may permit indemnification for liabilities arising under the Securities Act of 1933, the registrant has been advised by the Securities and Exchange Commission that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Act, and therefore unenforceable. In the event that a claim for such indemnification is asserted by an officer or a director, the registrant will submit to a court of competent jurisdiction the question of whether or not indemnification by it is against public policy as expressed in the Act, and will be governed by the final adjudication of such issue.



## LEGAL OPINIONS

The legality of the securities offered by this Prospectus will be passed upon by Messrs. Weisman, Grant & Jaffe, 295 Madison Avenue, New York, New York, and Harry Torczyner, Esq., 521 Fifth Avenue, New York, New York, registrant's general and associate counsel respectively, as well as by Carlos L. Israels, Esq., 20 Exchange Place, New

York, New York, of counsel. Herman L. Weisman, a member of the firm of Weisman, Grant & Jaffe, is a director of the registrant. On October 15, 1948 he had subscribed for forty (40) \$.80 Preferred Shares and forty (40) Common Shares of the registrant.

## EXPERTS

Loeb & Troper, certified public accountants, 501 Fifth Avenue, New York, N. Y., have certified the financial statements and schedules of the registrant contained in the Registration Statement. Such finan-

cial statements and schedules have been included herein in reliance upon the certificates of said firm and upon the authority of said firm as such experts.

## FINANCIAL STATEMENTS

A report of Messrs. Loeb & Troper, independent certified public accountants, and the following statements are included in this prospectus:

Balance sheet—October 15, 1948.

Statement of cash receipts and disbursements—

Period from September 21, 1948 (date of incorporation), to October 15, 1948.

The following schedule is included in Exhibit 21 to the Registration Statement, but has been omitted from this Prospectus:

Schedule XIII — Capital Shares.



## OPINION OF CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors,  
The Israel Corporation of America,  
New York, N. Y.

We have examined the balance sheet of The Israel Corporation of America (a Delaware Corporation) as at October 15, 1948, the related statement of cash receipts and disbursements for the period from September 21, 1948 (date of incorporation), to October 15, 1948, and the schedule of capital shares; have examined or tested accounting records of the Corporation and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying balance sheet and related statement of cash receipts and disbursements, present fairly the position of The Israel Corporation of America as at October 15, 1948, and the results of its transactions to that date; in conformity with generally accepted accounting principles.

LOEB & TROPER  
Certified Public Accountants

New York, N. Y.  
October 18, 1948.



# THE ISRAEL CORPORATION OF AMERICA

## BALANCE SHEET

As at October 15, 1948

### ASSETS

Cash .....	\$44,390.25
Organization expenses (Note 1) .....	2,434.75
Total .....	<u>\$46,825.00</u>

### LIABILITIES

Accrued expenses .....	(Note 2)
Loans payable to individuals for advances for preliminary organization expenses .....	\$10,000.00
Total .....	<u>\$10,000.00</u>

### CAPITAL SHARES AND SURPLUS

Cumulative Preferred Shares (without par value):		
\$.80 Dividend Series (stated value \$20. per share) (Note 3):		
Authorized (unissued) .....	250,000 shares	—
Undesignated Series		
Authorized (unissued) .....	500,000 shares	—
Special Shares (\$1 par value):		
Authorized (unissued) .....	10 shares	—
Common Shares (\$1 par value):		
Authorized (unissued) (Note 4) .....	4,999,990 shares	—
Capital shares subscribed to by Directors but unissued:		
5,300 units at \$25 per unit (each unit consisting of one Cumulative Preferred Share, \$.80 Dividend Series and one Common Share) .....	\$132,500.00	
Less: Due from Directors for subscriptions .....	95,675.00	
Total amount paid in by Directors through October 15, 1948 .....	\$ 36,825.00	
Paid-in surplus .....	(Note 5)	
Total Capital Shares and Surplus .....	36,825.00	
Total .....	<u>\$46,825.00</u>	

See accompanying Notes to the Balance Sheet.



# THE ISRAEL CORPORATION OF AMERICA

## NOTES TO THE BALANCE SHEET

Note 1 — This amount includes only such expenses paid as of the time of filing this Registration Statement. It does not include any of the estimated expenses of issuance and distribution of the securities being offered by this Prospectus as set forth in Exhibit 19.

Note 2 — Reference is made to Note 1 above.

Note 3 — Under the terms of the resolution of the Board of Directors creating and fixing certain terms of the Cumulative Preferred Shares \$.80 Dividend Series, dividends on the shares of that series do not become cumulative until January 1, 1951, unless the Board of Directors shall fix an earlier date therefor.

Note 4 — Includes 1,000,000 shares reserved for conversion of Cumulative Preferred Shares \$.80 Dividend Series, on the basis of the initial conversion price. An additional indeterminable number of Common Shares and an indeterminable number of scrip certificates for fractional interests in Common Shares may be issued on the conversion of the Cumulative Preferred Shares \$.80 Dividend Series by virtue of the operation of the anti-dilution provisions of such Preferred Shares.

Note 5 — Upon the issuance of the Units, the proceeds of sale per unit are to be credited as follows:

Preferred shares	\$20.00
Common shares	1.00
Paid-in surplus	4.00

The Corporation has determined that, when the offering covered by this Prospectus has been completed, the Corporation will charge off its organization expenses and the expenses of the offering against the paid-in surplus resulting from such offering.



# THE ISRAEL CORPORATION OF AMERICA

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Period from September 21, 1948 (Date of Incorporation) to October 15, 1948

### Receipts:

From Directors who have subscribed to 5,300 capital share units at \$25 per unit, (each unit consisting of one Cumulative Preferred Share, \$.80 Dividend Series, and one Common Share) and who have paid in, through October 15, 1948, a total of.....	\$36,825.00
Loans from three incorporators for preliminary organization expenses .....	10,000.00
Total Receipts....	<u>\$46,825.00</u>

### Disbursements:

To Prentice-Hall, Inc. for Delaware incorporation fees, etc. ....	2,434.75
Cash Balance—October 15, 1948....	<u><u>\$44,390.25</u></u>

## REPORTS TO SHAREHOLDERS

It is intended that annual reports and certified financial statements for each fiscal year of the registrant (beginning with the calendar year 1949, which report will also cover the period September 21, to December 31, 1948) will be forwarded to shareholders of the registrant. Such reports will contain information concerning the business transacted by the registrant and its subsidiaries, if any, during the period under review, and such other information as the directors may deem desirable, or as may be required by law.

THE ISRAEL CORPORATION OF AMERICA

By ALBERT SCHIFF,  
President .



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No dealer, salesman, or any other person, has been authorized in connection with the offer contained in this Prospectus to give any information or to make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by The Israel Corporation of America. This Prospectus is not an offer or solicitation in respect of said securities by the registrant or by any person in any state in which such offer or solicitation is not authorized by the laws thereof, or in which the person making such offer or solicitation is required to be qualified to act as a dealer or broker, and is not so qualified.

# The Israel Corporation of America

250,000

**CUMULATIVE PREFERRED SHARES,  
\$.80 DIVIDEND SERIES**

250,000

**COMMON SHARES**



PROSPECTUS

Dated November 9, 1948



either in such securities on the same terms on which such securities are offered to others in the United States, or otherwise through the Agency, on a basis which will yield to the registrant 5% per annum from the date of such investment to a maturity of not more than fifteen years, during which period the investment will be amortized in equal annual installments. However, registrant has informed the Agency that registrant does not intend to operate in such manner as to be subject to the provisions of the Investment Company Act of 1940, and its obligations under the May 11, 1949 Agreement are subject to that understanding.

3. The registrant will not be required to hold specific funds available in United States dollars to make the foregoing investment and should it have funds in Israel which could be made available in Israeli pounds for that purpose, the Agency will accept such funds on the basis of the then prevailing official Israeli Government rate of exchange for investments from the United States.

4. All payments of principal (including amortization) and all payments of interest or other return on the registrant's investment under the May 11, 1949 Agreement, are to be made in United States dollars which the Agency undertakes to make available to the registrant in New York City on the respective due dates.

No specific site has been selected for the housing project contemplated by the May 11, 1949 Agreement. Registrant is unable to state the number, size or character of the units to be constructed or to estimate their cost, except that the housing units to be constructed with the funds made available by registrant will consist of multi-family buildings, containing small units, intended for rental to or acquisition by persons of moderate income, and will not be of the "temporary housing" variety but will be of standard workmanlike construction customarily employed for permanent dwellings in Israel.

Registrant is unable to state when or if the securities of Amidar will be available for purchase by it, or whether its proposed investment in housing for immigrants will take that par-



# THE ISRAEL CORPORATION OF AMERICA

## SUPPLEMENT TO PROSPECTUS DATED NOVEMBER 9, 1948

On May 11, 1949 The Israel Corporation of America and the Jewish Agency For Palestine amended their Agreement dated October 15, 1948 (referred to in the attached Prospectus under the caption "Purpose of Issue"). The October 15, 1948 Agreement contemplated the joint construction, ownership and operation by the registrant and the Agency of a rental housing development in the State of Israel. By reason of the existence in Israel of a housing emergency caused by the continued large-scale influx of immigrants into the country and by the substantial increase in costs in the field of housing and construction, registrant and the Agency have agreed that it has become impractical to carry out the October 15, 1948 Agreement as originally contemplated. The Agency has informed the registrant that, by reason of this emergency, the Agency has joined with the Government of the State of Israel and others in the creation of a National Housing Company (known as "Amidar") with a proposed capital of five million Israeli pounds of which the Agency will contribute 50%, and that all of the Agency's activities in the field of housing for immigrants will henceforth be concentrated in Amidar. The Agency has also advised registrant that Amidar intends to raise debenture capital in various parts of the world, including the United States, in substantial amounts.

By their May 11, 1949 Agreement, the registrant and the Agency have agreed that their respective obligations under the October 15, 1948 Agreement as amended by the May 11, 1949 Agreement, are substantially as follows:

1. The Agency, through Amidar, undertakes to carry out a housing project for immigrants in conformity with Amidar's general program with funds made available by the registrant.
2. The registrant has agreed that within 60 days after the Agency shall have notified the registrant that debentures or other securities of Amidar will, within said period of 60 days, be available for public sale in the United States, it will make an investment in the sum of \$250,000



• ticular form. Registrant's primary purpose in entering into the May 11, 1949 Agreement with the Agency is to recognize the existing acute need for housing for immigrants in Israel and to make a substantial investment therein on terms which registrant deems reasonably favorable to it.

Substantially all the assets of the registrant at the date of this Supplement consist of cash and accounts receivable on subscriptions for shares. There is no assurance as to the aggregate amount of money that will be available to registrant from this offering. Except for the investment to be made under the May 11, 1949 Agreement with the Agency, registrant has no specific plans for the use of the proceeds of the offering. However, registrant contemplates investing in the field of housing for immigrants approximately \$250,000 in addition to the \$250,000 investment contemplated to be made under the May 11, 1949 Agreement with the Agency. Such further investment will be made by registrant only if, in the judgment of registrant's Board of Directors, such further investment appears to offer reasonable security for the funds invested and the prospect of a reasonably adequate return on those funds and will not subject registrant to regulation under the Investment Company Act of 1940. Furthermore, subject to the same conditions, registrant contemplates that a portion of its funds may be utilized to finance the import of materials and supplies to the State of Israel. However, the registrant has made no specific plans for the import of any particular material or supplies and has made no arrangements with respect thereto. While registrant has made preliminary investigations with respect to investment opportunities in the State of Israel in several fields, it has not yet reached any determination as to whether or the extent to which it proposes to invest in any particular fields or projects other than as set forth above.

Effective March 21, 1949 Mr. Mark Sugarman, a Vice President and director of the registrant, resigned from those positions. On the same date Mr. William Conescu, whose address is 270 Eleventh Avenue, New York, New York, was elected a director of the registrant.

**The date of this Supplement is May 18, 1949.**



## SUBSCRIPTION FORM

Murray Hill 6-6293

THE ISRAEL CORPORATION OF AMERICA, 425 Fourth Avenue, New York 16, N. Y.

	No. of Units		Unit Price		Amount
I subscribe to and agree to pay for		x	\$25.00	=	\$

Subscriber's Signature

METHOD OF PAYMENT: Full ☐ Partial ☐

\*(50% on account — 50% within 6 months)

If Stock is to be issued in name other than subscriber, indicate below.

(Name — Print)

(Address — Print)

(City and State — Print)

SUBSCRIBER'S NAME AND ADDRESS

(Name — Print)

(Address — Print)

(City and State — Print)

Date:

Kindly make check payable to: THE ISRAEL CORPORATION OF AMERICA

(This subscription is made subject to the terms and conditions set forth on the back hereof.)

## TEMPORARY RECEIPT

\$.....

Date:.....

To:

For payment on account of purchase of stock of:

THE ISRAEL CORPORATION OF AMERICA  
425 Fourth Avenue • New York 16, N. Y.  
Murray Hill 6-6293

By:.....



## TERMS AND CONDITIONS OF SUBSCRIPTION

1. Each unit consists of one (1) Cumulative Preferred Share, \$.80 Dividend Series and one (1) Common Share, subject to acceptance and payment in accordance with the terms and conditions hereof.

2. This subscription is made solely in reliance upon the official offering Prospectus of The Israel Corporation of America, copy of which has been received by the subscriber, and not upon any statement made or given by any other means.

3. This subscription is subject to the previous allotment and sale of shares by the Corporation, and the subscriber agrees that the Corporation may reject this subscription in whole or in part, allot less units than hereby applied for, and close its subscription books at any time in its discretion without notice.

4. No certificates for shares will be issued until this subscription has been finally accepted by the Corporation at its office in New York, N. Y. and full payment for all shares subscribed for has been made.

5. In the event that at the expiration of six months from the date appearing on the face hereof less than full payment has been made hereunder, the Corporation may at any time reject this subscription in whole or in part on ten days written notice to the subscriber and shall have no liability other than to refund the payments theretofore made, without interest, or to deliver to the subscriber full units corresponding to the amount heretofore paid, adjusting any remainder in cash.

**PAYMENT RECEIVED**

\$.....

BY: ..... Date: .....

FOR OFFICE USE ONLY—(Do Not Write)

BILL SENT .....

PAYMT. ACKNOW. ....

NOTICE SENT .....

ENTERED - CR .....

Amount Received \$.....

\$..... \$..... \$.....

.....

.....

Req. No. ....

Pref. \$.....

Com. \$.....

Pd-In \$.....

Total \$.....

JT ☐ TC ☐

**ACCEPTED: THE ISRAEL CORPORATION OF AMERICA**

By: .....

(Authorized Officer)



M E M O R A N D U M

TO: Regional & District Presidents  
National Executive Committee  
National Administrative Council  
Regional Directors

FROM: The Zionist Organization of America

SUBJECT: RE: THE ISRAEL CORPORATION OF AMERICA

DATE: March 31, 1949

The National Executive Committee of the Zionist Organization of America, meeting on March 21, 1949 in New York City, RESOLVED unanimously that all regions and districts and our membership give every possible encouragement and cooperation throughout the country to the work of the Israel Corporation of America.

The work of the Israel Corporation of America is favorably regarded by the Zionist Organization of America. Its officers are responsible leaders in the Zionist Organization of America and the corporation, an independent legal entity, was brought into being in response to the Convention sentiment that economic activity in Israel is to be encouraged, activated and intensified.

We know that we can depend upon your cooperation.



THE ISRAEL CORPORATION OF AMERICA

To : Dr. Abba Hillel Silver

Date: April 4, 1949

From: Abe Tuvim

Re :

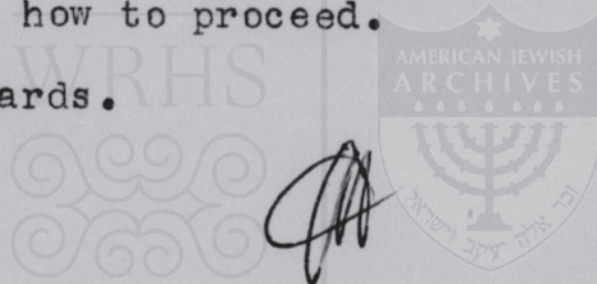
Mr. Joseph M. Goldwasser of the Peerless Department Store, Cleveland, Ohio expressed a keen interest in the Israel Corporation of America. He attended the first meeting at the Waldorf on November 14 at your invitation and at that time planned to go to Israel. He asked for a number of letters of introduction to the authorities, promising to undertake to raise a very substantial sum of money for the ICA upon his return.

Our records do not show whether Mr. Goldwasser received these letters and certainly there has been no follow-up since that time. Mr. Goldwasser subsequently subscribed and paid in full for \$5,000 worth of shares of the Israel Corporation.

I hesitate to approach Mr. Goldwasser without getting a little more information about him and I thought you might be good enough to have a chat with him if that is possible and indicate to me how to proceed.

Kindest regards.

AT:SR





April 5, 1949

Mr. Abe Tuvim  
Israel Corporation of America  
425 Fourth Avenue  
New York, New York

My dear Mr. Tuvim:

Mr. Goldwasser is a very fine citizen, a member of The Temple, and one who is very much interested in the economic development of Israel. I do not know whether he has left for Israel. I would suggest that you correspond with him. He may become a very helpful man in this part of the country for the Israel Corporation.

With all good wishes, I remain

Most cordially yours,

ABBA HILLEL SILVER

AHS:er



April 13, 1949

Mr. Abe Tuvim  
Israel Corporation of America  
425 - 4th Avenue  
New York, New York

My dear Mr. Tuvim:

I cannot emphasize too strongly that the success of the Israel Corporation depends upon a large-scale intensive action in the next few months and on the raising of an impressive sum of money in the very near future. This means that the tempo of its work must be speeded up. It means that a few men must be put in the field at once. It means spending money to get money. Otherwise, I am afraid the work will peter out, and when other organizations working in the same field will get into high gear, as they soon will, the Israel Corporation will be pushed out of the picture.

It was my hope that we could come to the ZOA convention with an inspiring report of a large sale of Israel Corporation stock, but it seems as though our people are too busy in the political game.

With all good wishes, I remain

Very cordially yours,

ABBA HILLEL SILVER

AHS:rlh



THE ISRAEL CORPORATION OF AMERICA

To : Dr. Abba Hillel Silver

Date: April 29, 1949

From: Abe Tuvim

Re :

A long time ago, Abe Luntz made a subscription of \$10,000 to The Israel Corporation. About a month ago, Mr. Schiff 'phoned him and Mr. Luntz promised to send the money in within ten days. Since that time he has received several letters and bills which remain unacknowledged. I wonder if it would be possible to drop a word to him when you next see him.

We want very much to get all of our large subscriptions in within the next ten days. So far we have been able to maintain an average in excess of \$20,000 a week since I got here and we need amounts like Mr. Luntz to help put us in a better position when the deal will finally be made with the Agency within the next few days.

There is one under discussion and I am asking Mr. Schiff to write to you about it so that you may be kept apprised of all developments.

Kindest regards.





## THE ISRAEL CORPORATION OF AMERICA

To : Dr. Abba Hillel Silver

Date: May 10, 1949

From: Abe Tuvim

Re :

For sometime we have been worried about the attitude of Dan Frisch toward the ICA. While I did not give full credence to many of the rumors which were floating about, it was quite evident, for reasons of his own, that Frisch was quite cold to the idea of the ICA. While some of these reasons are understandable the net effect has no promise for us.

Lately a number of things have happened which indicate, although they do not prove, Frisch's indifference or perhaps antagonism.. There have been a number of regional ZOA meetings set up. The initial plans for these include a full session to be devoted to the ICA. Soon we began to notice resistance on the part of local leaders, restrictions on time element and attempts to avoid actual solicitation.

Last Sunday I covered the New Jersey Regional meeting and I had a difficult time with Martin Adolph. I was placed too early in the program, when there were very few people present and had it not been for the help of a few people like Ben Gordon of Teaneck and Alex Goodman of Camden, the net results would have been nil. As it was, we got \$2,000.00 in a large number of small subscriptions and arranged two other meetings.

We are going through a similar process now in the Bronx where Dave Moscovitz and a few others are resisting the inclusion of the ICA for a session in their regional conference which is to take place next Sunday. The original plan was to include such a session, but during the past week the Bronx leaders have cancelled it out and now offer us a booth outside of the meeting room to sell stock. This, of course, we have turned down.

While I was dictating this, I received a call from the Bronx reinstating the session for us. This was the result of very great pressures exercised by myself and Sidney Marks. The tendency, however, to play down the ICA is there and the fact that Martin Adolph and Moscovitz are intense disciples of Dan Frisch have some bearing on their attitude.

When you add to this the fact that Mr. Schiff has been having some difficulty in getting an appointment with Frisch to discuss the future of the ICA and the part which the ZOA will play in its future, you have a pretty complete picture of what may turn out to be a very harmful situation. I could tell you a great deal more, but I would rather not build my case on gossip. I do think, however, if you talk with Frisch you might straighten him out. His differences with Emanuel should be a thing of the past by now and we should not continue to be the victims.

Kindest regards.



AT:SW



DANIEL FRISCH  
300 CENTRAL PARK WEST  
APT. 5H  
NEW YORK CITY

May 13, 1949

Dr. Abba Hillel Silver  
The Temple  
Cleveland, Ohio

My dear Dr. Silver:

Thank you most kindly for your letter of May 12th. It is my opinion that the negotiations that are now being carried on are running along very smoothly, and that they do not call for basic concessions which cannot be adjusted and straightened out, if we wish to avoid a give-and-take at the convention.

On the other hand, Dr. Neumann indicates repeatedly to the committee, that he is not averse to having an unrestricted discussion pertaining to the issues of resignation, the UJA and the WZO Executive business, without prejudice to the agreement. The opposition is willing to go along on either approach.

As I told you in person, I am strongly of the opinion (which is motivated by only one consideration - I need not put in writing) that we need not engage in post mortems, if they agree to a vote of confidence which they are willing to do, so that the tenor and the motif of the convention be "unity".

There is not one iota of truth in the information which you received, that Mr. Schiff was trying to get together with me without success. It is exactly these types of telephone calls to you by some persons who presume to sit in judgment, that aggravate me deeply.

The very opposite is the case. It so happens that Albert Schiff and I are friends for decades, and I feel very close to him. Your letter reached me at the moment I was returning from a pleasant two hour luncheon with Mr. Schiff, which was arranged at my initiative. We saw eye to eye on major policy pertaining to the ICA, and what is more I have asked Mr. Schiff to be one of a delegation of three, including myself, which I expect will leave immediately after the convention for Israel, in order to arrange for the immediate establishment of the ZOA



DANIEL FRISCH  
300 CENTRAL PARK WEST  
APT. 5H  
NEW YORK CITY

(2)

embassy, as well as to arrange for some Israel project for the ZOA in addition to the private investment project.

As to the Vice-Chairman of the Administrative Council, or any other officers to be elected at the convention, I am perfectly ready and willing, as I should be, to abide by the majority will of the Administration forces, except in the matter of the appointment of the Inner Committee which, as I told you by phone, I feel is the exclusive right, privilege and prerogative of the president-to-be.

Looking forward to the pleasure of seeing you next Thursday, I am, with best wishes,

Most cordially yours,

  
Daniel Frisch

P.S. Copy of the paragraph in ~~my~~ letter pertaining to Albert Schiff is being mailed to him.

DF:ca



May 16, 1949

Mr. Abe Tuvim  
Israel Corporation of America  
425 Fourth Avenue  
New York, New York

My dear Tuvim:

You will find below for your information two paragraphs from a letter which I received Saturday from Mr. Frisch.

"There is not one iota of truth in the information which you received, that Mr. Schiff was trying to get together with me without success. It is exactly these types of telephone calls to you by some persons who presume to sit in judgment that aggravate me deeply.

"The very opposite is the case. It so happens that Albert Schiff and I are friends for decades, and I feel very close to him. Your letter reached me at the moment I was returning from a pleasant two-hour luncheon with Mr. Schiff which was arranged at my initiative. We saw eye to eye on major policy pertaining to the ICA, and what is more, I have asked Mr. Schiff to be one of a delegation of three, including myself, which I expect will leave immediately after the convention for Israel, in order to arrange for the immediate establishment of the ZOA embassy, as well as to arrange for some Israel project for the ZOA in addition to the private investment project."

With all good wishes, I remain

Most cordially yours,

ABBA HILLEL SILVER

AHS:er



THE ISRAEL CORPORATION OF AMERICA

CONFIDENTIAL

To : Dr. Abba Hillel Silver

Date: May 18, 1949

From: Abe Tuvim

Re :

Thank you for your letter of May 16th. I think that your intervention has had a most salutary effect and I appreciate it very much. The situation of which I wrote you about and about which we talked on the telephone was real. I am glad the clouds have lifted a little, but I am still not convinced that the gentleman is wholeheartedly for us. I am afraid that in the process of appeasement and compromise which is now going on, we may be one of the victims.

Kindest regards.

AT:SW





THE ISRAEL CORPORATION OF AMERICA

To : Dr. Abba Hillel Silver

Date: June 1, 1949

From: Abe Tuvim

Re :

I talked to Dr. Marcus Levinson, the incoming Regional Chairman for the Southwest Region, and I understand from him that Sidney Herold had asked you to attend their regional convention on Labor Day. The impression I got was that you were giving this favorable consideration.

I hope that this is the case. I would find it tremendously helpful if you were to accept. The region covers Arkansas, Louisiana, New Mexico, Oklahoma, Texas, and Dr. Levinson promises me a special luncheon or another form of gathering exclusively devoted to the ICA. I think this could be very fruitful and hope that you will give it your favorable consideration when deciding as to your acceptance of the invitation.

I hope by this time that Dr. Falkman has taken up with you the question of several parlor meetings in Cleveland during the month of June. I have agreed to come to Cleveland for a week or longer to work on this and I am therefore very anxious to have at least one of these parlor meetings set up.

Kindest regards.



AT:SW



TO: Dr. Abba Hillel Silver

June 7, 1949

FROM: Abe Tuvim

May I have your approval to send this to the 230 odd leaders who have thus far accepted to serve on the National Council? The memo is subject to the approval of our legal advisers. Regards

TO ALL MEMBERS OF THE NATIONAL COUNCIL OF THE I. C. A.

You will no doubt be interested and pleased to know that The Israel Corporation of America has delivered to The Jewish Agency for Palestine the sum of a quarter million dollars for use by the Agency for the purchase of, or the payment for, materials and supplies for the account of I. C. A. utilized in connection with housing for immigrants. It is contemplated that this materials and supplies account will be converted into an investment in the debentures of Amidar, National Housing Company, as soon as the debentures are ready for public sale in the U. S. In view of the great need for housing, this action by I. C. A. is timely and helpful.

While the present schedule of I. C. A. provides for the investment of an additional quarter million dollars in housing for Israel, study is also being given to the financing of imports of other material and supplies to Israel.

It will be our pleasure to keep you informed as to our progress, and enable you better to serve our mutual interests. A replica of the check delivered to The Jewish Agency appears below.

Abba Hillel Silver, Chairman  
National Council for I. C. A.

40

THE ISRAEL CORPORATION OF AMERICA  
425 Fourth Avenue

No. 589

New York June 2, 1949

PAY  
TO THE  
ORDER OF THE JEWISH AGENCY FOR PALESTINE \$ 250,000 <sup>00</sup> <sup>XXX</sup>  
Two Hundred Fifty Thousand and <sup>00</sup> <sup>XXX</sup> Dollars

THE ISRAEL CORPORATION OF AMERICA

/s/ Albert Schiff

Albert Schiff, Pres. Authorized Signature

/s/ B. G. Browdy

Benjamin G. Browdy, Treas. Authorized Signature

THE NEW YORK TRUST COMPANY  
Madison Ave. & 40th St.  
New York

*This will  
be an actual  
reproduction  
of the check.*



THE ISRAEL CORPORATION OF AMERICA

To : Dr. Abba Hillel Silver  
From: Abe Tuvim

Date: June 17, 1949

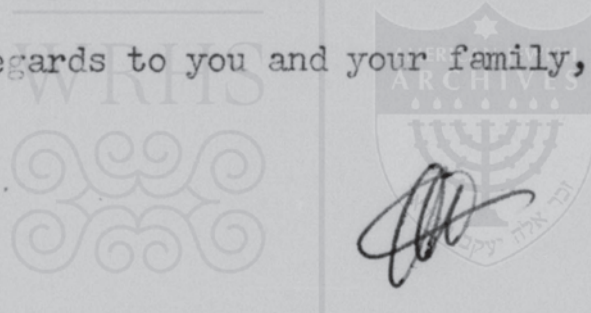
Re :

I am glad that we had such a fine opportunity to talk about the I. C. A. after the meeting last night. I gave Mr. Schiff a report of our conversation and he was very much pleased.

The real reason for sending you this memo is to remind you of your intention to talk to Dr. Falkman about the meeting at Mr. Evan's farm. I certainly hope that it goes through and I am holding myself in readiness to go to Cleveland for this or for any other activity that may be planned. I want also to remind you of your suggestion that you would speak to Mr. Luntz about holding a meeting at his home shortly after his return from Europe. Would you please ask your secretary to mark her calendar for a reminder to you when Mr. Luntz comes back.

I am sending a copy of this to Dr. Falkman.

With kindest regards to you and your family,



AT:SW