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Israel, general, 1951-1952.

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מועצה מרכזית למוסדות התורה הצדקה והחסד בארץ ישראל

FEDERATED COUNCIL OF ISRAEL INSTITUTIONS, INC.

38 PARK ROW, NEW YORK 38, N. Y.

AN AMERICAN CENTRAL FUND FOR THE INDEPENDENT RELIGIOUS EDUCATIONAL
AND WELFARE INSTITUTIONS IN ISRAEL

September 19, 1951

Rabbi Abba Hillel Silver
E. 105th St. & Ansel Rd.
Cleveland, Ohio

Dear Rabbi Silver:

You will surely find much interest in the enclosed concise brochure which presents the vast program of the Federated Council of Israel Institutions. You will note that our program embraces the independent religious educational and welfare institutions in Israel, 144 in number, with a combined expenditure of \$4,550,000 and benefiting nearly 48,000 people.

Since the establishment of the State of Israel, our welfare institutions as well as our Yeshivoth were taxed to capacity. Due to the expansion of their activities and the inflationary rise in the cost of living in Israel, our institutions must receive increased aid from America in order to ensure the continuance of their invaluable services to the Yishuv, and in order to alleviate the suffering of thousands, including students and scholars.

We applied to your local welfare fund for an adequate allocation for the current year. We therefore ask you to please do all within your power to bring about the granting of a suitable allocation for the FCII. In the meanwhile, forced by the existing emergency, we appeal to you to kindly utilize the forthcoming High Holy Days and Holidays to urge the members of your Congregation to contribute liberally for the traditional institutions in Israel. Contributions may be sent directly to the FCII or through your Congregation.

In behalf of our institutions and the thousands who must depend on them we thank you for your cooperation, and we extend to you best wishes for the New Year.

Sincerely yours,

David L. Meckler

David L. Meckler
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Abraham Horowitz

Abraham Horowitz
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J T A DAILY NEWS BULLETIN

JEWISH TELEGRAPHIC AGENCY, INC. 231 West 58th Street, New York 19, N. Y.

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VOL. XVIII No. 196 - 33rd year

Thursday, October 11, 1951

BEN GURION CLARIFIES RELATIONS BETWEEN ISRAEL AND AMERICAN JEWRY

NEW YORK, Oct. 10. (JTA) -- The stand of the Israel Government in its relations with American Jewry was clarified in a lengthy statement by Premier David Ben Gurion issued here yesterday by Ambassador Abba S. Eban. The Premier emphasizes that Israel "in no way presumes to represent or speak" in the name of the Jews who are not citizens of Israel. He makes it clear that the decision as to whether American Jews wish to come permanently or temporarily rests with the free discretion of each American Jew himself. He also explains the exact import of the term "ingathering of exiles."

The full text of the statement reads as follows:

"In view of the cables sent to me during the last few weeks it seems to me there exists a misunderstanding concerning my stand and that of the Israel Government regarding the relations between Israel and American Jewry. This misunderstanding is due in part to inaccurate reports in the press and in part to the free discussion which took place in the last Zionist Congress regarding Zionism, its tasks and status.

"I, therefore, wish to clarify matters and ask you to transmit it to all interested. The greater part of the following views has already been expressed by me to my American friends during their visit to Israel as well as during my last visit to the United States.

"In the first statement which the representative of Israel made before the United Nations after her admission to that International Organization he clearly stated without any reservation that the State of Israel represents and speaks only on behalf of its own citizens and in no way presumes to represent or speak in the name of the Jews who are citizens of any other country. We the people of Israel have no desire and no intention to interfere in any way with the internal affairs of communities abroad.

Says Israel Depends on Strength of U.S. Jewish Community

"The government and the people of Israel fully respect the right and integrity of the Jewish communities in other countries to develop their own mode of life and their indigenous social, economic and cultural institutions in accordance with their own needs and aspirations. Any weakening of American Jewry, any disruption of its communal life, any lowering of its sense of security, any diminution of its status is a definite loss to Jews everywhere and to Israel in particular.

"The very freedom and security of American Jews is to us a guarantee that those of them who may feel morally impelled to participate personally and directly in the building up of Israel will be able to do so. Our success or failure depends in a large measure on our co-operation with and on the strength of the great Jewish community

of the United States and we, therefore, are anxious that nothing should be said or done which could in the slightest degree undermine the sense of security and stability of American Jewry.

"We should like to see American Jews come and take part in our effort. We need their technical knowledge, their unrivalled experience, their spirit of enterprise, their bold vision, their know how. We need engineers, chemists, builders, work managers and technicians. The tasks which face us in this country are eminently such as would appeal to the American genius for technical development and social progress. But the decision as to whether they wish to come permanently or temporarily rests with the free discretion of each American Jew himself. It is entirely a matter of his own volition.

Emphasizes Need for Halutzim from Democratic Countries

"We need Halutzim too. Halutzim have come to us and we believe more will come not only from those countries where the Jews are oppressed but also from countries where the Jews live a life of freedom and are equal in status to all other citizens in their country. But the essence of Halutzit is free choice. They will come from among those who believe that their aspirations as human beings and as Jews can best be fulfilled by life and work in Israel.

"In connection with the proceedings of the recent Zionist Congress I wish to make the following points clear. For 50 years the Zionist movement embodied and led a world-wide effort for the establishment of the State of Israel, sometimes alone, sometimes supported by other Jewish movements and individuals. Israel institutions of government grew organically out of this movement. Therefore, it was natural for the government and the people of Israel to give every encouragement to the World Zionist Congress meeting in Jerusalem and to urge its redoubled efforts to support Israel's cause.

"This does not at all mean that there is any change in Israel's established policy which is to seek and welcome the support, assistance and counsel of all Jewish groups and individuals, whether or not they work within the framework of Zionist Organization. In Israel the Jewish Agency and its related bodies carry out specific functions in the reception of immigrants, in the immediate provision for their needs in land settlement, and in certain types of development work. These functions were discharged by the Jewish Agency and its organs long before the State of Israel was established and upon its establishment they were not taken over by the State but left in charge of the Jewish Agency. Under the new set up they can only be effectively discharged through the closest possible co-operation of the Jewish Agency with the Government of Israel.

Israel Will Deal Directly with U.S. Jewish Groups

"The Knesset may therefore be asked to confer a special status on the Jewish Agency inside Israel to express this situation. However, the Knesset cannot and does not wish to affect by its legislation any activity outside Israel's borders. With reference to American Jewry the position will thus remain as before, namely, that Israel will co-operate directly on matters affecting itself with all Jewish organizations desirous of such co-operation. Such direct relations of the Government of Israel with Jewish bodies and organizations will naturally be co-ordinated with the Jewish Agency.

"Some friends have enquired from me the exact import of the term 'Ingathering of Exiles.' This historic phrase from our literature accurately describes the current phenomenon of Israel's life which is the spontaneous and wondrous convergence

upon Israel of Jews in need of home and freedom. The phrase cannot be regarded as implying that American Jews should regard themselves as deficient in stability or security or as being under notice to change their abode. Our only wish for American Jewry is to see it stable, free and secure.

"It is our earnest hope as indicated before that men and women will come to us from American Jewry to assist in the creative epoch of our state building, just as men and women from many lands immigrated to America and built a new civilization on its shores. This, however, can only be a voluntary process inspired by a positive idealism similar to that which animated America's foundera.

"In conclusion I want to reiterate my hope that Israel will continue to be able to co-operate with a free and secure American Jewry in a cause which has won the admiration and approval and has enhanced the dignity and prestige of every Jew wherever he lives."

IMMIGRANT VILLAGES IN ISRAEL HIT HARD IN FIRST WINTER RAIN

TEL AVIV, Oct. 10. (JTA) -- Considerable damage was caused in the immigrant work villages of northern Israel early this week when the first heavy pre-winter rain swept the whole country, sparing the Tel Aviv area alone.

The Jewish Agency immediately mobilized its forces to assist the newcomers, giving special priority to some 1,500 families living in canvas structures. When the two-day rain hit, many of the huts lost their roofs because the canvas, weakened and decomposed by the strong summer sun, fell apart.

Tiberias and the adjoining area suffered minor floods which damaged several buildings. The situation of five maabarot in the Tiberias vicinity became critical overnight. One hundred immigrant families, who had been living in the open for the last two months since their arrival, fled to the adjoining administration units for protection from the rain.

Several tents collapsed and many of the tin huts were flooded as their roofs began to leak and the water seeped in under the floor boards. In other immigrant villages the sewage pits overflowed when the inadequate drainage canals became overloaded.

Jewish Agency circles last week said that immigrants who had spent last winter in the tents would be spared the experience this year. The Army has already been asked to take over the administration of several of the camps. It is hoped to keep the number of families who must spend the winter under canvas to 500-600.

Large quantities of canvas are en route to Israel or have already arrived at the ports, but a shortage of trucking keeps much of the canvas from reaching the immigrant villages. Windows for tin and wood huts are in even shorter supply and glass is rationed. The two-inch thick cement floors in the huts is inadequate but neither money nor cement is available for thicker floors.

REP. ROOSEVELT LEAVES ISRAEL FOR BEIRUT CONFERENCE

TEL AVIV, Oct. 10. (JTA) -- Progress in Israel has been "enormous" in the 18 months between the last and current visit of Rep. Franklin D. Roosevelt, Jr., to the Jewish state, he told a Histadrut dinner in his honor here prior to his leaving for Beirut yesterday to confer with U.N. truce supervisor Lt. Gen. William E. Riley on the Arab refugee problem. Rep. Roosevelt singled out the leadership of the Histadrut for special praise in his tribute to the Jewish state and its institutions.

U.N. COMMISSION URGES TREATIES AGAINST RACIAL DISCRIMINATION

UNITED NATIONS, N.Y. Oct. 10. (JTA) -- The United Nations Subcommission on the Prevention of Discrimination and Protection of Minorities decided this morning to make the following suggestions to its parent body, the Economic and Social Council:

1. That the Economic and Social Council recommend to all members of the U.N. that they co-operate in any treaty to which they become parties to safeguard against discrimination. 2. That the Council recommends that in treaties establishing new states or new boundaries between states special attention should be paid to the protection of any minority which may be created thereby. 3. That the Council arrange for the preparation of an international convention for the protection of minorities.

Speaking for the Consultative Council of Jewish Organizations, Moses Moskowitz re-affirmed his organization's belief in the "symbolic and practical importance" of the Subcommission. He then declared that its terms of reference imposed upon the Subcommission a task which was nothing short of blueprinting international machinery for the supervision of the carrying out of the promises of non discrimination in the U.N. Charter, in the Universal Declaration of Human Rights, and in the envisaged Covenant on Human Rights.

The Subcommission, he said, had a continuing responsibility of ensuring that the charter provisions against discrimination would find their way into all relevant international instruments drawn up by, or under the auspices of, the United Nations.

In considering the future program, Mr. Moskowitz went on, priority should be given to the immediate task of assisting the Commission on Human Rights in the revision of the draft Covenant on Human Rights so that the rights which were of vital concern to minorities could be adequately formulated. Secondly, it was especially important that the United Nations devise a method and procedure to enable aggrieved minority groups to seek redress by the United Nations "through agencies of their own choosing."

Jewish Groups Ask General Assembly Action on Human Rights

Bernard Bernstein, of the Co-ordinating Board of Jewish Organizations, said it seemed now that much more time would elapse before the Covenant on Human Rights would operate, and he therefore underscored the urgent necessity for immediate action by the General Assembly to create conditions in which human rights could flourish. Accordingly, his organization proposed that the Assembly adopt certain resolutions.

The first of these, he said, should cover the following: Each member state should establish its own permanent national commission on human rights. Each such commission would gather information and appraise practices affecting fundamental freedoms and protection of minorities within the country and each member state would keep the U.N. Commission on Human Rights informed of the activities and findings of its national commission.

The second resolution would urge each U.N. member nation to adopt all practicable measures to "narrow the gap" between present practices and the standards established by the Declaration on Human Rights. Thirdly, Mr. Bernstein proposed that the Assembly should -- without waiting for the adoption of the covenant -- establish a Human Rights committee with jurisdiction to act with respect to all member nations and not limited to the future parties to the covenant. Such a Human Rights committee, he said, could appropriately protect those human rights recognized in the U.N. Charter and in the Universal Declaration of Human Rights.

J T A *Keep* DAILY NEWS BULLETIN

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Monday, October 22, 1951

ISRAEL WILL RECEIVE GENEROUS AMERICAN SUPPORT, U.S. AMBASSADOR SAYS

TEL AVIV, Oct. 21. (JTA) -- United States Ambassador Monnet B. Davis today declared here that Israel will receive generous American support for its economic development which he described as prerequisite to political stability essential for peace.

Speaking at a Rotary Club luncheon, he passingly referred to "steps taken to establish a Middle East Command to co-operate with the North Atlantic Treaty Organization and countries in this area for defending this important region from aggression." He did not express his views about Israel's role in such a command.

The underlying note in his statement was that the United States regarded Israel as a member of the network of states whose economic and political well-being were the concern of the free nations. Assistance to Israel fitted into a pattern of overall aid to the Near East and Africa within the framework of the Mutual Security Act Appropriation, he said.

Mr. Davis emphasized that the Mutual Security Appropriation Bill, more popularly known as the Foreign Economic Aid Bill--which was approved by Congress in Washington yesterday--involves a program designed to assist the Near Eastern and African countries to increase their food production and agriculture generally, public works programs, and industrial and communications expansion. It would make a material contribution to a solution of the refugees problem, turning homeless or displaced persons into productive members of society, he added.

Mr. Davis went on to say that the American bill to aid friendly foreign countries includes a provision for the care and resettlement of 800,000 Arab refugees, as well as care for refugees coming to Israel. He stressed that Israel's participation in the program would be substantial. (The 82nd Congress approved and sent to the White House for signature last night a bill providing for \$7,328,903,976 in economic and military aid for friendly foreign powers including \$160,000,000 for Israel and Arab countries. The figures represent a five percent reduction as approved earlier by a Senate appropriations committee.)

America to Send Railway and Mining Experts to Israel

Referring to President Truman's "Point Four Program," the American diplomat said projects were currently being worked out for sending to Israel technicians to assist the country's railway expansion and modernization, as well as specialists in ore dressing technique for helping in the wise utilization of the country's mining resources.

Mr. Davis also revealed that funds have been made available for sending 38 Israelis to the United States for the study of railway administration and maintenance, petrochemical engineering and ship's mechanics.

AMERICAN JEWISH COMMITTEE SEVERELY CRITICIZED BY JEWISH AGENCY

NEW YORK, Oct. 21. (JTA) -- The Jewish Agency today issued a statement taking issue with the resolution adopted last week by the executive committee of the American Jewish Committee in which opposition was expressed to the granting of special status for the Agency by the Israel Government. The Agency's statement charged the American Jewish Committee with creating issues "where none exist."

Issue with the American Jewish Committee was also taken today by Israel Browdy, president of the Zionist Organization of America. Declaring that the A.J.C. had no logical or lawful grounds to urge the Israel Government to desist, "under the penalty of loss of support," from granting any special status to the Jewish Agency, Mr. Browdy said: "If we are to judge it by its recent pronouncements, we must conclude that the A.J.C. is coming dangerously close to resembling an anti-Zionist combination."

The Jewish Agency statement, issued by Mrs. Rose Halprin, acting chairman-- Dr. Nahum Goldmann, chairman of the Agency, is now in Latin America--reads as follows:

"The resolution approved last week by the executive of the American Jewish Committee is an astonishing document in view of facts which were at the disposal of the authors when they prepared the text. The resolution implies, among other things, that the World Zionist Organization has requested, and the Israel Government is considering, the granting of a 'diplomatic' or a 'political' status for the Jewish Agency for Palestine. It implies further that this status - the one or the other or both - would extend beyond the territory of Israel.

"Even the most cursory reading of the Resolution on Status approved at the recent World Zionist Congress, the text of which has been widely publicized, makes clear that the World Zionist Organization seeks only a legal status covering specific non-political functions in Israel, specifically refraining from requesting such status outside of Israel.

"So much for what the World Zionist Organization is requesting. Equally clear is what the Israel Government is considering granting. In a recent communication to Ambassador Eban, the Prime Minister of Israel responded to a telegram addressed to him by a group of American organizations, including the American Jewish Committee. In his communication, Mr. Ben Gurion said:

" 'In Israel the Jewish Agency... carries out specific functions in the reception of immigrants, in the immediate provision for their needs in land settlement, and in certain types of development work. These functions were discharged by the Jewish Agency and its organs long before the State of Israel was established, and upon its establishment they were not taken over by the State but left in charge of the Jewish Agency. Under the new set up they can only be effectively discharged through the closest possible co-operation of the Jewish Agency with the government of Israel. The Knesset may therefore be asked to confer a special status on the Jewish Agency inside Israel to express this situation.'

Says A.J.C. Creates Issues; Fights Non-Existent Dangers

"In the light of these facts, it is clear that the import - if not the intent - of the American Jewish Committee's resolution is to create issues where none exist, and to put its authors in the position of champions against non-existent dangers.

"We do not here intend to answer certain ideological concepts advanced by the American Jewish Committee resolution, but we are very much concerned that the

American Jewish community be given the facts on a number of practical issues raised by the document. We are, in particular, concerned with a few key sentences.

"The resolution says: 'We...oppose any attempt on the part of any organization not exclusively American in its composition and direction to interfere with the internal affairs of American Jews.'

"The will of Jews in the United States to assist in the upbuilding of Israel is not the 'internal affair' of American Jews. It is a matter which concerns every Jew in Israel and millions of Jews elsewhere - including many who want desperately to go there - who share a common interest in Israel.

"Since 1897 the World Zionist Organization has been responsible for the building of the Jewish National Home which eventually emerged as the State of Israel. This work it now continues with the co-operation of the Israel Government. In discharging its responsibilities, the World Zionist Organization has won the co-operation of Jewish communities in the U.S.A. and elsewhere in the world. It is relevant to note that the American Jewish Committee, which began as an organization devoted exclusively to American affairs, has now broadened its activities to include many lands. We would not pretend that this development constitutes interference by the American Jewish Committee in the 'internal affairs' of other communities.

Jewish Agency Clarifies "Diplomatic Recognition" Issue

"The American Jewish Committee statement continues: 'We urge upon the State of Israel the impropriety of (a) granting any kind of diplomatic recognition to any non-governmental body; (b) granting any kind of political status within Israel to any non-Israeli organization or non-government body and (c) purporting to grant to any organization any special status with respect to the activities of Jews and Jewish communities in America or anywhere else outside of Israel.'

"Seriatim, our answer is as follows. (a) no organization is asking the Government of Israel for 'diplomatic recognition.' We can assure the American Jewish Committee that we are not proposing to exchange Ambassadors with Israel, to open consular offices in Tel Aviv, or to ask Israel's assistance to attain membership in the United Nations. The phrase 'diplomatic recognition,' in short, is a complete fantasy on the part of the American Jewish Committee with no known relation to any known fact.

"b) No Zionist organization is asking for any 'political' status in Israel. The World Zionist Organization, through its executive body, the Jewish Agency for Palestine, is asking a legal status which will define in writing the responsibilities for Israel's immigration, absorption and colonization program which it has been carrying for more than 50 years. The Zionist Organization asks for no status which goes beyond these rightful and traditional responsibilities.

"c) The American Jewish Committee is again misinformed - and misinforming - when it implies that the Zionist Organization is seeking special status outside of Israel. It is natural that the Zionist Organization, carrying the responsibility for huge work programs in Israel which are linked to fund-raising and other activities abroad, should request that the Israel Government consult with it on matters affecting these Israel programs when and as they arise in Diaspora communities. It is unthinkable that any organization should object to such consultation.

"We stress two further points with regard to this particular paragraph of the American Jewish Committee resolution. Having earlier in the text vigorously opposed 'any attempt on the part of some few Americans to interfere in the political life of Israel,' the American Jewish Committee now presumes to urge upon the

Government of Israel the 'impropriety' of taking this or that action within its own sovereign territory. Thus the American Jewish Committee contradicts its own stated policy.

Lists American Zionist Groups Active in Education

"Moreover, the American Jewish Committee's advice to the Israel Government not to grant recognition or status to any 'non-Israeli' or 'non-governmental' body is not only inappropriate, but is intrinsically untenable. For years the U.S.A. has been granting special status to non-governmental organizations, including the Red Cross, the Jewish Welfare Board, HIAS, etc. For years the American Jewish Joint Distribution Committee, also a non-governmental body, has been supported in its work by special recognition granted it by numerous governments. The right of a sovereign government to enter into special relationships with any individual or organization, native or foreign or international, is an essential part of its sovereignty.

"The American Jewish Committee goes on to state: 'We affirm that the carrying out of educational programs among American Jews is exclusively the responsibility of American institutions.' This statement is remarkable for its truth. Zionist education programs in the U.S. - and we assume that these are the programs in which the American Jewish Committee is interested - are in the hands of the American Zionist Council, the Zionist Organization of America, the Hadassah Women's Zionist Organization of America, the Labor Zionists of America, the Mizrachi Organization of America, and other similar organizations, all of them as American as the American Jewish Committee.

Charges A.J.C. With Seeking to Isolate U.S. Jewry from Israel

"The Jewish Agency, an international organization, assists American organizations to carry on their Zionist and pro-Israel programs. It happens also to be true that the American Jewish Committee, an American organization, maintains offices in London and Paris in order to carry out its own work. We are happy to remind the American Jewish Committee that our Zionist colleagues in England and France would not dream of condemning the American Jewish Committee offices there as being 'non-British' or 'non-French.'

"The essence of education in a free country is, of course, not who teaches, but what is taught, and the freedom of the community to accept or to reject the teaching. We should think that the American Jewish Committee, in view of its dedication to freedom, would be the first to support such a principle.

"We are forced reluctantly to the conclusion that the authors of this resolution are seeking to isolate American Jewry from Israel and from the Jews of the rest of the world - to create, if you will, a kind of Monroe Doctrine for the American Jewish community. In this they will never succeed. It isn't only that, on the world scene, the Marshall Plan has out-dated the Monroe Doctrine. The fact is that the Jewish history of a people reaching out across boundaries in search of mutual help and mutual understanding."

MORGENTHAU SAYS MIDDLE EAST CRISIS CALLS FOR URGENT AID TO ISRAEL

NEW YORK, Oct. 21, (JTA) -- Pointing to the explosive situation now existing in the Middle East as a result of dramatic developments in Egypt, Iran, and elsewhere, Henry Morgenthau, Jr., chairman of the Board of Governors of the State of Israel Bond Drive, urged immediate financial action yesterday in support of Israel's economy in the present Mediterranean crisis. In a report to the executive committee of the Israel Bond Campaign, Mr. Morgenthau emphasized that the State of Israel must be strengthened economically "to meet any outside emergency" that may develop out of the disturbed situation in the Middle East.

ANTI-DEFAMATION LEAGUE PARLEY REJECTS MACIVER'S RECOMMENDATIONS

ATLANTIC CITY, Oct. 21. (JTA) -- The Anti-Defamation League of B'nai B'rith, at the concluding session of its three-day conference here, today rejected the major recommendation of Prof. Robert M. MacIver of Columbia University with regard to the co-ordination of the activities of Jewish organizations engaged in fighting anti-Semitism in the United States.

The conference adopted a statement declaring that the MacIver recommendations, "if pursued to their logical conclusion," would place the work of the Jewish groups combatting bigotry "into a tight and neat central control" and would "violate the nature of Jewish communal organizations." Prof. MacIver made his recommendations as the result of a study sponsored by the National Community Relations Advisory Council, the co-ordinating body of all Jewish groups engaged in combatting anti-Jewish prejudice.

Pointing out that "the basis of Jewish communal organization is voluntary participation," the statement adopted by the Anti-Defamation League criticized Prof. MacIver's suggestion that the National Community Relations Advisory Council should change from a co-ordinating body into an "overall governing body" with power to conduct operations, develop strategy and apportion funds to its member agencies.

The A.D.L. believes in the values of N.C.R.A.C. as presently constituted," the statement says. It urges that it continue and be strengthened as a forum for policy formulation, "as it proposed to the plenum of the N.C.R.A.C. in 1949. But A.D.L. reiterates its opposition to having the N.C.R.A.C. become another functioning agency in the community relations field competitive with and duplicatory of the existing agencies.

"One cannot escape the conclusion that Dr. MacIver feels it desirable and attainable to mould the Jewish community of America into one single pattern," the statement continues. The A.D.L. cannot concede it to be desirable; and feels certain it is not attainable in the foreseeable future. American Jewish life has been in a state of flux for many years; it seems to be seeking a pattern but has not found it. Divisions in attitude as to religious practice, Jewish education, fund-raising, Israel, organizational affiliations and the whole myriad of manifestations of Jewish life are quite real. They cannot be brushed aside from on top by order or directive. Devotion and loyalty of Jews to organizations, philosophies or ideas are the strength of this community even though they occasionally give rise to waste and duplication."

Decline of Organized Anti-Semitism in U.S. Reported

Addressing the delegates today on the decline of anti-Semitism in the United States, Arnold Foster, A.D.L. civil rights director, said that "the dwindling forces of organized bigotry are being made desperate by the unceasing rejection of their propaganda." At an earlier session Benjamin R. Epstein, national director of the A.D.L., reported that prejudiced attitudes against Jews and other national minorities in the United States have decreased by 40 percent in the last five years.

Jacob Grumet, New York City Fire Commissioner and chairman of the A.D.L. civil rights committee, told the conference that seven Arab states, working through the Arab League, have during the last year conducted a well financed campaign to drive a wedge between American Jews and the total American community. He named Abdel Rahman Azzam Pasha, Secretary General of the Arab League, who came to the

United States in September, 1950, as the man originally in charge of anti-Jewish propaganda. Mr. Azzam associated with people described by Mr. Grumet as leaders of anti-Semitic groups in the United States.

Justice Steinbrink Re-elected; Skeptical About German Sincerity

Justice Meier Steinbrink, who was today re-elected to a sixth term as national chairman of the Anti-Defamation League, expressed "frank skepticism" of the West German Government's offer of restitution to the Jews for the crimes committed against them by the Nazis. "The contradiction between the German resolution and past and present German behavior leave much room for skepticism," he insisted.

The A.D.L. named Henry Ford, 2nd, to receive its annual "America's Democratic Legacy Award." Mr. Ford was cited for "his establishment of a Ford Foundation, whose resources for intensified research in human relations problems is giving greater impetus to the development of better intergroup relations than any other single act of the past decade."

DR. GOLDMANN CRITICIZES A.J.C. FOR APPROACHING GERMANY DIRECTLY

BUENOS AIRES, Oct. 21. (JTA) -- Dr. Nahum Goldmann, co-chairman of the Jewish Agency executive, who is here for a three-day visit, told a press conference that he estimated American Jews will give to Israel twice as much this year as last year through the United Jewish Appeal and Israel bond drive together. Dr. Goldmann said that the 23rd World Zionist Congress, recently concluded in Jerusalem, "went off better than was expected."

Touching on the forthcoming conference in New York of Jewish organizations from all parts of the world which will take up the question of German restitution, Dr. Goldmann said the meeting cannot regulate relations between Germany and the Jewish people, "this being a political problem which will be resolved by history," but can merely press for material reparations which may help considerably in the reconstruction of Israel and "must not be neglected. Dr. Goldmann criticized the American Jewish Committee for addressing the German Government directly, which he said no other Jewish body had done.

"It is not important why Chancellor Adenauer made his statement (on German restitution to the Jews)," Dr. Goldmann said. "I do not deal in psychoanalysis. But he made the offer to discuss restitution and we must consider it in view of Israel's necessities," he added. Emphasizing that Jewish organizations in Allied countries have been invited together with Israel to consider Dr. Adenauer's offer at the conference, Dr. Goldmann declared that Argentine Jewry, being an important factor, has also been invited - through the DAIA - to participate in the New York meeting. Dr. Benjamin Rinsky and H. Swarsenky, editor of the German-Jewish periodical, *Judische Wochenschau*, are Argentine Jewry's delegates to the parley.

HAPOEL AND MACCABI CONCLUDE PACT ON SPORTS ACTIVITIES IN ISRAEL

TEL AVIV, Oct. 21. (JTA) -- Israel's two leading sports organizations, Hapoel and Maccabi, initialled an agreement today placing regulation of sports activities in this country under a single body in which both organizations will be equally represented. The agreement is expected to pave the way for Israel's admission to the International Olympics Committee which has been prevented in the past by Israel's failure to agree on a single representative body.

מחלקה	מוסד ביאליק
מספר	6770/10/57

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ירושלים, כ"ג בתשרי תשי"ב
23.10.51

לכבוד
ד"ר א.ה. סילבר,
קלבלנד.

ד"ר סילבר היקר,

היום, עם צאתו לאור של הספר "הרצאות על האיסלאם"
לגולדציהר, שלחנו לך על-ידי הדואר טופס אחד, מתוך תקווה
שתמצא בו עניין.

אולי יעניין אותך לשמוע על הצמאון לספר, הגדל
והולך בארץ, שהספר הזה נמכר כבר ביום צאתו לאור בלמעלה
מ-800 טופס; ספרו של פרופ' מ.ד. קאסוטו "האלה ענת" (אשר
בוודאי כבר הגיע לידך), ספר ספציאלי, שנדפס ב-900 טפסים -
כל מהדורתו נמכרה תוך 3 שבועות; וספרו של פרופ' יוליוס
גוטמן ז"ל "הפילוסופיה של היהדות" - מתוך 1900 טפסים
של המהדורה הראשונה - נמכרו תוך 5 שבועות 1500. ואם
נביא בחשבון, שמספר קוראי עברית מבין העולים החדשים גדל
והולך, הרי נשקף כאן עתיד מבהיל את הדעת לספר ולספרות
העברית; ולואי שאיכות הספרים וערכם לא יפגרו אחרי כמות
תפוצתם.

בינתיים הוחל בהדפסת הכרך השני של האנציקלופדיה
המקראית, ואנו תקווה שבחודש מאי הוא יצא לאור.

אל נכון זוכר הנך, אדוני, את שיחתנו בירושלים,
בימי הקונגרס. הקורטוריון של מוסד ביאליק הטיל עלי את
השליחות לנסוע לארצות-הברית בקשר להוצאת מהדורה אנגלית
של האנציקלופדיה המקראית ובדבר תפוצתם של ספרינו באמריקה.
בדעתי לבוא איפוא לארה"ב במחצית החודש דצמבר, ובבואי
אבוא אתך בדברים על הדרך היעילה ביותר להצלחת המשימות
שהוטלו עלי. אין אני צריך להוסיף, שחברי הקורטוריון
קיבלו את הבטחתך לעמוד לימיננו בארה"ב, בהשפעתך הציבורית
והמוסרית - בשמחה ובהוקרה רבה. הריהם סבורים, שעמך
זו לימיננו חשיבותה תהא רבה לאין ערוך, בפרט כשסבורים
הם, שספרינו עשויים להיות לברכה לא רק למדינת ישראל,
אלא גם ליהדות אמריקה.

בכבוד ובהוקרה רבה,

מ. גרדון



עיריית
תל-אביב-יפו

WRHS



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CONCESSIONS TO SAILORS WILL GIVE MAPAM POWER OVER SHIPPING
ITS GOVERNMENTS DUTY FACE THE ISSUE BY STATE LEGISLATION
AND OTHER SAFEGUARDS INSTEAD DRIVING IT UNDERGROUND STOP
WE LOOK TO AMERICA TO HELP ISRAEL REALISE ITS GOVERNMENTAL
DUTIES AND STOP HISTADRUTH USURPING GOVERNMENT FUNCTIONS
STOP ITS DAY AS SHADOW GOVERNMENT HAS PASSED STOP WE ARE
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ON BEHALF OF THE EIGHTY PERCENT STRIKING SAILORS NO
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1951 PROGRAM

FEDERATED COUNCIL OF ISRAEL INSTITUTIONS

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IRGUN MOSDOTH HAZEDAKAH VEHACHESED

LIST OF INSTITUTIONS

Covered by the 1951 Program of the
FEDERATED COUNCIL OF ISRAEL INSTITUTIONS

I. WELFARE HOMES

ORPHANAGES

Jerusalem	Inmates and Personnel	Estimated 1951 Expense
General Israel Orphan Home for Girls	276	\$180,500
Zion Orphanage	75	34,350
Beth Chinuch Yetomim	46	20,300
Hafez Haim Orphanage	35	14,200

HOMES FOR THE AGED

Jerusalem

United Aged Home Moshab Sekenim	350	175,300
Home for the Aged Beth Sekenim	69	20,250

Safed

Home for the Aged Moshab Sekenim	29	12,000
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HOMES FOR THE BLIND AND INCURABLES

Jerusalem

Blind Institute Beth Chinuch Ivrim	151	104,000
Home for Incurables	42	34,650
	<u>1,073</u>	<u>\$595,550</u>

II. PHILANTHROPIC INSTITUTIONS

HOSPITALS AND SICK AID SOCIETIES

	Persons Aided	Estimated 1951 Expense
Jerusalem		
Bikur Cholim Hospital	14,476	\$223,750
Misgab Ladach Hospital	3,400	24,000
Maternity Aid Society Ezer Yoledoth	940	15,600
Ezrath Cholim Amamith Ruchama	514	14,600

RELIEF ORGANIZATIONS

Jerusalem

Central Committee Kneseth Israel	5,000	\$128,500
Kolel America Tifereth Jerusalem	400	28,700
Kolel Chabad	250	18,800
Kolel Marmarosh	140	1,600
Kolel Poland-Warsaw	3,500	29,000
Kupath Harabanim	150	24,300
Union of Refugee Rabbis	1,800	134,700
Council for Relief of Refugee Rabbis	807	54,150

Tel Aviv

Committee for Refugee Rabbis Ezrath Torah	1,200	100,700
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SOUP KITCHENS

Jerusalem

Eliach Soup Kitchen	830	9,300
Hachnasath Orchim Tifereth Zion	350	5,500

Safed

Soup Kitchen of Galil Aid Society	150	8,250
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FREE LOAN FUNDS

Jerusalem

Ozar Hachessed Keren Shmuel	2,142	11,000
Shaarei Chesed Gemiluth Chasadim	2,534	8,500
	<u>38,583</u>	<u>\$840,950</u>

III. INSTITUTIONS OF HIGHER JEWISH LEARNING

YESHIVOTH

A. YESHIVOTH DIRECTLY AFFILIATED WITH FCII

Jerusalem	Yeshivah Students	Instruc- tors	Estimated 1951 Expense
*Yeshivath Bachurim Torah Veyirah	41	5	\$ 20,800
Yeshivath Beth Joseph	56	4	18,600
Yeshivath Beth Midrash Letorah	23	2	31,400
Yeshivath Beth Zvul	37	3	23,300
*Yeshivath Chaye Olam	254	7	163,500
*Yeshivath Etz Chaim	246	5	188,500
Yeshivath Heichal Hatorah	42	2	15,400
Yeshivath Karlin Beth Aaron	51	4	26,300
Yeshivath Kneseth Beth Isaac of Kamenietz	64	3	50,000
Yeshivath Kneseth Bnai Hagolah	67	4	43,000
Yeshivath Kneseth Israel of Hebron	153	6	108,000
Yeshivath Kolel Brisk	11	1	18,000
Yeshivath Maor Hatorah	17	3	8,500
*Yeshivath Meah Shearim	63	3	88,200
Yeshivath Mekor Chaim	40	4	30,500
Universal Yeshivah Merkaz Harav Kook	80	5	69,850
Yeshivath Midrash Bnai Zion	22	3	15,200
Yeshivath Mir	105	6	58,000
Yeshivath Ohel Torah Beth David	31	4	31,950
Yeshivath Or Haneelam	40	3	14,700
Yeshivath Rabbi Chaim Joseph	35	2	17,250
Yeshivath Sefath Emeth	142	6	95,000
*Yeshivath Shaar Hashamaim	83	4	54,500
Yeshivath Shaare Zion	40	3	11,500
Yeshivath Shomrei Emunim	68	6	43,000
Yeshivath Tel Talpioth	25	3	7,500
*Yeshivath Tifereth Zvi	82	6	52,500
Yeshivath Torath Chaim	60	4	33,500
Yeshivath Torath Chesed	42	3	17,600
*Yeshivath Torath Emeth	86	5	54,000
Yeshivath Torath Jerusalem	42	3	12,600
Yeshivath Yitav Lev Satmar	45	3	59,000

YESHIVOTH (Continued)

	Yeshivah Students	Instruc- tors	Estimated 1951 Expense
Bnai Brak			
Yeshivath Beth Joseph	25	2	18,800
Yeshivath Chachmei Lublin	27	2	13,000
Yeshivath Kneseth Israel of Slaboda	90	3	83,500
Yeshivath Kolel Avrechim	18	3	17,000
Yeshivath Tifereth Zion	70	6	26,500
Hadera			
Yeshivath Hadera	40	5	29,550
Lydda (Lud)			
*Yeshivath Olei Russia	60	3	70,000
Petach Tikvah			
Yeshivath Petach Tikvah	188	14	155,500
Beth Midrash Letorath Eretz Israel	17	2	20,700
Yeshivath Or Israel	72	6	44,000
Ramath Gan			
Yeshivath Slonim	25	4	16,000
Rechovoth			
Yeshivath Kletzk	40	4	28,400
Tel Aviv			
*Yeshivath Tomchei (Achei) Temimim	103	7	44,000
Yeshivath Atereth Joseph	16	1	15,000
Yeshivath Beth Joseph	68	5	35,600
Yeshivath Geonei Volozin	40	3	19,400
*Yeshivath Heichal Hatalmud	57	4	48,300
*Talmud Torah and Yeshivath Shaare Torah	16	2	28,350
Tiberias			
*Yeshivath Or Torah	66	3	83,600
Zichron Yaakov			
Yeshivath Kneseth Hezekiah	36	2	30,800
	3,267	206	\$2,309,650

YESHIVOTH (Continued)

B. YESHIVOTH INDIRECTLY AFFILIATED WITH FCII

	<u>Yeshivoth</u>	<u>Yeshivah Students</u>	<u>Instruc- tors</u>	<u>Estimated 1951 Expense</u>
In addition to the 52 Yeshivoth listed above, the FCII grants aid to the three central Yeshivoth organizations in Israel for 47 more Yeshivoth in their programs, as follows:				
Vaad Hayeshivoth of Israel	28	665	39	\$570,700
Mifal Hatorah of Israel	14	377	24	172,000
Ichud Hayeshivoth of Israel	5	139	11	48,800
	47	1,181	74	\$791,500

TALMUD TORAH SCHOOLS

(*) Separate elementary schools, Talmud Torahs, are being maintained by the Yeshivoth marked by the asterisk (*), as integral parts of their programs of activity and budgetary expenditures



<u>Institutions</u>	<u>Pupils</u>	<u>Teachers</u>	<u>Estimated 1951 Expense</u>
12	2,554	148	(Included in Budgets of Respective Yeshivoth)

COURSES IN TORAH STUDIES

Jerusalem

Irgun Hanoar Hachareidi	6	476	21	\$ 11,500
	18	3,030	169	\$ 11,500

DIGEST OF STATISTICS

I. INSTITUTIONS AND PEOPLE HELPED

1,073 Inmates and Personnel	in	9 Welfare Homes
38,583 Persons Aided	in	18 Philanthropic Institutions
4,728 Students, Scholars and Instructors	in	99 Yeshivoth
3,199 Pupils and Teachers	in	18 Talmud Torahs
<hr/>		
47,583 People Helped	in	144 Institutions
<hr/>		

II. ESTIMATED 1951 EXPENSE

27 Welfare Homes and Philanthropic Institutions	\$1,436,500
117 Yeshivoth and Talmud Torahs	3,112,650
<hr/>	
144 Institutions	Total Expense \$4,549,150
<hr/>	

The Fund-Raising Campaign of the Federated Council of Israel Institutions is
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FEDERATED COUNCIL OF ISRAEL INSTITUTIONS

38 Park Row, New York 38, N. Y.

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\$500,000,000 INDEPENDENCE ISSUE

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(In Formation)

Rabbi Abba Hillel Silver
19810 Shaker Blvd.
Cleveland 22, Ohio

Dear Rabbi Silver:

In keeping with the national program wherein outstanding leaders in the Jewish community are being honored, the first of which was the tremendous Eddie Cantor dinner at the Commodore Hotel, New York City, the Cleveland Committee, Bonds of the Israel Government, will pay tribute to one of our own outstanding leaders, Mr. Leonard Ratner.

This testimonial will be in the form of a dinner to be held on Tuesday evening, March 11th, at which time we expect Eddie Cantor and Henry Morgenthau Jr., former Secretary of the U. S. Treasury, to be present.

As one of the men who has served with, and knows Leonard Ratner, we certainly hope that you, with a number of other outstanding community leaders, will accept the position as honorary chairman for this occasion.

Will you kindly advise us of your acceptance by returning the enclosed card.

Your cooperation will assure the success of this occasion, which is a well deserved honor for a man whose service has meant so much to our community.

Sincerely,

Max Simon
Max Simon

S. M. Friedman
S. M. Friedman

David N. Myers
David N. Myers
JOINT CHAIRMEN

GY
Enclosure

Smilanski Blames Bureaucracy And Socialism For Israel's Crisis

U.S., British Concern At Position

Links With World Economic Crisis

(FROM OUR LONDON CORRESPONDENT)

THE future of every country that helps to uphold the stability of the free world is the concern of the whole free world. So the reports about Israel's financial and economic difficulties are naturally causing anxiety in Great Britain and America, not only among the Jews. I have had a letter from someone in America who knows the feeling in the State Department, and he says: "Israel won't go bankrupt, because the U.S. will not allow it. We can't afford a fresh collapse in that part of the world."

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"But that does not mean," my American informant continues, "that we are going to carry Israel all the time. It does not mean that things are going to be easy there. Opposition to a big grant for Israel has stiffened here considerably. And though Israel will be helped to keep going officially, it will not be much comfort for the poor devils in the wind-ripped tents in the ma'abarot."

Nor are those in the ma'abarot alone in their difficulties. I read in the press to-day that "Israel's heavy workers have been told that stocks are so low that they can no longer receive extra rations."

London Comment

The "Financial News" has been making a pessimistic survey of Israel's economic position. It is very different from those optimistic surveys which used to appear in the London and New York financial papers and in the general press about the prosperity and development and favourable investment openings in Palestine under the Mandate. Shortly before the war, at the time of Evian, "Palestine" was complaining that the Jewish refugees were not being admitted, and said: "The economic condition of Palestine does not warrant this closing of her doors to her own people."

To-day the reports from Israel are couched in bitter words. "The Jerusalem Post" writes: "No one will deny that modern social services are eminently desirable. But the time has come to ask ourselves to what extent we can afford such services. We must adapt ourselves to our economic position. External loans will have to be paid back."

It is very largely the language of the British press about the economic position in Britain. That is the only comfort in the situation that this great and old and powerful State is experiencing the same troubles as the new, young and inexperienced State of Israel. As Mr. Butler, the British Chancellor of the Exchequer, said: "We have been hit by world conditions." — Israel as much as Britain. "The individual in such circumstances goes to the bankruptcy court," says "The Times." "What happens to a nation is less direct but more disastrous."

The Israel Pound

It is in the light of these world conditions which affect all countries that the situation in Israel must be considered. "How can a State go bankrupt and still carry on?" the "News Chronicle" asks in a survey of Israel's economic position. "True enough," it concedes, "Jewish communities throughout

the world are contributing vast sums to help, but this is insufficient. The present highly unrealistic exchange rate and the uncertain supply of raw materials are frightening away foreign investments. Officially at par with sterling, the Israel pound is quoted on foreign black markets at more than six to £1 sterling. It is not surprising that devaluation rumours are causing panic."

The London "Jewish Chronicle" makes a heading of the denial — "Israel Pound Not to be Devalued." Yet, after the denial, the "Sunday Times" published a Jerusalem report repeating the story that the present Israel currency is to be called in shortly and a new currency issued, which will "introduce a basic financial and monetary reform aimed at checking inflation." "Terribly ill at ease in Zion," is the heading of the report. "Wages are rising continuously," it explains, "but the worker is worse off all the time, because he can never catch up with prices."

The remedy that is put forward is "economic adaptation of the country to the available resources."

Smilanski's Criticism

Recently the "Manchester Guardian" published a series of articles about the situation in Israel, whose author was impressed by the way most people in Israel "take their troubles resignedly, almost optimistically," but he wondered "how long the mood of sacrifice will last."

An observer nearer home, Moshe Smilanski, whose knowledge of Israel extends over more than 60 years, has been speaking about the situation to the London "Jewish Review." "Vast sums

Continued on page 7

Schmorak Wins Case Against Baharal

JERUSALEM, Thursday. The Court of Honour of the World Zionist Organisation found David Baharal, director of the Finance Department of the Agency, guilty of offending Dr. Emil Schmorak, former controller of the Agency. The Court ordered Baharal to pay IL. 70, court expenses, and IL. 200, fee to Dr. Schmorak's attorneys. The case, echoing the stormy debate at the last Zionist Congress in Jerusalem, resulting from Dr. Schmorak's famous report, was brought to court by him. While in official capacity as the Agency's controller, Dr. Schmorak requested Mr. Baharal to submit data and information on financial transactions of the Agency. Baharal's letter, in reply, was full of insults and invectives directed against Dr. Schmorak.

Peron To Legalise Status of Illegal Immigrants

BUENOS AIRES, Thursday. President Juan Peron has received a delegation of the D.A.I.A., central Jewish representative body in Argentina, and promised to legalise the status of Jewish immigrants who entered the country illegally.

1 1/4 Million Cases of Citrus Exported By Israel This Season

TEL AVIV, Thursday. Over 1,025,000 cases of citrus fruits have been exported from Israel since the beginning of the season. Of these, England received 650,000 cases, Belgium 50,000, Netherlands 67,000, Denmark 10,000, Norway 150,000, Sweden 72,000, Finland 37,000, Russia 60,000, Poland 32,000, and Bulgaria, Yugoslavia, Austria and Switzerland received smaller quantities.

Famous Musicians For Israel Music Festival

TEL AVIV, Thursday. Violinist Jascha Heifetz, cellist Piatigorsky, and pianist Artur Schnabel, will participate in a special music festival to be held during the "Conquest of the Desert" exhibition here next spring.



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Fire at Durban Docks

DURBAN.—For the second time in less than a week, bales of sisal caught fire at Durban docks yesterday. More than 140 bales were destroyed or damaged by water and the fire brigade battled with the flames for nearly half an hour before getting them under control.

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"GENERAL ZIONIST POLICY MIGHT SAVE ISRAEL"

AMERICAN ZIONIST LEADER URGES CHANGE OF COALITION

GIVE the General Zionists an opportunity to demonstrate the effectiveness of their asserted panaceas, writes Jacob S. Richman, well-known American Zionist leader, in the "Philadelphia Zionist." The result will either bring the country out of its economic doldrums, or vindicate Mapai's claim that further concessions to private investment are futile.

"The magnificent political showing of the General Zionists aroused hopes that they would be welcomed into a governmental coalition based on the simultaneous protection of the rights of labour and the encouragement of the influx of substantial private capital from abroad" writes Mr. Richman. "These hopes, however, were dashed when the General Zionists were rebuffed in their request to name a trade minister in charge of rationing and controls."

"Instead, Mapai reinstated the old unworkable and unstable partnership with the Religious Bloc with all its elements of friction and conflict, by conceding to its demands for four Ministers and the Deputy Minister of Education. This entails control of religious education in the camps, excusing women from military service on religious grounds, continuing separate party schools, with the continued postponement of a centralised public school system, and prohibiting import licenses for non-kosher food."

"The Prime Minister must be afflicted with political myopia. Surely giving the General Zion-

ists an opportunity to demonstrate the effectiveness of their asserted panaceas will either result in bringing the country out of its economic doldrums, in which case all will be the gainer; or, if they prove unsuccessful, then Mapai will be vindicated in its claim that further concessions to private investments are futile

and only the support of the collective system of Histadruth will insure success.

"Since Israel's future is dependent primarily on the solution of its economic problems, the government owes a duty to join with other economic-centric parties in seeking a remedy. It is patently wrong to refuse to meet the challenge by imposing on the country unpopular measures designed to placate groups seeking self aggrandisement and return to religious authority."

"Israel's leaders must learn to welcome Jewish private capital without the fearful obsession that the large influx of capital can change the essentially labour and social-justice character of the country. That character can be assured, not by pressures and untenable coalitions, but by adhering to the time-honoured traditions of our people."

Smilanski Blames Bureaucracy

Continued from page 3

have been provided by the Jewish people all over the world during the last three or four years," he said, "despite all this pouring out of millions into a small country, its financial position is serious—nay, critical."

"When the British Mandate came to an end," he points out, "the country was well off. Food warehouses, private and Governmental, were full and there were good stocks of raw materials. The country had 30 million pounds in the Bank of England, besides British and American Securities to a large

amount. The currency in circulation was about 30 million pounds, which had the same value as sterling. Private safes held diamonds and gold to the value of many millions."

"The Mandatory Government left us a valuable legacy, the deep harbour in Haifa, two moles in Jaffa and Tel Aviv, railways, many good roads and Government buildings, large equipped military and civil airfields, good army barracks and the Haifa refineries. The Arabs who fled left behind about five million dunams of cultivable land, containing orchards, orange groves, olives, grape vines and fruit trees, about 75,000 dwelling houses in the towns, some of them very elegant, about 75,000 shops and factories and much moveable property, furniture, carpets, jewellery, etc."

"All this is wealth," he said, "and if we in Israel are now sunk in poverty we blame the excessive bureaucratic centralisation, the restriction of private enterprise, and the promise of a Socialistic regime in our days."

Similar Criticism in Britain

It is the very complaint that is made in England about the Labour Government that held office from 1945 till last year. "The 'Welfare State,' 'the social services,' as the 'Jerusalem Post' calls it, is blamed for the trouble. 'The orgy of expenditure in which the previous Government had indulged since the war was bringing its inevitable retribution.'"

Even Smilanski's criticism of the Israel Government for its checks on private business is matched by Lord Selborne in his speech as Chairman of the National Provincial Bank: "If such taxes had existed in the days when Jesse Boot, Thomas Lipton and William Morris were starting their businesses they never could have built up the great firms associated with their names. Such men, rising from the ranks, gained for Britain her industrial eminence, found employment for thousands of their fellow-countrymen and carried British trade all over the world. It is from small beginnings that the majority of our great industrial leaders have come in the past. What is to happen to the trade of this country if their enterprises are prevented from growing? The born leaders of industry can often best show themselves in the hard test of competition."

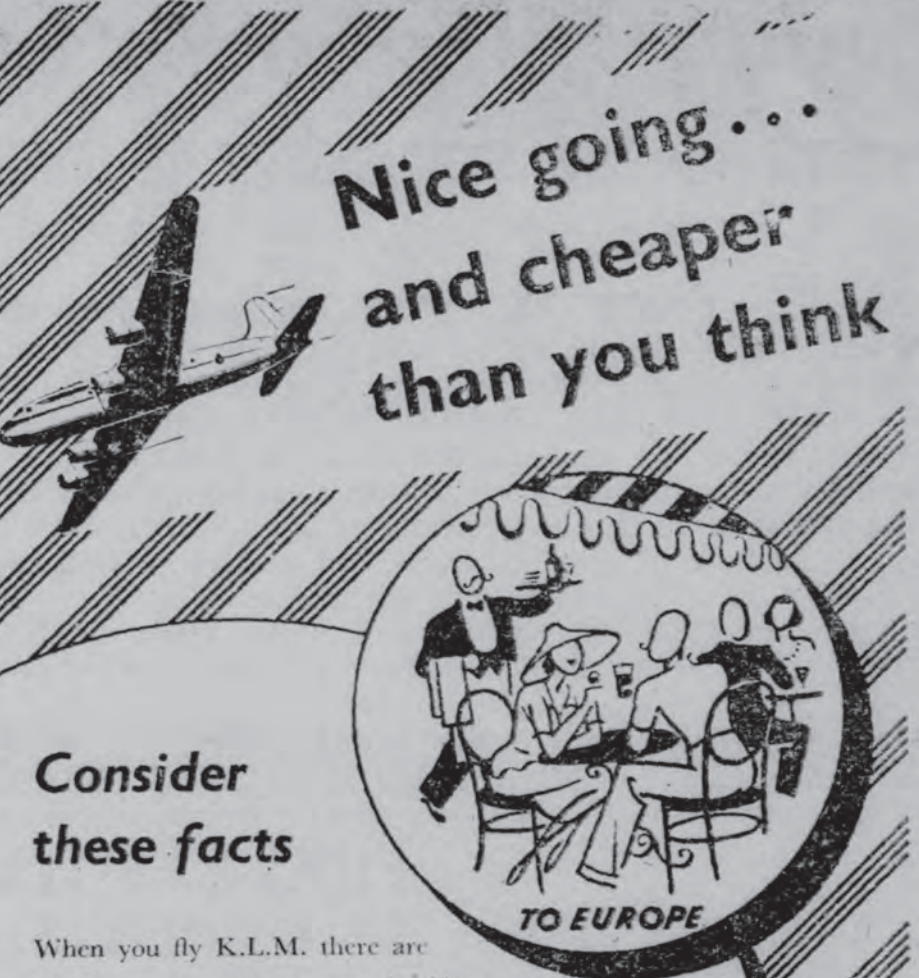
I write the day before Mr. Butler is to present his plans as Chancellor of the Exchequer to the new session of Parliament. But he has been delivering a number of speeches recently, in which he has set out the position and foreboded the action he intends to take. The position is much the same, on its smaller scale, in Israel; and his remedy seems equally applicable there. "We are pretty hard p," is the diagnosis for both. And it is time to brace up" is the remedy for both.

Cut to Cloth

"The only remedies for inflation are either an increased production of purchasable goods or a reduced demand. Under the joint pressure of rearmament and our imperative export needs, the production of goods for the home market cannot be increased. Hence there must be reduced demand."

This means that neither Britain nor Israel can afford to spend more than they have, either on social services or on the maintenance of a large continuing unproductive immigration. As the "Jerusalem Post" says: "We must adapt ourselves to our economic position." As for borrowing, as it added tersely and clinchingly, borrowing will not help. For "external loans will have to be paid back."

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Rabbi Abba Hillel Silver
Z Temple
Cleveland, Ohio

Enclosed please find a copy of my letter to Mrs. Golda Myerson and an appeal to the leaders of Jewish Communities in this country. I believe that the development in Israel and the socialistic experiments of Histadrut is a threat to the well-being of the Jews in this country. The representatives of Israel who are making propaganda for buying the Bonds of Israel are trying to convince us that only the lack of funds is delaying the industrialization of Israel and hinders the road to happiness and prosperity. But they don't mention that it is necessary to double the productivity of the worker. That skilled workers and technicians are imperative, and that the cost of living should be lessened to make the Israel's export production competitive on world markets. It is necessary too, to create a world market for Israel's products. With all this, they are afraid to tell the masses in Israel, because the socialistic and communistic leaders could lose the votes of the masses.

The lessons of export figures from totalitarian states like U.S.S.R., Poland, Czechoslovakia and Hungary, with huge sources of basic minerals and agriculture, raw materials, show that the ^{EXPORT OF THE} socialist and communistic countries are ~~doomed to failure~~ ^{doomed to failure}.

Very truly yours,

M. Lewis

M. Lewis

M. Lewis
34-58 74th St.
Jackson Heights, L.I.
March 5, 1952

Mrs. Golda Myerson
Israel's Minister of Labor

Dear Mrs. Myerson:

In the digest of your speech published in the N.Y. Times, I read that you are of the opinion that we have to support the Socialistic experiments of Israel even if we are in opposition to them and believe that this policy could bring only a catastrophe to Israel.

The "Big Lie" that Israel could be self-sufficient in a few years with regards to food does not impress me. You will find in enclosed photostat, two charts about the percentage of food self-sufficiency of the various countries in the world and how many hectares of soil are proportioned to every 100 persons in their respective countries.

You can see that Great Britain has only 25% of the food which the population needed, Norway 43%, Switzerland 47% and Belgium 51%. The respective acreage for every 100 persons are, in Great Britain 42 hectares, in Norway 36 hectares, in Switzerland 53 hectares, in Belgium 22 hectares.

The greatest goal that Israel could achieve in a few years would be about 30 hectares for 100 persons in an expected population of 2 million. This could secure only about 1,200 calories per person. The remaining 1,600 calories must be imported.

The statement of Mr. Ben-Gurion that Israel has plenty of water is again untrue. The commission of the UN discovered during their visit to Palestine and hearing there in 1947 that all this country had for irrigation was about 1,800,000 acre-feet of water. It can be assumed that Israel's part of Palestine had no more than 1,200,000 acre-feet of water. This means that the irrigation could enable them to bring to their fields an average of 9 to 10 inches of water, if the goal of 600,000 hectares of arid, semi-arid and poor arable soil would be achieved.

Taking into consideration the fact that the average annual rainfall in Beersheba is 9 inches, that the Negeb has only 6 inches of rainfall and Beizan an average of $10\frac{3}{4}$ inches—good crops like in West Europe could not be expected. Even with this meager irrigation, a good crop demands at least 36 inches of water. Israel could be self-sufficient in food if 5 million acre-feet of water would be at the disposition of Israel's agriculture to achieve 2 or 3 crops on limited arable land.

In Israel exist a paradox: "in Israel there is more soil than water". The lack of water limits Israel's agriculture production, and only the import of water from Litany River in the north or Nile River in the south for irrigation of Negeb can change this unfavorable condition. The using for irrigation of "desalted" sea water could change this unfavorable situation too, if the process of desalting would be cheap enough. But now it is not realistic and can't be taken into consideration.

The problem of Israel is that Histadruth is a State within a State, Histadruth is an industry cartell, is controlling Worker's Unions and 9 members of Histadruth are ministers in government. These, merger of functions is fatal to the development of Israel's economy and only the strong separation of Histadruth activities and functions could secure the future of Israel.

Histadruth has the legislative power, the executive power, is an industry cartell and controls the workers unions. Isn't the position of Histadruth in Israel analogue to the Status of the communist parties in the democracies of Eastern Europe where they have also the legislative and executive powers, controls the workers unions? Only one difference is that the communist parties control all industry in respective countries but Histadruth only the greatest part of industry in Israel with the tendency to dominate all industry in the near future.

Histadruth avoids public scrutiny and only the leaders know what the assets are, the production, the profits etc. I asked them twice about their assets, but did not receive any answer. But the experts suppose that the assets of Histadruth are about 80 million. I.L. and production 1950-1951 was about 100 million I.L. This means that the turnover of this cartell was about 125%. In comparison to Memoth General Motors in this country, which had assets totaling about 3 million dollars and had a turnover of 250%. Such establishments as the cartell of Histadruth have in this country a turnover about 300% and more. The figures about activity of Histadruth indicate that the management is improper or the cartell is overcapitalized or both.

Enclosed you will find an article about the diminishing and break up of the might of Histadruth. The 100 millions I.L. production of Histadruth must pay taxes like the "non socialistic" sector. The camouflage as cooperative was good in the time of mandate, but now the government of Israel uses this "empire" for new brand of socialistic nationalization. The biggest part of loans and grants of U. S. are going to the benefit of Histadruth, including Solel Boneh and other members of the socialistic sector.

It was reasonable that during the mandate the Jewish Labor Unions organized social security and health benefits to their members but now this is wrong and the State of Israel has to take over their functions, their funds and emancipate the workers from totalitaitian practice of the leaders of the Histadruth labor unions.

The potash establishment on south end of Dead Sea could have started the production as much as 3 years ago. In this time the economy of Israel lost about 10 million dollars in export value and working possibilities for 1,000 to 1,500 workers. Is this not a missuse of the might and short-sightness of the Government of Israel?

If the development of the potash production could be started 3 years ago, now the export of potash products could reach 200.000 tons at a value of about eight million dollars yearly which are lost, and now you are telling us that we have to pay the bills for your socialistic experiments. The leaders of Israel must abandon their "living in dreams" and realize that the Jews in "Diaspora" dislike to support the socialistic experiments of Israel.

During the years 1935-1939 the average Jewish population in Palestine was about 500,000 persons. To this time the average foreign trade deficit of the Jewish sector was about \$100 per capita. Now considering the change of world prices the average of regular imports could reach an amount of about \$150 per capita or by a population of 2 million or about \$300 million yearly. It can be assumed the "invisible" import and export could be Balanced.

The production for export would demand an import of raw material, half finished goods and fuel not less than 25% of export value. This means that Israel has to export goods for about 400 million dollars to be self-supporting, and secure Israel's economic independence. But this isn't all. You said "we not only have the will but we have the capacity to repay every dollar that we borrow". This means that the transfer of dividends of the investors, the interest for loans and bonds and the repaying them will demand an amount of approximately 75 million dollars or an increase of the export of 100 million dollars considering the import of fuel, raw material and half finished goods. All together the self-supporting of Israel demands an export of 500 million dollars and at least 50% of this in hard currency.

But is this goal possible if taking into consideration of the high living cost in Israel, the high wages, the low production of Israel workers and the questionable practice of Histadruth unions? All these unfavorable circumstances are making the production of Israel uncompetitive on the world market.

The change of economic policy and the abandoning of the socialistic experiments are not less important as the dollars of the Jews in Diaspora for the achievement of self-sufficiency. Don't be surprised if some time in the future the American Jews will refuse to pay the bill for the socialistic experiments. But first you have to help yourself and after this to speak about the "must" of American Jews. You have to choose between socialism or prosperity and bread.



Very truly yours,

Michael Lewis
Grad. Eng.

ML/fz

TO THE LEADERS OF JEWISH COMMUNITIES IN U. S. A.

History will never forget the magnanimity of the Jews of America which helped new born Israel over-come the onslaught of its foes, gain recognition and friends, and give succor to hundreds of thousands of our fellow Jews in search of home, safety and independence.

All over Israel, cities, towns, villages, fields, factories and the very desert have felt the healthy influence, the constructive help of that noble instrumentality called U. J. A... Israel's very growth, however, is beset with grave and dangerous problems which the young State alone cannot master without continuous cooperation of Jewish men and women the world over.

This is the digest from Ben-Gurion's cable to leaders of U. J. A. But I suppose that for the representatives of World Zionist Congress and for the people who watched the speeches of Mr. Ben-Gurion and his followers there and all the development during the congress, the words of above cable will sound as a mockery. How can we believe now the sincerity of Mr. Ben Gurion after his rejecting in Jerusalem the Influence of A. Z. O. and Jewish Agency and even minimized their part in ^{IMBINATION} establishment of Israel?

We believe the history would never forget the great merits that American Jews have in the establishment of the state of Israel in spite of the denying and minimizing of this share. How can we believe now on the sincerity of Mr. Ben Gurion ^{AFTER} the imposition by Israel's government of severe restriction of Jewish mass immigration to Israel.

In striking violation of the Law, of the Return which about 2 years ago was enacted by the Knesset, proclaiming the unconditional right of every Jew to be Repatriated to the reborn state of Israel, the introduction of a virtual selective system of immigration has now been announced like British Regulations in time of the Mandate.

How can we believe in the sincerity of Israel's Government which is Histadrut ruled in socialistic party lines and class considerations?

But we must not be denied the lessons of History that Mr. Ben Gurion mentioned in his despatch and do not take too easy the facts and the development in Israel and even to foresee the future development because the Jews of this country are too closely tied to the fate of Israel, and the future development in the wrong way could bring disaster to the Jewish communities in this country.

August Cont said that to govern the means of foreseeing, but foreseeing demands for acting. We have to act now before this would be too late and socialistic Histadrut will destroy the well-being of Jewish communities in this country.

Because the leaders of A. Z. O. are captives of their own ideologie and sentiments they failed to influence in Jerusalem this past fall the leaders of Israel to adopt the course for the right of the present one. Now the independent Jewish organizations have to convince the leaders of Israel that their very unfortunate policy imperils the well-being of the Jewish communities in this country and must follow the cardinal principles of democracy and not a pseudo-democracy like in Eastern Europe.

It is very strange to us that Israel after 4 years of existence hasn't a written constitution. Israel is a new state without tradition in governing and must have a written constitution, which could stop the steps in undesirable directions.

Democratic rights must be secured. The rights of man and the fundamental freedoms including freedom of speech, press, assembly, free enterprises, etc. must be incorporated in a written constitution as well as the existence of organizations hostile to democracy must not be allowed. The resistance of the leaders of the new state to write and adopt the constitution is very strange and suspicious.

Isn't this resistance a manoeuvre which could allow not to eliminate and drop a written constitution in case of a sharp turn to the left? Isn't the lack of written constitution a trap? The written constitution of Israel could be for us a guarantee that such a turn will not occur and Israel never will go communistic.

The bolshevization of Israel would be a catastrophe for the Jewish Communities in this country because the entire Jewish religious group will be accused of helping to create a communistic state. We have to try to eliminate the possibility of a threat like this in time and demand guarantees in self-defense. All the hearings of un-American activities demonstrate the turn of the policy of the people of this country.

Now the obligation of the Jewish leaders in this country to foresee all eventualities even the most fantastic because they can't gamble with the fate and future of the Jewish communities of this country.

Mr. Ben-Gurion made before the congress in Jerusalem a prophecy that the state of Israel could be a refuge for American Jews if in the future the position of the Jews in America would be changed for the worse. It is for no good reason to wait such a development, but there are good reasons to believe that the position of Jewish communities in this country will be endangered if Israel will go communistic. It would be careless and short sightedness to underestimate or minimize the possible formidable explosive effect in this country if this would occur.

We are not afraid of the change of the attitude of our American neighbors but it would be fatal for us were Israel to turn to a totalitarian State. All the Jewish organizations in this country which helped to create and morally and materially supported the new state would be accused as dummy organizations which served as "fronts". There are now enough signs and symptoms to make us suspicious about the future development in Israel.

Histadrut is a state within the State of Israel. Histadrut has the Legislative power, the executive power, is an industry cartell and controls the workers unions. Isn't the position of Histadrut in Israel an analogy to the status of the communist parties in the pseudo-democracies of Eastern Europe where they have also the legislative and executive powers and controls the workers unions? Only one difference is that the communist parties controll all industry in respective countries, but Histadrut only the greatest part of industry in Israel with the tendency to dominate, all the industry in the near future. "Delendum est" Histadrut before the development of Histadrut would destroy the well-being of American Jews. We must be on guard and refuse to support, the socialistic and communistic experiments in Israel. The socialists and communists are sworn enemies of American way of life. Nobody can fortell the future political development in Israel but the signs and symptoms are significant enough to be on guard and eliminate the possibility for future accusation of American Jews in Un-American activities. We sacrifice now dollars, but we don't wish to sacrifice our well-being in this country. We have in time to take lessons, that history teaches us not to be suckers and wait till the time when the socialist powers in Israel will turn in a modern Golem, who will destroy us.

Like the communistic parties in the totalitarian regimes of East Europe Mapai and Mapam, established in Israel their own schools, to influence the children in socialistic and communist ideology beginning from the earliest steps of their lives. It is common to all totalitarian parties to take the education in their own hands to form future socialist and communists. The Jews of Diaspora are prevented from realizing the enormity of this practice, which is very strange to us in this country, there are not democratic or republican schools, but only public schools without political tendency.

Wouldn't the establishment of one public school for all children enormously cut the expenses for education? In the end the Jews in Diaspora have to pay all the bills of socialistic experiments in Israel in one way or another.

The representatives of the State of Israel are making undisturbed propaganda speeches in this country. They are telling us legends and inventions about self-sufficiency in food, and self-supporting of the State of Israel. The same that impress their followers. They are telling these "big lies" to convince them about further economical independence of Israel for the purpose to refuse every shadow of compromise with World Zionists and reject their influence of the economic affairs of Israel. But we have to know that if the self-sufficiency in food could be attained only if Israel would have at its disposal 5 million acre feet ^{of water} for irrigation. This is 4 times as much as it possess in potentiality. We have to know also, that the self-supporting could be achieved if Israel would export \$250 per capita, or more than 20 times more than it was in 1951, which was less than \$12 per capita. But this goal would never be reached by comparison with exports of rich, high industrialized country of West Europe or America with huge sources of basic minerals and abundance of soil for growing of agriculture raw materials. These countries have experience in "know-how" and skilled workers with experience in a few generations. To develop such technical skill and facilities, the time of one or two generations is needed by Israel.

To state that Israel could be self-supporting is a demagogy, which must be fought with counter propaganda. Would the Israelis make such undisturbed propaganda tours on a reciprocable basis?

The purpose of the Israel's representatives propaganda tours is the selling of Israel's Bonds, which terms and conditions are so unfavorable to the investors that the prospective buyers must be influenced and their sentiments exploited in favor of support of Israel's industrialization. But receiving loans from International Bank for Reconstruction and Development or Export and Import Bank, the Government of Israel has to accept the control of spending the money, even before receipt of the loan, the Government of Israel has to make an estimate which is subject to approval by the Banks. Why should the buyers of the Israel Bonds have confidence in the abilities of the unexperienced beurocracie of Israel or the inexperienced so-called "experts" appointed by Histadrut or unions? Could they become trust worthy because they are good unionists and good socialists? Could the "capitalistic buyers" of bonds have trust in the socialists of Israel, and can be secure that at the time of the maturity of the bonds the socialists in Israel would declare them nil.

The Government of Israel declared not long ago, after 4 years delay, the Nationalization of Potash Limited Co, in spite of and in violation of the resolution of the Assembly of the United Nations in the fall of 1947 during the creation of Israel which demanded the respect of existing international agreements and concessions. After accomplishing the first step of Histadruts conception and "Brand" of Nationalization, The buyers of Bonds are entitled to guarantees and control not less than the International Banks. Why the leaders of Jewish communities who help to sell the bonds of Israel don't demand the right of control and the change of terms, because now it is a mockery to call the bonds a security. We are not insured against the crisis in this country, could an owner of Israel's Bonds sell them in case of an emergency?

I suppose that the leaders of Jewish communities are careless and irresponsible in sponsoring the Bonds-Campaign. They press to buy the bonds without the right of control and possibility to transfer them to cash in case of an emergency. To-day the bonds are "dead ducks" and not a security for a "rainy day". The maintaining that the Israel's Bonds are securities, is betraying and misleading the prospective buyers contrary to the facts.

But we have to continue the policy of close cooperation and supporting of Israel only on a reasonable basis and as well as Israel, will remain free, truly representative and democratic in American understanding of this world, which excludes an establishment of a totalirian camouflaged pseudo-democracy of Israel's brand where well-disciplined members of Histadrut and the socialists exert influence far beyond. They could have without their totalitarian practice "convince" the masses. Now we have to break up the "conspiracy of silence" about the circumstances in Israel. The Jews in Diaspora are entitled to know all the truth about the state of Israel, all positive as well as negative points of the life in Israel. We need this to be able to meet the problem of supporting Israel in the next, at least, 25 to 50 years in spite of their proud as well as meaningless statement that they would be self-supporting in a few years.

M. Lewis
Grad. Eng.

34-58 74th St.
Jackson Heights, L.I.N.Y.
March 17, 1952



March 24, 1952

Mr. M. Lewis
34-58 74th Street
Jackson Heights, L.I.
New York

My dear Mr. Lewis:

Thank you for your letter of March 19th and the enclosure.
I read them with a great deal of interest.

With all good wishes, I remain

Most cordially yours,

ABBA HILLEL SILVER

AHS:er

MISSING PAGE (S)



DETAILS OF PROJECTED JEWISH AGENCY STATUS IN ISRAEL REPORTED

LONDON, March 25. (JTA) -- The text of the projected status of the Jewish Agency in Israel, to be presented by Premier David Ben Gurion first to the Israel Cabinet and later to the Parliament, was revealed at a press conference here today by S. Levenberg, representative of the Agency in England. It contains the following clauses:

1. The State of Israel represents the state only, but regards itself as the creation of the whole Jewish people and its doors are open to every Jew wishing to enter the country.
2. The World Zionist Organization, sometimes with the participation of other Jewish bodies, for two generations headed the work of the Jewish people for the laying of the foundations of the Jewish State.
3. The State of Israel recognizes the World Zionist Organization--the Jewish Agency--as a competent agency which will continue to work for the development of the Jewish State, for the absorption of immigrants in Israel and for the coordination of the work of Jewish bodies in these spheres of action.
4. The ingathering of exiles, which is the chief task of the Zionist Organization and of the State of Israel these days, makes it imperative for all sections of the Jewish people to continue this work. The State of Israel expects them to continue to support the ingathering of exiles. It also considers it necessary that all Jewish communities unite for the achievement of this aim.
5. The World Zionist Organization will make every effort to bring about the unification of those Jewish bodies who will undertake obligations arising out of such work.
6. When the World Zionist Organization shall be enlarged, with the consent of the Jewish Agency, the W. Z. O. will act in place of the Zionist executive.
7. Details of the status and work of the World Zionist Organization in Israel will be fixed in agreement between the W. Z. O. and the State of Israel. A committee will be established to coordinate the work in the spheres of action which are within the competence of the World Zionist executive.

In outlining the main points of the projected status, Mr. Levenberg said if these points are accepted, the question of an enlarged Jewish Agency might become an acute issue. The problem of how the non-Zionists should be elected to the enlarged agency especially will provoke much discussion, he declared.

Rabbi Miller Attacks Compromise on Agency Status

NEW YORK, March 25. (JTA) -- The compromise formula for the Zionist movement status in Israel was sharply attacked today by Rabbi Irving Miller, vice-president of the Z. O. A. and candidate for presidency, who said it contrasts sharply with the resolution adopted by the Zionist Congress.

Referring to reports that Israel Government leaders will insist on the enlargement of the Jewish Agency by inclusion of non-Zionists before according any status in Israel to the Agency, Rabbi Miller said: "Such procedure was never authorized by the Congress and might represent even a more serious attack upon the integrity and existence of a vital world Zionist organization."

HARRIS J. LEVINE RE-ELECTED PRESIDENT OF JEWISH NATIONAL FUND

NEW YORK, March 25. (JTA) -- Dr. Harris J. Levine was re-elected president of the Jewish National Fund of America at a meeting of the J. N. F. board of directors held at the Biltmore Hotel today.

Declaring that he accepts the unanimous election as a demonstration of confidence on the part of all groups within American Zionism, Dr. Levine announced that in the course of the last 16 years, during which the J. N. F. shared equally in the proceeds of the United Israel Appeal, the Jewish National Fund has collected from all sources in the United States the sum of \$175,000,000.

Mendel N. Fisher, executive director of the Jewish National Fund, reporting on the progress made since the last annual meeting, stated that the income of the J. N. F. for the last 12 months was \$22,539,000. Surveying the work of the organization, he said Jewish National Fund committees and councils are operating in 1,400 communities in all the 48 states of the Union.

Elias M. Epstein, overseas director of the Jewish National Fund in Jerusalem, summarized the activities of the Fund in the fields of land acquisition, soil amelioration and afforestation. He said the reclamation operations now carried forward by the Jewish National Fund in the Huleh swamp region on the Syrian border are expected to add 60,000 dunams--15,000 acres--of land on which will be established 2,000 farms, whose earnings are eventually expected to reach \$10,000,000 a year.

BERNARD G. RICHARDS, VETERAN ZIONIST, HONORED ON HIS 75TH BIRTHDAY

NEW YORK, March 25. (JTA) -- Bernard G. Richards, veteran Zionist leader who has been active in American Jewish life for more than 50 years, was tonight honored at the Hotel McAlpin by more than 300 Jewish leaders on the occasion of his 75th birthday.

Louis Lipsky, chairman of the American Zionist Council, who served as toastmaster, lauded Mr. Richards' contributions, citing his work as executive secretary of the Jewish Community of New York for five years, as executive director of the American Jewish Congress in the first 18 years of its existence, and as a member of the executive of the Zionist Organization of America in its early years.

In his reply, Mr. Richards called for greater attention by American Jewry to the development of their own cultural and spiritual values and warned against the dangers of too great a concentration on the problems of fighting anti-Semitism. While agreeing that American Jewry might properly look to establishment of an exchange of moral and spiritual values with the new State of Israel, Mr. Richards asserted that "history will not be hurried."

"The Israelis will not send us back packages of culture in the same containers and packing cases in which we ship them food for their hungry and materials for their industries," he said. "Before sending us these precious moral possessions Israel will first try, if not to balance its budget at least to balance its other exports against imports."

\$500,000,000 STATE OF ISRAEL Independence Issue

Two types of bonds are offered in the aggregate principal amount of \$500,000,000:

(a) Interest Bearing Bonds, denominated Fifteen Year 3½% Dollar Coupon Bonds.

Dated May 1, 1951; due May 1, 1966. Interest payable May 1 and November 1. Offered, at par, in denominations of \$500, \$1,000, \$2,500, \$5,000, \$10,000, and \$100,000.

(b) Capital Appreciation Bonds, denominated Twelve Year Dollar Savings Bonds.

Dated first day of month in which subscription is accepted by the bank designated for such purpose; due 12 years from date. Offered, at par, in issue-amount denominations of \$50, \$100, \$250, \$500, \$1,000, \$2,500, \$5,000 and \$10,000. Maturity value: 150% of issue amount.

BOTH TYPES OF BONDS ARE NON-TRANSFERABLE AND NON-ASSIGNABLE, EXCEPT IN CERTAIN SPECIAL INSTANCES; EACH BOND IS EXCHANGEABLE BY THE REGISTERED OWNER FOR A FULLY TRANSFERABLE BEARER BOND ON OR AFTER MAY 1, 1954.

Redemption of either type of bond at the option of the registered owner (or his estate) prior to maturity is limited to (a) redemption upon death or (b) redemption in Israel currency, as set forth in the bonds.

Additional facts concerning the bonds appear on page 2, under the heading "Further Description of the Bonds".

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 THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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	Price to Public	Underwriting Discounts or Commissions*	Proceeds to Government*
Per Unit	100%	6%	94%
Aggregate Total	\$500,000,000	*	*

* The arrangements between the State of Israel and American Financial and Development Corporation for Israel are embodied in an agreement which is summarized under the heading "Summary of Underwriting Agreement" in this prospectus. The aggregate proceeds to the State of Israel will depend upon the total amount of bonds sold and the cost of flotation.

American Financial and Development Corporation for Israel

120 BROADWAY, NEW YORK, NEW YORK

No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than those contained in this prospectus, in connection with the offering made by this prospectus, and information or representations not herein contained, if given or made, must not be relied upon.

CONCERNING THE REGISTRATION STATEMENT

The State of Israel (herein sometimes called "Israel" or "the State") has filed with the Securities and Exchange Commission, Washington, D. C., a registration statement under the Federal Securities Act of 1933, as amended, with respect to its "INDEPENDENCE ISSUE" of Fifteen Year 3½% Dollar Coupon Bonds (herein sometimes called "coupon bonds") and Twelve Year Dollar Savings Bonds (herein sometimes called "savings bonds"). Copies of such registration statement may be procured from the Commission by payment of the legal charge therefor. This prospectus does not contain all of the information set forth in the registration statement, certain items of which are omitted or are included in condensed or summarized form. For more full and complete information reference is made to the registration statement and exhibits filed as part thereof.

PROGRESS OF THE FLOTATION

To March 31, 1952, there were sold a total of \$120,103,650 principal amount of bonds. Of these, bonds in the face amount of \$68,733,200 were paid for and issued.

FURTHER DESCRIPTION OF THE BONDS (Continued from Cover)

The bonds are initially issued as "registered bonds", with the name of the person to whom issued inscribed on the face, but no books are maintained for the registration of such bonds.

The registered bonds are non-transferable and non-assignable, except to the State of Israel, the American Financial and Development Corporation for Israel, tax-exempt charitable organizations, and such other persons as may be designated by the State.

The principal of all bonds, and interest on coupon bonds, will be payable at an agency of the State in any of the following cities: New York, N. Y.; Chicago, Illinois; San Francisco, California. Interest on the coupon bonds accrues from the first day of the month following the month in which the subscription is accepted by the bank designated for such purpose. Interest for the unexpired balance of the current semi-annual interest period at the time of sale is paid in advance at the time of delivery of the bond.

The State of Israel will purchase a registered bond in legal tender currency of the United States, upon its surrender, at any time within two years after the death of the registered owner, if one individual, or of the last survivor of the registered owners, if more than one individual, at the principal trust office of the Fiscal Agent in New York, N. Y. (with all annexed coupons which mature after the date of surrender, in the case of a coupon bond), payment to be made to the executor, administrator or legal representative of the registered owner; the purchase price, in the case of a coupon bond, to be the principal amount thereof (without interest) and the purchase price, in the case of a savings bond, to be the appreciated principal amount thereof at the date of surrender. If the registered owner is a corporation or other entity (other than one or more individuals), and shall at the time of subscription have properly designated in writing an individual upon whose death the State shall be required to purchase such bond, then, upon the death of said designated individual, the State shall have the same obligation to purchase such bond as if the designated individual had been the registered owner (except that payment will be made to the registered owner). The State may suspend or terminate its obligation to purchase bonds upon

death if, in the opinion of the State, a material number of the holders of registered bonds shall die as a result of war, epidemic, catastrophe of nature or other disaster.

The State will purchase any registered bond in legal tender currency of the State of Israel at the then official rate of exchange, upon surrender of such bond (with all annexed unmatured coupons, in the case of a coupon bond) in Israel at the principal office of the Bank Leumi Le-Israel B. M., or at such other place as the State may designate, such purchase to be made from the registered owner, who may be required to present such bond in person; the purchase price, in the case of a coupon bond, to be the principal amount thereof (without interest) and the purchase price, in the case of a savings bond, to be the appreciated principal amount thereof at the date of surrender.

Beginning with May 1, 1954 the registered bonds may be exchanged for bearer bonds which shall be freely transferable.

The State of Israel will have the right, at any time on or after May 1, 1956, upon specified notice, to redeem the bonds in whole or in part at par and accrued interest in the case of the coupon bonds, and, in the case of the savings bonds, at their then appreciated principal amounts. The State of Israel will deliver to the Fiscal Agent, for retirement and cancellation, coupon bonds (valued at the principal amount thereof) and/or savings bonds (valued at the appreciated principal amount thereof at the date of such delivery) as follows: (a) In each of the four 12-month periods ending May 1, 1957 to May 1, 1960, inclusive, bonds having a value of not less than 2% of the original amount of bonds, and (b) in each of the five 12-month periods ending May 1, 1961 to May 1, 1965, inclusive, bonds having a value of not less than 3% of the original amount of bonds. The term "original amount of bonds" means the total of the aggregate principal amount of all coupon bonds and the aggregate issue amount of all savings bonds outstanding on May 31, 1954.

The foregoing description of the bonds is intended only as a summary of their more important terms and is qualified in its entirety by reference to the full terms of such bonds and of the Fiscal Agency Agreement therein referred to, all of which have been filed with the Securities and Exchange Commission as exhibits to the registration statement.

The legality of the issue was passed upon on behalf of the State of Israel under date of April 15, 1951 by Pinchas Rosen, Minister of Justice, Jerusalem, Israel; and on behalf of the underwriter under date of April 25, 1951 by Messrs. Gross & Blumberg, Newark, New Jersey, and Messrs. Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York, which firms were then acting as counsel to the underwriter. On all questions relating to the laws of the State of Israel, said firms relied on the opinion of Mr. Abraham Levin, Tel-Aviv, Israel, a member in good standing of the Israel bar. Messrs. Gross & Blumberg continue to act as counsel to the underwriter.

THE STATE OF ISRAEL AND ITS ECONOMY

History. The establishment of the State brought to realization hopes that had their origin many centuries ago and endured through many periods of discrimination and persecution. In the 1880's and 1890's the longing for the return to the Jewish ancestral homeland led to the formation of the World Zionist Organization founded by Theodor Herzl. The return of Jews to Palestine and their settlement on the land, undertaken sporadically during the preceding decades, became an organized function of the Zionist movement.

In 1917 Great Britain, by the Balfour Declaration, undertook to facilitate the establishment in Palestine of a national home for the Jewish people. The United States together with the other

Allied Powers endorsed this significant step. In 1922, after the creation of the League of Nations, Britain was granted a Mandate over Palestine. The League incorporated the Balfour Declaration as an integral part of this Mandate.

With the outbreak of World War II there began under Hitler a systematic mass destruction far beyond anything known even in the days of the worst martyrdom of the Jewish people. In the years when 6,000,000 Jews were killed, however, the Jews of Europe, as a result of immigration restrictions by the Mandatory Power, found the doors of Palestine almost completely barred to them. The freedom to join their own people in their own land was not achieved by the Jews until the State of Israel was proclaimed.

Government. The State of Israel was established on May 14, 1948 and became a member of the United Nations on May 11, 1949. The Knesset (the parliament) is composed of 120 elected members. The Executive is a Cabinet collectively responsible to the Knesset in accordance with familiar European parliamentary systems. Israel's Proclamation of Independence laid down these broad democratic principles:

"The State of Israel . . . will promote the development of the country for the benefit of all its inhabitants; will be based on the principles of liberty, justice and peace as conceived by the Prophets of Israel; will uphold the full social and political equality of all its citizens, without distinction of religion, race or sex; will guarantee freedom of religion, conscience, education and culture; will safeguard the Holy Places of all religions and will loyally uphold the principles of the United Nations Charter."

By its adherence to these principles, Israel has rendered itself a bastion of democracy in the strategic Middle East.

Natural Resources. The Dead Sea, one-fourth of whose area is in the territory of Israel, is considered one of the richest sources of chemical wealth in the world. Its deposits are estimated at 2,000,000,000 metric tons of potassium chloride, 11,000,000,000 of sodium chloride, 6,000,000,000 of calcium chloride, 22,000,000,000 of magnesium chloride, and 980,000,000 of magnesium bromide. Following a recent agreement with the Government, Palestine Potash Works, Ltd., is to resume the 20-year-old commercial exploitation of the Dead Sea potash deposits, temporarily halted during the War of Independence. In 1947, gross dollar income from the export of potash reached \$7,000,000.

Fire clay, limestone, gypsum, glass sand and marble have for some time been exploited to cover local requirements. Exploration of the country's resources undertaken by the State has revealed minerals of such quantity and quality as to make them an important potential asset for the development of industry and the improvement of Israel's balance of payments. Thus, for example, large deposits of phosphates, ceramic clays and glass sand were discovered in the Negev in 1951, to an extent justifying large scale commercial exploitation. Equipment now ordered is expected to make possible the mining of 60,000 to 70,000 tons of upgraded phosphate rock per year. It is proposed, further, to mine for export a progressively increasing tonnage of upgraded phosphate rock, beginning with 500,000 tons per year upon the delivery of the necessary equipment, resulting in an annual gross dollar income of approximately \$7,500,000 at present market prices, and ultimately reaching 2,000,000 tons per year, resulting in an annual gross dollar income of approximately \$30,000,000.

Deposits of manganese, copper and bituminous limestone are being explored, as well as of mica, barite and feldspar in the Elath region, peat in the Lake Hule area (where deposits are estimated at 20,000,000 tons), sulphur in the region of Beerli, and iron ore in the Negev. The geological

structure of the country, especially the Negev, suggests the possible presence of petroleum, but specific deposits have not yet been located.

The many gradations of climate make possible a wide variety of crops for food consumption and export and for raw material for industry, among them citrus fruits, which represent Israel's principal export crop.

Population. The population of Israel at the end of 1951 consisted of about 1,405,000 Jews and about 173,000 Arabs. 174,000 immigrants entered Israel in 1951. Early in 1952 selective principles were introduced into the State's immigration policy, aimed at securing a higher percentage of trained workers, young pioneers and farmers among the immigrants. The policy, however, is not applicable to areas where urgent rescue actions may be necessary. During the next two years it is estimated that the number of immigrants will aggregate 150,000 to 250,000.

National Income and Investments. The national income for the year 1951 was IL* 470 million (preliminary estimate), or IL 319 per capita; for the year 1950, IL 337.6 million, or IL 265 per capita; and for the year 1949, IL 250 million, or IL 239 per capita, all figures being stated in the prices current for the respective years. The cost of living index moved downward to 321 in 1950 from 347 in 1949 and up to 368** in 1951 (1939 = 100). The rise in real national product, after elimination of price changes, may be indicated by the rise in the number of civilian working population, which increased by 61%, from 340,000 in 1949 to 548,000 in 1951, a rate greater than the increase in population. Gross investments in 1950 are estimated at IL 140 million at current prices and at IL 172 million for 1951 (a projection of the estimated investment in the first nine months), or about 30% of total resources (gross national income plus excess of imports of goods and services over exports). Net investments in 1951 are estimated at IL 135 million.

Encouragement of Foreign Investment. The Knesset in March 1950 passed the Law for the Encouragement of Capital Investments, which offers significant incentives to foreign investors in taxation, amortization and convertibility of currency. A Government Investment Center, set up in the Spring of 1950 to help effectuate the purpose of this law, had, to the end of 1951, approved plans submitted by 651 firms which, when consummated, will involve an aggregate investment of IL 84 million. The recently inaugurated new economic policy of the Government allows investors to bring in their entire capital in the form of machinery and raw materials, whereas previously they were required to bring in part of their imports in foreign currency, which they were obliged to exchange at the official rate. This provision is expected to encourage greatly the inflow of private capital.

Industry. Israel today has the most industrialized economy of the Middle East. 107,000 persons were employed in industry and handicrafts in 1950 and 124,000 in 1951, representing in each year about 23% of the total number of gainfully employed. The consumption of electric power for industry increased from 96.9 million KWH in 1949 to 140.6 million KWH in 1950, and to 157.8 million KWH in 1951. The value of total output of industry and handicrafts was estimated at IL 137 million in 1949, IL 195.4 million in 1950, and IL 118 million for the first half of 1951 (stated at then current prices). The value added in industry and handicrafts was IL 82.2 million in 1950, and is estimated at IL 118 million in 1951, or 25% of the national income in each year.

Agriculture. Israel has developed a modern farming system. From May 1948 until the end of 1951, over 19,000 new farm units were set up. Areas under cultivation, which totalled 1,650,000

* For an explanation of the currency of Israel and the official rates of exchange, see pages 7 and 8-9 of this prospectus.

** The composition of the cost of living index in 1951 was altered. The old index averaged 351 in 1951.

dunams* in the farm year** 1948-49 increased to an estimated 3,500,000 dunams (112%) by 1950-51. This includes an irrigated area which increased from 290,000 dunams in 1948-49 to 420,000 dunams in 1950-51. The value of the diversified farming output increased from IL 37.5 million in 1948-49 to 50.7 million in 1949-50 (at constant prices), an increase of 35%. Despite the heavy drought in 1950-51, which caused severe damage, 1950-51 production increased by an estimated 10 to 12% (at constant prices) over the preceding farm year, but the productive capacity, measured by cultivated and irrigated areas, livestock, agricultural equipment, and persons employed in agriculture, increased by 20% to 25%.

Citriculture. Citrus fruits, grown over an area of 135,000 dunams by the end of 1951, are Israel's most important export. An improvement, mechanization and expansion program has been launched under allotments of Export-Import Bank loans totalling \$8.3 million, and the Government has loaned an additional IL 1.6 million to citrus growers. Production rose from 6.2 million cases in 1949-50 to 8.3 million (of which 4.2 million were exported) in 1950-51, and is estimated to reach 9 to 10 million cases in 1951-52, with about half earmarked for export.

Construction. The housing problem, though slightly relieved, remains acute. At the end of 1951, a total of over 250,000 immigrants lived in temporary housing, an increase of about 120,000 over 1950. This increase, however, was less than the increase of approximately 200,000 in population during this period. The volume of construction has increased rapidly, with approximately 60,000 permanent residential rooms and 24,000 temporary rooms having been completed in 1951. In meeting the needs for new housing for immigrants, roads, and factory, farm and public buildings, the construction industry has served as a very important source of employment for large numbers of new arrivals.

Transportation and Communications. Israel's transportation system consists of 324 miles of rail trackage as of March 1951, 205 of them in operation, a dense network of bus services, interurban taxi services, trucks and passenger cars. All important centers of population in the country are connected by good, all-weather roads, with a length of 1,526 miles as of December 1951. Links to new settlements and areas are under construction. Israel has its own airline—"El-Al"—which maintains regular flight schedules between Israel and the United States, England, France and other countries. Lydda, its leading airport, is the most modern airfield in the Middle East and is used by twelve international lines.

Israel's principal port facilities are the deep water port of Haifa, and the ports of Tel-Aviv and Jaffa. Landing facilities exist at Acre and Elath. The merchant marine has grown from six ships (14,000 gross tonnage) in May 1948 to 28 ships (94,000 gross tonnage) in 1951. Total cargo transported in carriers flying the flag of Israel rose from 210,000 tons in 1950 to 317,000 tons in 1951. The communications system includes telephone and telegraph, radio telephone with the principal cities of the world, radio broadcasting, and the Government-owned postal system. Ownership and operation of the communication and railroad systems were taken over by the State from the Mandatory Government.

Other Economic Branches. Trades, services and professions are for the most part relatively highly developed. The tourist industry is growing, visitors to Israel numbering 22,000 in 1949, 30,000 in 1950 and 35,900 in 1951, exclusive of one-day visitors. Israel offers many unusual attractions to the traveler, such as a mild climate, scenic beauty and religious and historic landmarks.

* A dunam is equivalent approximately to one-fourth an acre.

** The farm year runs from October of one year to September of the next year.

Cost of Living and Austerity Program. In April 1949 an austerity program was introduced in an attempt to channel more of the national income from consumption to investment and to curb the inflationary trend inherited by Israel from World War II and accentuated by the War of Independence. The program included a rationing system for essential commodities, price control, increased taxes and internal loans. Prices declined generally to July 1950. However, later in that year and even more markedly in 1951, inflationary pressures again began to assert themselves. These were the results of the rapid increase in population and high investment activity, combined with a foreign currency shortage and the rise in international prices. New economic measures, discussed at pages 8 and 9, were designed to combat these inflationary pressures.

Present Relations with the Arabs. The Government continues to seek normal relations with the neighboring Arab countries. Relations between Israel and these countries are currently governed by armistice agreements signed in 1949, the operation of which is supervised by a United Nations agency. While border incidents have occurred from time to time, the established machinery has to date operated adequately. Recent reports from some Arab countries of a readiness to discuss peace with Israel are being closely examined by the Government.

A resolution of the U. N. General Assembly in February 1952, authorizing a \$200,000,000 resettlement project for Arab refugees, the sum to be contributed by various governments, is expected to advance the solution of the Arab refugee problem.

There are 173,000 Arabs in Israel, who constitute an integral part of the political, economic and social life of the State, on the basis of full equality. There are eight Arab members of the Knesset.

Currency. The currency is independent, unconnected with any monetary bloc. In August 1948 the Israel pound (IL) became the sole legal tender, replacing the Palestine pound (LP). Currency in circulation amounted to IL 100,308,000 on January 2, 1952. The cover for this currency, amounting to IL 100,308,000, consisted of IL 2,762,000 in foreign currency holdings, IL 20,410,000 in treasury bills, and IL 77,136,000 in land bonds, 15-year government securities guaranteed by State-owned property.

U. S. Mutual Security Aid. The friendship of the United States for the State of Israel and its recognition of their common interests has been expressed in numerous forms, including two Export-Import Bank loans in 1949 and 1950 totalling \$135,000,000, a grant-in-aid under the Mutual Security Act of 1951 of approximately \$65,000,000 and allotments under the Point Four Program. The Administration's proposal to amend the Mutual Security Act, published on March 13, 1952, provides for a grant-in-aid to the State of Israel for the year 1952 of an amount estimated at not less than \$80,000,000.

INTERNATIONAL ECONOMIC RELATIONS

Palestine and Israel have always had an adverse trade balance, like many young countries facing immigration and development tasks, including the United States, Australia and New Zealand in their early years. Under the best of conditions, current production cannot begin to supply the huge capital needs of a population increasing at the rate experienced by Israel. The rapid, large scale immigration required an import surplus (trade deficit) to meet the investment needs of the economy. Israel's import surplus in 1949, 1950 and 1951 aggregated approximately IL 265 million. During these years, the total net investment aggregated approximately IL 310 million, the favorable difference representing part of the efforts made by the Israeli people themselves. The other part of their efforts which is not represented in visible assets consists of the care for and maintenance of immigrants until final absorption.

Foreign Trade. The value of the foreign trade of Israel since 1949, at prices prevailing in each year, is set forth below (in IL millions):

Year	Total Imports	Exports and Re-exports	Trade Deficit	Trade Deficit
				Less Non-Exchange Imports*
1949	87.7	10.6	77.1	63.3
1950	102.6	13.2	89.4	71.1
1951	122.6	16.7	105.9	80.4

* "Non-exchange imports" are imports without allocation of foreign currency, such as those brought in by immigrants or foreign investors or as gifts.

These figures reflect partly the increase in prices on the international market. Physical volume of imports, however, increased by only about 13% from 1949 to 1951, notwithstanding the 41% increase in population in this period, and the volume of imports per capita decreased by 20%. The proportion of consumer goods to total imports declined from 32.4% in 1949 to 25.5% in 1951. The ratio of investment goods increased from 28% in 1949 to 34% in 1950. It declined in 1951 to 28%, coincidental with an increase in local production of investment goods. The remainder of the imports consisted in each of the years 1949, 1950 and 1951 of industrial and agricultural raw materials and fuel. Under a coordinated program by a Ministerial Committee, imports are permitted only under license. The shifts in the composition of imports have resulted in large part from conscious efforts of the Government to increase investments, implemented through the austerity program and trade controls.

Israel's Balance of Payments (in Millions of Israel Pounds).

	1949		1950		1951	
	Receipts	Payments	Receipts	Payments	Receipts	Payments
CURRENT ACCOUNT						
Merchandise						
Import (c.i.f.)	—	87.7	—	102.6	—	122.6
Export and re-export (f.o.b.)	10.6	—	13.2	—	16.7	—
Shipping and insurance	1.2	1.3	0.9	1.9	0.5	3.0
Travel and tourism	2.1	0.8	1.2	1.0	1.0	0.8
Interest, profit, dividends	—	0.3	—	0.5	—	0.3
Cash transfers and private remittances*	5.2	1.0	5.0	1.5	5.8	0.5
Miscellaneous	1.5	3.0	1.0	7.4	0.6	9.6
Total current account	20.6	94.1	21.3	114.9	24.6	136.8
CAPITAL ACCOUNT						
National funds and public institutions**	24.5	—	18.9	—	11.5	—
Independence bonds	—	—	—	—	18.0	—
Releases from sterling balances	8.5	—	14.9	—	11.3	—
Sales of foreign securities	—	—	—	—	3.4	—
Drawings on Export-Import Bank loans	6.6	—	16.6	—	12.9	—
U. S. grant in aid	—	—	—	—	5.0	—
Private capital imports (in the form of goods) ..	13.8	—	18.3	—	25.5	—
Change of foreign currency balances, loans, commercial credits and all other capital import ..	20.1	—	24.9	—	24.6	—
Total capital account	73.5	—	93.6	—	112.2	—
Grand total	94.1	94.1	114.9	114.9	136.8	136.8

* Includes receipts of investment income and also part of cash capital transfers.

** Cash receipts net of repayment of obligations.

Foreign Exchange. Transactions in foreign currency are subject to the control of the Controller of Foreign Exchange. On September 18, 1948 an official rate was established at \$2.80 to the Israel pound. On February 14, 1952 two additional rates of exchange of \$1.40 and \$1. to the pound were introduced to attract foreign investments and to promote export. Under the regulations, the

\$2.80 rate applies to imports of the most essential foodstuffs, such as bread cereals, rice, sugar, and edible oils. All other imports are purchasable at either \$1.40 or \$1. to the Israel pound, the former applying to the more essential commodities. Exporters receive \$1.40 or \$1. to the pound, the latter rate applying to the commodities whose export it is especially desired to stimulate.

The rate of \$1. per pound is available to foreign investors unless they wish to retain the privilege of withdrawing up to 10% of their capital annually (in profit and depreciation), in which event the rate is \$1.40. The \$1.40 rate also applies to transfers of moneys of national funds and public institutions, cashing of Israel bonds in Israel currency, and the sale of pounds to tourists, and the \$1. rate applies to private remittances to Israel.

These new foreign currency regulations are part of a group of measures designed to combat inflation and encourage productivity of labor. The measures include also a restriction of bank credits, plans for the introduction of piecework, and the balancing of the total ordinary budget by increasing income from taxes. For the first time total defense expenditures are to be included in the ordinary budget for 1952-53.

There have been transactions at rates below the official rate of exchange. These transactions are in violation of foreign exchange regulations. While it is believed that they are small in relation to the total volume of remittances and payments, it is expected that the new economic measures will reduce them to an insignificant total.

GOVERNMENT FINANCE

A statement of direct debt of the Government as of December 31, 1951 appears in Table I at the conclusion of the prospectus. The Government has guaranteed bank loans for agricultural and other purposes amounting as of December 31, 1951 to IL 19.2 million and to approximately \$900,000 in U. S. dollars. It has assumed responsibility for pensions for employees of the Mandatory Government. This is a declining obligation amounting to about IL 200,000 annually.

A statement of revenues and expenditures for the fiscal years 1948-49 to 1950-51 and the first nine months of the 1951-52 fiscal year appears in Tables II and III at the conclusion of this prospectus. For security reasons the Special Defense Budget is excluded from the statement.

Israel has never at any time defaulted upon the payment of principal or interest on any debt.

PURPOSE OF THE ISSUE AND USE OF PROCEEDS

In 1950 the government promulgated a three year development program of \$1.5 billion for the consolidation and expansion of the economy. In 1951, an expenditure of about IL 159 million, approximately \$445 million, was made toward the program - IL 135 million for net investments in industry, agriculture, transportation and other services, housing and public works, and IL 24.4 million for aid to immigrants (transport to Israel, care and maintenance). Because of price changes at home and in international markets, this constitutes, roughly, about one-fourth of the total program.

According to the program outlined in 1950 about two-thirds of the total plan should be provided for through four sources, principally in the United States - inter-governmental grants in aid, gift funds, private investment and the bond issue. In 1951 these four sources supplied the Israel economy with about \$175 million. The remaining \$270 million were met by the contribution of the Israel population and by the increase in Israel's foreign currency obligations through additional loans and credits, including drawings on Export-Import Bank loans.

It is one of the main objectives of the overall development plan to achieve an economic structure which will ultimately permit the balancing of international accounts. The program for the use

of the bond proceeds accordingly concentrates most of the proposed investments in areas where they are expected to have the greatest effect in saving foreign exchange (by replacement of imports through increased domestic production) or earning foreign exchange (through exports of additional domestic products). The results anticipated from the various types of investments included in the plan show a wide variation in the amounts of these estimated earnings and savings, ranging mostly from 30% to 100% of the amounts of invested capital. It should be clear, of course, that the net savings or earnings of foreign exchange are entirely distinct from business profits.

The proposed disposition of the contemplated projects is presented below. The projects remain tentative and subject to change, for the realization of the program depends on the availability of funds, raw materials, machinery and other required items, the world political situation, world market conditions, and many other factors. No part of the funds received from this bond issue is specifically allocated to any particular project, and no part of the assets or receipts of any project is earmarked for payment of the bond obligations. There are also presented the allocated expenditures of funds obtained by means of the bond issue in the fiscal year 1951-52.

	Proposed Allocation from Total Issue	Allocated Expenditures Fiscal Year 1951-52
	(000)	(000)
1. INDUSTRY AND POWER		
Metal and machinery industry.....	\$ 36,000	\$ 700
Chemical industry	30,000	4,490
Building materials industry	15,000	1,120
Food processing industry	12,000	840
Textile industry	25,000	40
Other industries	15,000	—
Loans for the expansion of existing industries and the establishment of new industries through special funds and banks.....	—	7,420*
Loans to basic industries	—	4,200*
Loans for the development of new industrial plants.....	—	3,640*
Mining	5,000	1,680
Reserve for additional projects	7,000	—
Power	60,000	10,100
Total industry and power.....	\$205,000	\$34,230
2. AGRICULTURE		
Irrigation	\$ 47,000	\$ 5,320
Citriculture and other fruit plantations.....	25,000	1,900
Lake and sea fishing	11,000	840
Tobacco growing	6,500	280
Flax growing	5,500	—
Agricultural Bank, capital	35,000	5,600
Loans for expansion of agricultural production, mostly through Agricultural Bank	—	4,130*
Total agriculture.....	\$130,000	\$18,070
3. TRANSPORTATION		
Railway construction, Haifa harbor expansion, development of Kishon area and construction of new lighter harbor, purchase of buses and trucks, and ex- tension of telephone and telegraph system.....	\$ 40,000	\$13,580
4. TRADE AND SERVICES		
Cold storage plant, silos and storehouses.....	\$ 10,000	\$ 1,400
Development of foreign trade zone at Kishon harbor.....	5,000	—
Expansion of tourist facilities and hotels.....	30,000	3,500
Total trade and services	\$ 45,000	\$ 4,900
5. HOUSING		
Loans through mortgage banks and housing societies.....	\$ 30,000	\$ 9,800
6. GENERAL RESERVE (for increased expenditures or unanticipated projects and for flotation costs)	50,000	3,420**
Grand total	\$500,000	\$84,000

* Figures are not yet available for the breakdown of these items among the enumerated categories.

** To cover unforeseen cost increases in various projects.

SUMMARY OF UNDERWRITING AGREEMENT

American Financial and Development Corporation for Israel, a New York corporation, 120 Broadway, New York, New York (herein referred to as the "Corporation"), is the sole underwriter of the bonds, pursuant to an Underwriting Agreement of March 28, 1951, as amended April 16, 1952. All of the stock of the Corporation is owned by The American Committee for Aid to Israel Immigrants, a New Jersey non-profit corporation (herein referred to as the "Committee").

Pursuant to the Underwriting Agreement, the Corporation agrees to use its best efforts to sell the bonds. The sale price to the public is the issue amount, in the case of savings bonds, and the principal amount, in the case of coupon bonds. Initially the Underwriting Agreement provided for a rate of discount or commission of $3\frac{1}{2}\%$, under which there have been paid to the Corporation commissions aggregating \$4,203,627.75 on sales to March 31, 1952. From time to time the State has advanced to the Corporation on current account amounts aggregating \$3,425,000, the claims for which were assigned by the State to the Committee upon the latter's undertaking to repay the same, and were contributed by the Committee to the capital surplus of the Corporation. The latter is indebted to the State for advances in anticipation of sales of bonds in the amount of \$1,029,027.75 as of March 31, 1952. Experience having demonstrated the inadequacy of the discount or commission rate of $3\frac{1}{2}\%$ to defray the operating costs of the Corporation, the amendment to the Underwriting Agreement was adopted, fixing the discount or commission rate at 6% in order to provide proper compensation to the Corporation for all of its services, and thereby to enable it to earn sufficient moneys with which to operate and to accumulate earnings, if possible, to enable it to return to the Committee the amounts thus contributed and to enable the latter to repay the State.

The expenses and fees of the Corporation's legal counsel and the commissions, fees and expenses of any underwriters, brokers, dealers or agents engaged by the Corporation to assist in the sale of the bonds, including any concessions allowed to persons engaged in the securities business, are borne by the Corporation. Under the Underwriting Agreement as amended the State is to pay all charges, expenses and fees in connection with the issuance of the bonds, their registration under the Securities Act of 1933 and state securities statutes, the preparation, printing, publication and distribution of prospectuses, newspaper prospectuses, advertising, all taxes and stamps required in connection with the sale of the bonds, and all sums payable to the fiscal agent, the district banks and the community banks.

The State will indemnify the Corporation, its officers and directors, members of its Board of Governors, and all other persons to whom the Corporation gives a like indemnity, against liability arising out of any misrepresentations or non-disclosures in the registration statement or prospectuses.

The term of the Underwriting Agreement is until May 1, 1966. The amounts payable to the Corporation for services after December 31, 1954 shall be such as shall be reasonably determined by the State.

The foregoing description of the Underwriting Agreement as amended is intended only as a summary of some of its more important terms and is qualified in its entirety by reference to the full terms of the Underwriting Agreement and its amendment, both of which have been filed with the Securities and Exchange Commission as exhibits to the registration statement.

Volunteer individuals and non-profit organizations assist in the sale of the bonds. The Corporation's sales methods include the holding of meetings and other gatherings, addressed by personages of the United States, Israel and elsewhere.

SUMMARY OF FISCAL AGENCY AGREEMENT

A Fiscal Agency Agreement, dated as of May 1, 1951, was entered into by the State and The Chase National Bank of the City of New York, its Fiscal Agent. The agreement, whose terms are incorporated by reference into the bonds, provides, among other things, for: the combinations or split-ups of bonds into bonds of different denominations; the exchange of registered bonds for bearer bonds on or after May 1, 1954; the transfers of registered bonds; and purchases of bonds by the State in United States currency on or after the death of the registered owner; procedures for the issuance of bonds, including provisions relating to their execution by the State, their countersigning by the Fiscal Agent, and their delivery to the owner; and certain matters noted in this prospectus under the heading "Further Description of the Bonds."

A system of community banks and district banks, which includes Bank Leumi Le-Israel, B. M., has been established pursuant to the agreement in connection with the issuance of the bonds. The agreement governs the relations among the Fiscal Agent, the district banks and community banks and the Underwriter in the handling of subscriptions, the issuance of bonds, the transmission of funds and related matters.

A subscription is deemed accepted by a district bank as of the date upon which it is actually received by the district bank in good order. No subscriptions may be accepted after May 31, 1954. The Fiscal Agent is to hold and pay over all funds received in payment for bonds upon the directions of the State or of the Financial Corporation, and is to transmit to the State and to the Financial Corporation statements of the amounts received and paid over and such other information as the State or the Financial Corporation may reasonably request.

The Fiscal Agent acts as the agent of the State, and does not assume any fiduciary or other relationship of agency or trust for any of the holders of the bonds or coupons; except that it holds in trust, as provided in the Fiscal Agency Agreement and the bonds, all funds deposited with it for payment of interest on, or principal or redemption price, if any, in respect of, the bonds.

The foregoing description of the Fiscal Agency Agreement is intended only as a summary of some of its more important terms and is qualified in its entirety by reference to the full terms of the Agreement, which has been filed with the Securities and Exchange Commission as an exhibit to the registration statement.

The authorized agent of the State of Israel in the United States is Dr. Martin Rosenbluth, Representative for the Western Hemisphere of the Treasury of the State of Israel, 250 West 57th St., New York, N. Y.

STATE OF ISRAEL

By

ABBA EBAN

ABBA EBAN, Ambassador of the State
of Israel to the United States

Table I—GOVERNMENT OF ISRAEL—PUBLIC DEBT AS OF DECEMBER 31, 1951
Funded Debt.

(a) Payable in Israel Pounds*

Date of Issue	Date of Maturity	Description	Rate of Interest	Amount authorized	Amount issued	Amount outstanding or drawn	Call Provisions
				IL	IL	IL	IL
Jan. 1949	Jan. 1969	Popular Loan	3% in premiums	3,000,000	3,000,000	2,961,500	14,000 redeemable by annual drawings by lot each year 1951 through 1968.
Jan. 1949	Dec. 1953	Government Loan	3%	3,000,000	3,000,000	3,000,000	
Sept. 1949	March 1959	War Loan	3½%	7,500,000	7,098,470	7,098,470	34,000 redeemable by annual drawings by lot each year 1951 through 1974.
Sept. 1950	Aug. 1975	Popular Loan	3% in premiums	6,000,000	4,835,100	4,835,100	
Sept. 1950	Sept. 1955	Financial Institution Loan I	3%	5,000,000	5,000,000	5,000,000	
March 1951	1951-69	Travel Dollar	3½%	4,285,700	3,235,000	3,235,000	
April 1951	1960-70	Dollar linked bonds	3½%	10,000,000	1,698,000	1,698,000	
July 1951	1956	Financial Institutions Loan II	3%	5,000,000	4,543,000	4,543,000	
1949-51	1953-65	Land Bonds (secured by land)	3%	77,300,000	77,280,000	77,280,000	
1944-46	1964-66	Bearer Bonds Issued by Mandatory Government	1%	—	—	4,301,230	Redeemable by annual drawings in 1964-66 at par.
June 1948	1948-53	National Loan Issued by Jewish Agency	3%	5,000,000	—	1,605,000	
				Total		115,557,300*	

* Does not include any Treasury Bills because of their relationship to the Special Defense Budget.

(b) Payable in Dollars

					\$
January 1949	1952-63	Loan I from Export-Import Bank, Washington	3½%	100,000,000	93,951,122*
December 1950	1954-65	Loan II from Export-Import Bank, Washington	3½%	35,000,000	30,495,778*
1950	1951-53	Loan from American Automobile manufacturers	1%-3½%		2,307,260

(Table continued on following page)

Table I (continued)

1949-51	1951-53	Loans from various institutions and individuals	0%-4%		31,035,790**
1950	1952-55	French Credit	Interest included in commercial conditions		8,581,394
1951	1963-66	Independence Bonds Issue	3½%	500,000,000	50,497,850***
Total					216,869,194

* Amounts drawn until December 31, 1951, including transitory and documentary credits opened with commercial banks. Amounts paid out until December 31, 1951, were \$84,134,842 under the first loan and \$15,008,754 under the second loan.

** Of this sum, \$5,745,000 may be repaid in Israel pounds.

*** Savings Bonds \$21,103,350
 Coupon Bonds \$29,394,500

(c) Payable in Pounds Sterling

14	March 1950	1950-69	Liabilities to British Government incurred under financial agreement	£	2,565,695
	1950	1952-55	Credit by manufacturing corporation		16,020
Total					2,581,715

(d) Payable in Swiss Francs

1951	1953-57	Credit by manufacturer	3½%	S. frs.	2,110,770
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(e) Payable in Belgian Francs

1951	1952-56	Credit by manufacturing corporation	4½%	B. frs.	99,787,130
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(f) Payable in Dutch Florins

1951	1952-53	Credit by manufacturing corporation		H. fl.	11,266
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Table II—GOVERNMENT OF ISRAEL—STATEMENT OF RECEIPTS (in IL 1000)

	10½ months ended March 31, 1949	Fiscal Year ended March 31, 1950	Fiscal Year ended March 31, 1951	9 months ended December 31, 1951
TAXES ON INCOME, CAPITAL GAINS AND PROPERTY:				
Income Tax (including "Absorption of Immigrants" tax)	4,080*	9,341	19,057	20,492
Tax on the increase in land value.....	—	169	823	800
Inheritance Tax	—	17	107	104
Urban Property Tax	615	1,265	1,515	1,198
Rural Property Tax	81	153	303	153
Sub-total	4,776	10,945	21,805	22,747
TAXES ON CONSUMPTION:				
Customs	6,319	10,177	9,019	8,830
Fuel	596	4,191	5,367	5,392
Excise:				
Tobacco	1,222	3,219	6,131	6,644
Alcohol	785	1,888	3,829	3,320
Miscellaneous	73	62	44	37
Luxury	46	1,215	4,190	7,183
Sub-total	9,041	20,752	28,580	31,406
TAXES ON TRANSACTIONS:				
Revenue Stamps	333	1,043	1,440	1,169
License Fees	583	966	1,467	1,316
Land Registry	463	935	1,550	1,216
Miscellaneous Government Services	291	942	1,372	990
Other Government Income	903	451	903	633
Sub-total	2,573	4,337	6,732	5,324
INCOME FROM GOVERNMENT PROPERTY AND PUBLIC ENTERPRISES:				
Collections from Government Property and loans (includes sales of property)	77	217	1,351	2,837
Collections on Agreement with Great Britain.....	—	—	450	450
Ministry of Trade and Industry (formerly Ministry of Supply)	745	1,280	4,125	3,638
Ministry of Communications Services:				
Post Office, Telephone, Telegraph	1,246	2,626	4,335	3,612†
Ports	881	2,218	2,583	1,496‡
Railways	195	692	1,261	1,144†
Sub-total	3,144	7,033	14,105	13,177
Total Ordinary Revenues	19,534	43,067	71,222	72,654
SPECIAL RECEIPTS AND CREDITS:				
Proceeds from internal loans	6,323	6,752	7,380	1,698
Proceeds from foreign loans	—	3,083	8,160	—
Special receipts from abroad	3,028	1,609	163	158
Special receipts	—	2,500	—	—
Total Special Receipts and Other Credits..	9,351	13,944	15,703	1,856
RECEIPTS FROM LOCAL AND FOREIGN LOANS AND OTHER RECEIPTS FOR SPECIAL DEVELOPMENT BUDGET:				
Drawings on U. S. Export—Import Bank Loan and Proceeds from other loans (local and foreign)**.....	—	18,118	17,344	14,632
Proceeds from Independence Bond Issue (including loans from banks o/a of income from I.B.L.).....	—	—	—	17,681
Land bonds	—	16,680	38,776	19,824
Special receipts	—	1,067	5,004	2,446
Total Receipts for Development Budget ..	—	35,865	61,124	54,583
Grand Total Receipts from All Sources ...	28,885	92,876	148,049	129,093

* Does not include "Absorption of Immigrants" tax.

** Does not include internal loans used to finance the Special Defense Budget.

† April 1–November 30, 1951.

‡ April 1–September 30, 1951.

Table III—GOVERNMENT OF ISRAEL—STATEMENT OF EXPENDITURES

(in IL 1000; See Note A)

	10½ Months Ended March 31, 1949	Fiscal Year Ended March 31, 1950	Fiscal Year Ended March 31, 1951	9 Months Ended December 31, 1951
Ordinary Budget				
GENERAL ADMINISTRATION:				
President's Office	1	24	22	16
State Council and Knesset	187	312	336	316
Ministers	—	26	35	31
Prime Minister's Office.....	201	811	1,161	1,173
Ministry of Foreign Affairs	666	1,226	1,485	1,119
Sub-total	1,055	2,399	3,039	2,655
PUBLIC ORDER AND DEFENSE:				
Ministry of Justice	289	550	839	784
Ministry of Police	1,264	2,604	3,489	4,029
Ministry of Defense*	14,041	23,840	29,070	31,815
Sub-total	15,594	26,994	33,398	36,628
SOCIAL SERVICES:				
Ministry of Health	952	3,270	4,200	3,907
Ministry of Religions	123	406	520	601
Ministry of Education and Culture.....	582	2,260	4,870	5,291
Ministry of Social Welfare	524	1,201	2,203	2,735
Ministry of the Interior—Local Authorities (Grants in Aid).....	687	1,540	2,581	2,003
Ministry of Migration	304	247	318	251
Rehabilitation of Soldiers.....	—	3,550	3,153	1,331
Immigrants' Absorption and Temporary Housing.....	—	—	—	1,173
Elections for Second Knesset.....	—	—	—	416
Ministry of Minorities	42	—	—	—
Sub-total	3,214	12,474	17,845	17,708
ECONOMIC SERVICES:				
Ministry of Finance	421	1,333	1,920	1,918
Ministry of Agriculture.....	496	1,416	1,802	1,617
Ministry of War Damages.....	579	555	227	110
Ministry of Trade and Industry.....	470	185	353	1,841
Ministry of Supply and Rationing	—	1,184	1,281	—
Ministry of Labor	790	2,221	3,170	3,267
Ministry of the Interior	347	308	464	421
Ministry of Communications	187	497	603	465
Investments**	583	—	—	—
Controller's Office	22	69	189	188
Sub-total	3,895	7,768	10,009	9,827
FINANCIAL CHARGES:				
Subsidy on Essential Consumers' Goods.....	733	1,582	3,432	3,684
Payments on Agreement with Great Britain.....	—	—	458	505
Debts and Interest	—	1,710	5,382	5,428
Miscellaneous	637	741	711	1,310
Sub-total	1,370	4,033	9,983	10,927
PUBLIC ENTERPRISES:				
Post Office, Telephone, Telegraph, Radio.....	1,209	2,130	3,405	2,883†
Ports	816	1,879	2,204	1,439‡
Railways	376	922	1,650	1,397‡
Sub-total	2,401	4,931	7,259	5,719
Total	27,529	58,599	81,533	83,464
Special Development Budget				
CONSTRUCTION:				
Participation, Loans and Investments for immigrant housing..	—	9,743	16,571	12,603
Loans and Investments for other housing, through banks and housing societies	—	—	5,800	595
Loans to local authorities	—	3,511	6,887	5,131
Public buildings and public works (including acquisition of construction machinery and building materials)	—	3,286	11,307	7,804
Sub-total	—	16,540	40,565	26,133
AGRICULTURE	—	9,849	12,423	17,802
INDUSTRY	—	408	7,139	4,774
Hotel—Industry	—	—	500	—
Communications and Transport	—	7,714	3,089	1,890
Funds and Various Enterprises.....	—	690	2,821	1,446
Total Development Budget.....	—	35,201	66,537	52,045
Grand Total	27,529	93,800	148,070	135,509

NOTE A—This table includes the ordinary budget expenditures and the special development budget expenditures but does not include special defense budget expenditures, the latter being withheld for security reasons.

* This includes part of the payments of the Ministry of Defense on account of military expenditures (special defense budget).

** Included in special development budget after 1949.

† April 1–November 30, 1951.

‡ April 1–September 30, 1951.

Cleveland



Committee

BONDS OF ISRAEL GOVERNMENT

\$500,000,000 INDEPENDENCE ISSUE

318 Citizens Building, Cleveland 14, Ohio — Cherry 1-0185

April 22, 1952

Rabbi Abba Hillel Silver
19810 Shaker Blvd.
Cleveland 22, Ohio

Dear Rabbi Silver:

We are currently engaged in preparing our publicity and organizational program for the Israel Bond Testimonial Dinner in honor of our distinguished community leader, Mr. Leonard Ratner, which will be held on June 4th, 1952.

Consequently, we must have the completed list of honorary dinner chairmen as quickly as possible. We sincerely hope that you will agree to serve in that capacity and inform us of your decision by promptly returning the enclosed card.

Among those who have already agreed to serve are Rabbi Barnett R. Brickner, Mayor Thomas A. Burke, Rabbi Armond E. Cohen, I. F. Freiburger, Governor Frank J. Lausche, Henry A. Rucker, and Rabbi Rudolph M. Rosenthal. Eugene H. Goodman is chairman of the dinner committee.

We feel confident that your participation as an honorary chairman will contribute greatly to the success of this important occasion.

Cordially yours,

Albert A. Levin

Albert A. Levin, Chairman
Arrangements Committee

Enc.

J T A DAILY NEWS BULLETIN

JEWISH TELEGRAPHIC AGENCY, INC. 231 West 58th Street, New York 19, N. Y.

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VOL. XIX No. 91 - 34th year

Friday, May 9, 1952

ACTIONS COMMITTEE GETS PLAN FOR REORGANIZATION OF ZIONIST MOVEMENT

JERUSALEM, May 8. (JTA) -- A plan for the reorganization of the work of the Zionist movement throughout the world was proposed here today at the plenary session of the Zionist Actions Committee by Zvi Herman, on behalf of the Jewish Agency executive. The plan calls for:

1. Establishment of an effective territorial center--recognized as such by the Zionist executive--to be established in every country where there exists or there will be created a concentration of Zionist activity. The necessary arrangements will be made to transfer authority to such a center to conduct its affairs on a country-wide scale in all spheres of joint Zionist activity--such as information and propaganda.

2. Creation of a public opinion favorable to Israel and Zionism; 3. Spreading the Hebrew language and literature; 4. Encouragement of educational and cultural activities; 5. Organization of Zionist youth; 6. Encouragement of training of Chalutzim; 7. Immigration Activities; 8. Work for national funds and in behalf of fund-raising campaigns; 9. Youth Aliyah activity; 10. Encouragement of capital investments in Israel; and, 11. Organization of Jewish communal life on a democratic basis.

Expansion of Authority of American Zionist Council Urged

In regard to the situation in the United States, Mr. Herman called for further efforts to strengthen the American Zionist Council and to increase its effectiveness and make it fit for additional tasks. He urged that the Council's authority be expanded as the first step toward the creation of a territorial organizational framework to include the existing Zionist organizations without infringing upon their independent existence or interfering with the activities which they carry out in their own special spheres.

In his report, Mr. Herman discussed the crisis in the Chalutz movement, declaring that "it is no secret that we have reached a most disturbing and low ebb, and the number of Chalutzim undergoing agricultural training is insignificant--885." Of this total, he said, 40 are in the U.S., 120 in England, 200 in France--including Chalutzim in transit to Israel--80 in other European countries, 25 in Australia, 370 in Latin America and 50 in South Africa and other countries.

Dealing with the need for Zionist and Hebrew education, the Jewish Agency leader warned of the "increasing danger of assimilationism." He insisted that the task of education was the responsibility of local Zionist groups, but added that for this job to be effective the structure of the Zionist movement would have to be reorganized. Following the presentation of Mr. Herman's report, a general debate began. American delegates who participated in the debate included Dr. S. Margoshes, General Zionist, M. Kirschblum, Mizrachi, Mrs. Rosensohn, president of Hadassah, and Dr. J. Schechtman, United Zionist-Revisionists.

TEXT OF BILL GIVING OFFICIAL STATUS TO JEWISH AGENCY IN ISRAEL

JERUSALEM, May 8. (JTA) -- The full text of the government-sponsored bill giving the Jewish Agency an official legal status in Israel was released here today. It reads:

1. The State of Israel, which represents only its inhabitants, sees itself as the creation of the entire Jewish nation and its gates are open to every Jew desiring to come to it.
2. The World Zionist Organization, from its inception to its jubilee, headed the Jewish nation's movement to return to its homeland and with the assistance of other Jewish organizations and circles bore the central responsibility for the establishment of the State of Israel.
3. The World Zionist Organization, serving also under the title of the Jewish Agency for Israel, cares--as previously--for immigration and supervises absorption enterprises and colonization in the state.
4. The State of Israel recognizes the World Zionist Organization as the agency authorized to continue work in Israel for the development of the country, to colonize it, absorb immigrants from dispersion and coordinate the activities within Israel of those institutions and organizations working in these fields.
5. The mission of the "Ingathering of the Exiles," which is among the central tasks of Israel and the Zionist Organization in our time requires the constant efforts of the Jewish nation in the dispersion. Therefore, the State of Israel expects the participation of all Jews--private individuals and organizations--in the upbuilding of the state, and assistance for mass immigration to Israel, and sees the necessity of uniting all Jewish communities for this purpose.
6. The State of Israel expects the World Zionist Organization to try to achieve this unity whether by widening the Jewish Agency's framework to include Jewish institutions and organizations ready to participate in aid for immigration and the upbuilding of the country and take upon itself the duties emanating from this participation, or in any other form; if such an enlarged Jewish Agency is established it will, with the government's consent, enjoy the same status that will be given in Israel to the World Zionist Organization.
7. The details of the status and conditions of work of the World Zionist Organization, whose representative in Israel is the Zionist executive, also called the Jewish Agency--with its seat in Jerusalem--shall be fixed in a pact to be signed between the Israel Government and the Zionist executive.
8. The pact shall be based on the declaration of the 23rd Zionist Congress in Jerusalem which says: "The Congress declares that the practical work of the World Zionist Organization and its organs is to fulfill its historical tasks in Palestine and requests cooperation and coordination from the State of Israel and its government according to the laws of the state."
9. A coordinating committee shall be established on the basis of the pact to coordinate work between the government and the Agency in the fields where the Agency works.
10. The pact, as well as any change or amendment which will take place by mutual consent of both parties, shall be published in the Official Gazette and shall

be lawful from date of publication, unless some earlier or later date is agreed upon.

11. The Agency is legally entitled to sign contracts, acquire property, hold this property and dispose of it, and be a party in any judicial negotiations.

12. The Agency and its funds and other institutions shall be freed from taxes and other compulsory payments which are usually imposed in behalf of the government in such measure and conditions as shall be fixed by the pact.

SEN. LEHMAN SEEKS EXEMPTION FOR ISRAEL FROM CUT IN U.S. ASSISTANCE

WASHINGTON, May 8. (JTA) -- Sen. Herbert H. Lehman today introduced an amendment which would exempt Israel and the Arab states from a reduction in the appropriations contained in the version of the Mutual Security Bill reported out by the Senate Foreign Relations Committee.

Sen. Lehman's amendment would restore the amount proposed for aid to Jewish refugees in Israel from \$66,380,000 to \$76,000,000. It would also restore the original allocations proposed for technical assistance to both Israel and the Arab states as well as the aid designated to relieve Arab refugees in Arab states.

CURFEW IMPOSED ON ARAB VILLAGES IN ISRAEL; SOLDIERS ATTACKED

TEL AVIV, May 8. (JTA) -- The Israeli military authorities have imposed a curfew on several Arab villages in the vicinity of Mt. Tabor, in northern Israel, following an attack on Israeli soldiers in the area, it was announced here today. A government spokesman revealed that three soldiers were fired on yesterday.

Meanwhile, it was also announced that two Arab villages, one with a population of 5,000 and the other with a population of 3,000, will gain autonomy tomorrow when local councils are established in both villages. Minister of the Interior Moshe Shapir will attend the ceremonies opening the local councils.

ISRAEL NEWSMEN DEFY POLICE ON SOURCE OF CONFIDENTIAL INFORMATION

TEL AVIV, May 8. (JTA) -- Three Haifa correspondents of Tel Aviv newspapers will face a court on charges of refusing to disclose to the police the source of confidential information about the government which was published here.

The correspondents disclosed a confidential exchange of letters between a Minister and the director of a government office in Haifa. A strong protest over the police action against the newspapermen has been lodged with the Parliamentary Committee on Interior Affairs.

TEL AVIV TEACHERS AND MUNICIPAL WORKERS THREATEN TO STRIKE

TEL AVIV, May 8. (JTA) -- School teachers, who receive their salary from the municipality and whose financial situation has worsened since the introduction of the new economic policy in Israel, today warned the authorities that they will strike on Sunday unless they receive their April salaries by the week-end. Other municipal workers are also threatening to strike unless their salaries for April are paid.

1,400 IMMIGRANTS ARRIVED IN ISRAEL IN APRIL; DIFFICULTIES EXPLAINED

TEL AVIV, May 8. (JTA) -- A total of 1,400 immigrants arrived in Israel last month, it was announced today. This is the smallest number to arrive since the state was established, and was explained here on the basis of the difficulties encountered by Rumanian emigrants and the fact that the North African immigration centers are behind schedule.

GERMAN GOVT. REGRETS KNESSET'S DECISION ON REPARATIONS TALKS

BONN, May 8. (JTA) -- German official circles expressed regret today over the decision adopted by the Israel Parliament not to resume negotiations with the West German Government on reparations unless the Bonn Government makes a concrete offer to pay Israel's demands, including a schedule of payments.

It was indicated here that the West German Government considers it essential to make restitution payments to Israel. However, it was pointed out that differences over the exact sum to be paid by Germany to Israel were to be expected and that the Israeli claim must be related to Germany's capacity to pay other foreign debts.

Germany Reported "Willing" to Make Offer to Israel

NEW YORK, May 8. (JTA) -- An official spokesman of the West German Government said yesterday that Germany was willing to make a concrete offer to Israel as a result of the decision taken by the Israel Parliament, the New York Times reported today from Bonn. The report did not indicate as to when such an offer would be made.

The report said that echoing the resolution adopted this week by the Israel Parliament not to resume the reparations talks until a definite offer is made by the Bonn Government, Dr. Kurt Schumacher, leader of the powerful Social Democratic opposition, issued a statement demanding that the Bonn Government make "a concrete, satisfactory and serious" offer to Israel. In addition, Dr. Schumacher challenged the Bonn Government's view that the Israeli reparations negotiations and the London conference on external debts were interdependent.

The report stated that Herman J. Abs, who is the head of the West German delegation at the London conference, said in an interview that he and his German colleagues were in full agreement, as was the Bonn Government, that claims by Israel and non-governmental Jewish groups were basically different, but he stressed that "something not generally understood, even by our own politicians, is that there is only one capacity to pay and only one technique for transferring funds." Herr Abs said it was his firm belief that both problems, the settling of Germany's pre-war commercial debts and post-war reparations to Israel, would be satisfactorily solved "but they can only be solved together and if one fails the other will fail also."

Israel's Chances Were Better Two Years Ago

The New York Times correspondent in Bonn, Jack Raymond, added in his report that those Germans who, shocked by the magnitude of world opinion arrayed against them, would have supported reparations for Israel as a matter of diplomatic expediency, now appear satisfied that they are recovering sufficiently in major projects with the Western Allies--the Contractual Agreement, the European Army, the Council of Europe and the Schuman Plan for integrating Western Europe's steel and coal output.

"Most observers here agree Israel would have been far more successful in her approach for reparations if she had initiated it two years ago," the correspondent said. "At that time Israel might have obtained suitable financial commitments that the Allies might have been prepared to support. As it is, reliable sources disclose, only the United States has displayed more than a casual interest in the subject," Mr. Raymond reported.

NCRAC ANNOUNCES PLAN FOR DIVISION OF LABOR IN FIGHTING BIGOTRY

NEW YORK, May 8. (JTA) -- The National Community Relations Advisory Council--coordinating body of all Jewish organizations engaged in combatting anti-Semitism in this country--today released a resolution adopted last Sunday by its Special Committee on Evaluative Studies containing specific recommendations for the "logical and practical division of labor" among the major Jewish groups active in the field of community relations.

The resolution reaffirms the decision of the plenary session of the National Community Relations Advisory Council last November that there should be a continuing process of joint planning of program for the entire community relations field, through the N.C.R.A.C. Division of labor, the resolution asserts, is necessary to make this joint program planning effective. Some activities, such as social action or litigation, would require participation by all agencies, the resolution emphasizes.

The resolution will be reported to the N.C.R.A.C. executive committee, which meets May 26th, and if unanimity is not obtained there, it will be referred to the plenum, which meets June 28th. It recommends the following:

1. The American Jewish Committee and the Anti-Defamation League of the B'nai B'rith should, for the time being, take over the joint responsibility for work connected with investigation of demagogues; conduct of surveys designed to maintain a continuing check on the extent, nature, and seriousness of current manifestation of anti-Semitism and of the trends; counter-action of anti-Semitism and subversive organizations and publications; outbreaks of defamation, etc.

The two organizations are also to conduct a positive program of intergroup relations, including the study of influences fostering or disturbing good intergroup relations, and of methods of maintaining good relationships among all groups. They are also to maintain and conduct the contacts necessary for promotion of better human relations, including relations with educational institutions. All this with the understanding that, consistent with the recommended approach to "logical and practical division of labor," they will present before a date to be fixed by their plenum their recommendations for division between themselves of these various activities for joint consideration and approval by the N. C. R. A. C.

2. The American Jewish Congress is to carry responsibility for legal and legislative services to eliminate discrimination, including legal research and memoranda of law, reporting of significant legislation and decisions, and legal drafting. Also for the preparation of drafts of briefs, bills, and statements for legislative bodies.

3. Maintenance of contacts and continuing relationships with labor, veterans, and religious groups, respectively, to be the responsibility, in that order, of the Jewish Labor Committee, the Jewish War Veterans of the U. S., and of an instrumentality involving the various Jewish religious bodies, Orthodox, Conservative and Reform.

The resolution was adopted 7-2, the American Jewish Committee and the A.D.L. opposing, and the Jewish Labor Committee abstaining. The Jewish Labor Committee, however, had voted for all sections of the resolution except for those which dealt with specific assignments of work or responsibilities in any fields other than those of labor, veterans, and interfaith activities.

Incorporated in the resolution is a directive to the N.C.R.A.C. officers that consultations be continued among the agencies in an effort to explore all avenues that may lead to unanimity. The Evaluative Studies Committee is to be convened for re-examination of the resolution adopted whenever unanimity appears to be attainable on some alternative basis.

SENATE TO TAKE UP TODAY IMMIGRATION BILL OPPOSED BY JEWISH GROUPS

WASHINGTON, May 8. (JTA) -- The McCarran Omnibus Immigration Bill, which is similar to the Walter Bill passed recently by the House of Representatives, will be brought to the Senate floor tomorrow. This is sooner than was expected. The measure has been vigorously opposed as "racist" by Jewish and major liberal organizations.

Sen. Pat McCarran, author of the bill and chairman of the Senate Judiciary Committee, refused to call hearings on a liberalized version of the bill introduced by Senators Herbert H. Lehman and Hubert H. Humphrey. Supporters of the Lehman-Humphrey measure today indicated that they will organize a fight against the McCarran-Walter Bill which would set up a system of selective immigration within the national origins quota system, and deprive immigrants already admitted of fundamental judicial protections.

JEWISH CONGRESS CRITICIZES U.S. AMENDMENT OF HUMAN RIGHTS COVENANT

UNITED NATIONS, N. Y., May 8. (JTA) -- "Public instruction in the hands of reactionary governments has been in the past and can become again a perversion of true education," Dr. Maurice L. Perlzweig, representative of the World Jewish Congress, warned the United Nations Commission on Human Rights today. The Jews of Europe "martyred by the Nazi education for genocide program were proof of the fact that a textbook can be as lethal as a gun," he told the Human Rights Commission.

He criticized American and British amendments on education in the proposed draft Covenant on Human Rights. These amendments, he said, weaken the clause which provides that "education shall encourage respect for human rights and fundamental freedoms" and "shall promote understanding, tolerance and freedom among all nations, racial and religious groups."

CANADIAN EDUCATORS OBJECT TO DETERMINING RELIGION OF APPLICANTS

TORONTO, May 8. (JTA) -- Dr. Darby P. Philip, chairman of York Township Board of Education, was criticized at a meeting of the board for asking the religion of three applicants for a clerical job in the school system. The board members who scored Dr. Philip emphasized that color, race or creed should not be a consideration in examining applications for employment.

Defending his action, Dr. Philip reminded the members that the board once got itself into "hot water" for refusing to hire a girl because it was thought she was Jewish. "The board thought she would lose too many days on account of religious holidays, but as it happened she wasn't Jewish. I didn't want that to happen again" he said.

INTERNATIONAL SYMPOSIUM ON DESERT RESEARCH OPENS IN JERUSALEM

JERUSALEM, May 8. (JTA) -- An international symposium on desert research sponsored by the United Nations Educational, Scientific and Cultural Organization--the first such to be held in Israel--opened here last night with 50 scientists and 1,000 guests attending. A message from President Weizmann was read to the parley and Premier David Ben Gurion welcomed the scientists to Israel.

Dr. Walter C. Lowdermilk, American soil conservationist who is now advising the Israeli Government, made the opening address to the conference. The formal work of the symposium was started today at scientific deliberations at the Hebrew University. Saturday, the scientists are scheduled to visit the Negev and inspect ancient ruins and some of the irrigation and development work accomplished by the State of Israel.

מוסד ביאליק של הסוכנות היהודית לארץ ישראל. ירושלים
 THE BIALIK INSTITUTE OF THE JEWISH AGENCY FOR PALESTINE
 JERUSALEM

ניאוליק, 2 גניאל 1952

צו סילבר היקר,

היינו מולד בלבה את מלמד המזכיר,
 16 במרץ, עם בולק אנואליק, אגב
 אגב, בולק בקלג, טלפונים במלון וולצון -
 אססוריה.

מחבר סבוי מוסד ביאליק (יק מלמד) מוסד
 בול במלכותו הורגו בול 15 במרץ, אגב
 צורק אבסוף שובה גבול מלמד את בול
 מלמד בוליק גול מל מלמד.

בול 2 במרץ הורגו אבוליק

מ. מ. מ.

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ISRAEL NEEDS A NATIONAL COALITION GOVERNMENT

(Significant editorial from Israel's largest independent daily "Haaretz")

TEL-AVIV (ZINS) - One must have some confidence in the constantly repeated rumors that attempts are being made in behalf of the present Israeli Government to find out whether there is any possibility for widening the basis of the Government Coalition. The fact that the Government is struggling hard, with an almost choking economic and financial crisis, strengthens the belief that one needs to weigh cautiously the various denials published in reply to the information about the renewed coalition talks.

It is easy to understand why Mapai now feels that there is a necessity for widening the basis of the Government. One can imagine that Mapai would not like to continue carrying the heavy Government responsibilities alone. As for the Religious Groups which benefited from the present narrow coalition, it is expected that they will not oppose Mapai's will to broaden the Government's basis if Mapai decides to include the other parties in it.

We Cannot Afford Luxury of Drawn-out Negotiations

One thing should be made clear right now: The time for indulging in the luxury of drawn-out negotiations is well over - its sole purpose aimed at proving to the public that with the exception of Mapai and the Religious Bloc, all other parties were not ready to accept governmental responsibility. The State paid a rather high price for this game of Mapai's, a half year ago. There is no point in renewing negotiations either with Mapai or with the General Zionists, or with both these parties together, unless Mapai decides in all sincerity, that the time has come for broadening the present Coalition.

To conduct negotiations for the purpose of party-propaganda with the view of placing the responsibility for their collapse upon political opponents, is not permissible any longer. Public opinion will not be interested in such Mapai accusations made for the hundredth time.

Also, public opinion will not tolerate a second edition of the strange spectacle put on by Mapai during the last negotiations with the General Zionists who were ready to join the Government. Then, at the last moment, Mapai invented a new handicap by demanding a separation between Trade and Industry. The same handicap however, suddenly disappeared when a way was found to appoint a Mapai member to this combined office, which served their need for breaking up the talks and excluding the General Zionists from the Government again.

Public Opinion Will Welcome New Coalition

The public will understand and will welcome any serious effort to establish anew, the national coalition which was the basis for the Provisional Government in the years 1948-1949. One can say with certainty that any narrower coalition will not be capable of taking upon itself the tasks which we face due to the tragic economic situation.

Mapai Must Stop Imposing Her Will Upon Everybody

However, no national coalition, carrying the prestige of the Provisional Government will ever come into being if Mapai will not understand that she must stop imposing her will upon everything and everybody - and draw the practical conclusions from this. The stubbornness of Mapai leaders and their urge for power are the main reasons which prevented the formation of a wide Coalition Government after the elections to the second Knesseth. The responsibility, therefore, for the present economic situation of the country, falls indirectly upon the shoulders of Mapai.

The patriotic feelings and devotion to the State, make it imperative for General Zionists, for Mapam and for the Progressives, not to oppose in principle, their joining the Government. But the same patriotism and the same loyalty to the State make it obligatory for Mapai to change its customs and to invite the other parties into a coalition based upon true equality.

If Mapai will show this readiness, there is meaning in negotiations for widening the Coalition. And there can be a hope that this aim will be achieved. If, however, Mapai will again use the renewal of negotiations as a tactical weapon, in order to put the blame on the other parties, without the right to influence the Government, all negotiations are doomed from the very start and all energy invested in them, wasted.