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Jewish Agency, including Palestine Foundation Fund, 1937-1938.

KEREN HAYESOD REPORT
For July, August, and September, 1937

1. Receipts of Keren Hayesod:

The net receipts for July through September amounted to	LP. 90,417
Contributions from the U. S. A.	42,968
" " South Africa	11,992
" " England	5,220
" " other countries	30,237
	<u>LP. 90,417</u>

This amount of LP.90,417 includes earmarked contributions:
LP.5,225 for the settlement of German Jews
" 4,377 for other special purposes (including
" 4,063 from the Charelic Salomon Fund for the building
of the new immigrants' hostel in Tel Aviv)
LP.9,602

LP. 9,602

The amount available for the regular budget was
therefore

LP. 80,815

For the period from 1/10/1936 through 30/9/1937, i.e.
in the fiscal year of 5697 the Keren Hayesod received a total of
LP.363,672 as compared with LP.312,013 in 5696, of which LP.43,337
was for the settlement of German Jews and LP.12,994 for other
special purposes, so that LP.307,341 was available for the regular
budget as compared with LP.266,060 in 5696.

During the three months under review the Keren Hayesod
further received LP.16,278 from the "Mifal Habitzaron".

The total receipts of the "Mifal Habitzaron" at Head
Office for the fiscal year 5697 amounted to LP.112,652.

2. Receipts of the Jewish Agency for Palestine:

In July, August and September, 1937 the Jewish Agency
received LP.69,356 from the Keren Hayesod, of which LP.54,767
was for the regular budget, LP.5,225 for the settlement of
German Jews, LP.5,013 for other special purposes, and LP.4,351
from income on property owned by "Amzic" and its subsidiary
companies and income from other investments.

The Jewish Agency further received LP.16,921 from the
Keren Hayesod from the "Mifal Habitzaron" funds.

Furthermore, the Jewish Agency received the following
sums directly: LP.2,335 from payments on account of loans,
LP.1,468 from the income of the Immigration Department, LP.442
from rent for barracks and tents, LP.923 from interest, and
LP.11,506 from other sources.

During the three months under review the total receipts of the Jewish Agency from all sources amounted to LP.103,001.

3. Disbursements of the Jewish Agency:

During the months of July through September 1937 the total disbursements of the Jewish Agency amounted to LP.125,935, falling under the following categories:

I. AGRICULTURAL SETTLEMENT		
(including Experimental Station)		LP.51,705
II. SETTLEMENT OF GERMAN JEWS		5,225
III. HOUSING AND PUBLIC WORKS		17,721
IV. IMMIGRATION AND TRAINING		8,839
V. NATIONAL ORGANIZATION AND SECURITY		18,260
VI. EDUCATION AND CULTURE		8,243
VII. ADMINISTRATION		3,612
VIII. MISCELLANEOUS	LP.8,978	
Building of the new immigrants		
hostel in Tel Aviv	3,352	12,330
		<u>LP.125,935</u>

The total payment of LP.11,400 for the three months under review was made directly by the Keren Hayesod to Lloyds Bank on account of the loan.

I. AGRICULTURAL SETTLEMENT LP.51,705

This is divisible under the following heads:

a) Investments (in "PASA")	LP. 5,588
b) Moshavim and Moshavoth	8,098
c) Cooperative settlements	29,814
d) Individual settlers	1,262
e) Irrigation works	2,367
f) Girls' training farms (Mishkei Poaloth)	150
g) Agricultural instruction, technical supervision, organization, etc.	5,269
	<u>LP.52,548</u>

Less:

Income from the Agricultural Department	4,896
Credit on behalf of the account "Preparatory works for new colonization" (to the debit of the colonization budget)	1,492
	<u>6,388</u>
	LP.46,160
h) Agricultural experimental station	5,545
	<u>LP.51,705</u>

Notes:

To (a) We have reported many times about the "Palestine Company for Agricultural Colonization" (PASA). The share capital of this company was increased by an additional LP40,000. All the shares were secured by the Keren Hayesod, the sum of LP.5,588 being paid in cash, and as for the remaining LP.34,412 - contracts with the individual settlements were transferred to "PASA".

To (b) The sum of LP.8,098 expended on Moshavim and Moshavoth comprises the following:

For settlements in the Valley of Jezreel: Sdei Yaakow (for buildings) LP.300, Kfar Yecheskiel (for irrigation, buildings, etc) LP.525, Merchavia (for buildings) LP.200, Irgun Efraim (for buildings) LP.500, Kfar Chassidim (buildings) LP.103, Moledeth (established during the disturbances) LP.3,300, (LP.408 for setting up camp, LP.1024 for soil study and redemption LP.1080 for machines and tools, LP.440 for building, LP.263 for security purposes, LP.85 for animals for work).

Settlements in Emek Hefer: Kfar Chegla (for buildings, irrigation, etc.) LP.652, Ein Haoved (for irrigation) LP.160, Kfar Haroeh LP.17. Settlements in the Sharon: Ein Vered (for plantations) LP.668, Cheruth (for plantations) LP.100, Ramath Temkin (for buildings, purchase of cows, etc) LP.195.

Settlements in Judaea: Tirath Shalom (for irrigation) LP.310, Kfar Menachem (south of Beer Tuvia, established during the disturbances) LP.835, (for buildings LP.450, for irrigation LP.265, for workers' tools LP.80, for animals for work LP.40).

Kfar Fines (in Samaria, for buildings, purchase of chickens, etc. LP.194, Kfar Chitin (in Galilee) LP.9.

	Total LP.8168
Less: Transfer of manure orders	70
	LP.8098

To (c) LP.29,814 were spent for cooperative settlements as follows:

Settlements in the Beisan Vale established during the last disturbances. Nir David (Kibbutz Tel Amal) LP.3,311 (buildings LP.1315, irrigation LP.1896, purchase of cows LP.100). Ssde Nachum (Kibbutz Hassade) LP.1752 (irrigation LP.1652, building LP.100), Beit Joseph (Gvul Joseph) LP.7274 (buildings LP.5600, irrigation LP.1674), Tirath Zvi LP.2571 (buildings LP.675, machinery and tools LP.1017, animals for work LP.120, irrigation, etc. LP.759), Maos LP.3,691 (buildings LP.1718, machinery and tools LP.460, irrigation LP.172, soil redemption LP.1,341), Kibbutz Akiba LP.523 (machinery and tools LP.363, buildings LP.160).

For "Kvutzath Hachugim" in Schata (Valley of Jezreel) LP.623 for irrigation, for the "Hanoar Hazoni" settlements in the Valley of Zebulun established during the recent disturbances in Uscha LP.773 (irrigation LP.85, buildings etc. LP.688) in Tel Jitzchak LP.375 (for buildings).

For Bethelhem (in the Jordan Plain, between the Lake of Tiberias and the Syrian border established during the recent disturbances) LP.592 (buildings LP.200, irrigation LP.392).

For Mishmar Hashlosha (near Yavniel in lower Galilee established during the recent disturbances) - LP.3000 placed at their disposal in accordance with an agreement with PICA.

For Hulda (in the Shefela) LP.2765 for building of houses for the Kibbutz "Hashomer Hatzair Haamerikai" (Hedera) LP.808 (for machinery, tools, etc.

For the Kibbutz "Ramath Rachel" (near Jerusalem) LP.250 (buildings) for the PICA settlements LP.1000 for building purposes.

For Ramath Jochanan (Emek Zebulun) LP.6
 For the Kibbutz "Givath Ganim" (near Rehoboth) LP.500 (buildings)
 TOTAL LP.29,814

To (d): Loans to twelve individual settlers in various settlements
 Totalling TOTAL LP. 1,262

To (e): Purchase of additional shares of the water company Mkoroth
 LP.1000, irrigation works in the Kishon Block LP.1367
 TOTAL LP. 2,367

In our reports for the first half year of 5697, as well as for the months of April-June, 1937, we gave more detailed information regarding the aims and establishment of the water company "Mkoroth". In the period under review the Keren Hayesod secured additional shares of this company amounting to LP.1000, its participation in the share capital thus amounting to LP.5,000.

To (f): The girls training farms (Mishkei Poaloth) in Petach Tikva, Nachlath Jehuda and Shechunath Borochoh each received LP.50.
 TOTAL LP.150.

<u>To (g):</u> <u>Agricultural Instruction</u>	LP.1,431
Technical Bureau	1,214
Preparatory works for new colonization:	
In Beisan	LP.595
In Hulda	47
In other places	121
Preparation of settlement plans	763
Experiments in Palm Plantations	150
Expansion of marketing of Jewish agricultural products	200
Organization work in connection with agricultural work, geologic maps, agricultural statistics, Palestine atlas, etc.	<u>1,331</u>
	LP.5,269

Moreover a total of LP.3000 was deposited with the Anglo-Palestine and the Workers Bank as guarantee for loans which these banks granted citrus planters. Since the purpose of the loans was to pay off wages, we are inserting this item under the heading of "public works" in Section III of this report.

To (h): The expenditures of the agricultural experimental station amounting to LP.5,545 may be divided as follows:

Department of cattle feeding	LP. 545
Chemical, pathological, entomological, physiological, department of economics climatic garden, study of plantations, cornfield, lucerne field, etc.	682
Work undertaken on account of the Government (experimental garden for citrus plants	LP.345
Experiments in field and garden (agronomy)	LP.422
Examination of plantations in Kiryath Anavim	LP.72

Experiments in the cultivation of irrigated and non-irrigated fruit trees	LP.184	
And various other research work		LP.1,343
Cost of well of experimental station		308
Experimental garden for the Sieff Institute		95
Store-house for materials		80
Soil Study in Mifratz Haifa		109
Miscellaneous (Library, publications, etc., trips, postage, watching, department in Gava)		417
Salaries and wages		3,026
Buildings and Investments		365
		<u>LP.6,970</u>
<u>Less:</u> Income from the barz	LP.420	
Income from the well	78	
Income from chemical dept.	106	
Income from various depts.	154	
Income from lucerne fields	90	
	<u>LP.848</u>	
Receipts on account of working capital of station	577	
	<u>1,425</u>	<u>LP.5,545</u>

II. SETTLEMENT OF GERMAN JEWS

LP.5,225 was turned over by the Jewish Agency to the Central Bureau for the settlement of German Jews. During the three months under review this Bureau spent LP.6,877 as follows:

Housing and maintenance of Olim	LP.443
Technical instruction in agriculture and trade	1,068
To the Social Service Department of the Vaad Leumi	666
Loans to Individual settlers	100
Loans for constructive purposes	1,433
Youth Alyia	1,201
Education and culture	560
Information	642
Preparatory works for new colonization	74
Organization and miscellaneous	690
	<u>LP6,877</u>

III. HOUSING AND PUBLIC WORKS LP.17,721

This comprises the following:

A house for the "Hanoar Haoved" Kibbutz in Herzlia	LP. 300
Two barracks for Kvutza "Hashamir" in Mifratz Haifa	54
A barrack and enclosure for kvutza "Mitzpe Hasharon"	105
A barrack for kvutzath "Amir" in Hedera	100
A barrack for kvutzath "Abraham" in Kfar Pines	100

Enclosures for Kvutza "Arieh" in Hedera and "Irgun Moledeth" in Beer Tuvia	104	
Building and repairs in various points	188	
Technical supervision during the period from 1/8/36 to 1/8/37	<u>600</u>	LP.1,551
On account of buildings constructed by workers Homes Construction Co. (Chevra L'biniah diroth L'poalim) (House for non-organized workers (in Gedera)	678	
Purchase of tents	426	
Loans to workers in town & City	355	
To the Loan Fund (Kupath Milve) of the Hapoel Hamizrachi	300	
Loans to postal, telegraph & railroad employees	150	
To the Workers Bank (Bank Hapoalim) as participation in the loan fund for auxiliary farms (Mishei Eizer)	200	
Promotion of Jewish shipping and dock work	425	
Promotion of Jewish stone-cutting	100	
Promotion of Jewish labour	46	
Transportation of labourers	215	
Technical supervision of labourers:		
To the Merkaz Chaklai of the Histadruth Haovdim Haklalith (agricultural instruc- tion)	371	
To the "Merkaz Haavoda" of the Histadruth Haovdim Haklalith (instruction in road building)	150	
To the "Merkaz Haavoda" of the Hapoel Hamizrachi	30	
To the Moatzath Hapoaloth	<u>36</u>	
	LP.587	
To the workers aid fund Mischani: of the Histadruth Haovdim Haklalith of the Hapoel Hamizrachi	800 <u>250</u>	
	LP1050	
Loan fund for dock-workers in Haifa	125	
To "Nir" company for loans for housing purposes x)	2000	
To the Anglo-Palestine and Workers Bank as guarantee fund for loans granted to citrus planters	3000	
Organization and Miscellaneous (subsidies to the "Merkaz Haavoda" of the Histadruth, the Hapoel Hamizrachi, the Hitachduth Hateimanim, to the Merkaz Baalei Mlacha (trade union)	<u>1035</u>	
	LP.12,243	
Advance on account of the budget for 5698 (specification given in our report for Oct. 1937	<u>5,478</u>	
	LP.17,721	

In order to obtain credit for the citrus planters the Jewish Agency deposited the sum of LP.300 from the funds of the Keren Hayesod with the Anglo-Palestine Bank and the Bank Hapoalim.

These banks granted citrus planters employing exclusively Jewish labour or "mixed labour" credits totalling LP.20,000 on easy terms, the Jewish Agency assuming up to 12.5% of possible losses. A similar liability was assumed by the unemployment fund of the "Histadruth Haovdim Haklalith". The credits were used for payment of wages.

IV. IMMIGRATION AND TRAINING LP.8,839

(A specification of the expenditures will be given in the annual report for 5697)

As was previously mentioned, the Immigration Department received LP1,468 in payments from immigrants during the period under review.

During the period under review the number of immigrants totalled 2433 (as compared with 9398 in the same period of the previous year). This number included 721^{xx} Chalutzim.* x. Note our reports for the first half year of 5697 as well as for the months of February and April through June 1937.

xx Including dependants

(On the basis of labour certificates) 692 capitalists, 5 craftsmen, 12 persons with secured income, 9 ministers of religion, 203 students and 791 relatives.)

V. NATIONAL ORGANIZATION AND SECURITY LP.18,260

Expenses of the the political department of the Jewish Agency	
in Jerusalem and London	LP. 9,331
In direct connection with the disturbances	8,304
To the Vaad Leumi for social service	625
	<u>LP.18,260</u>

VI. EDUCATION AND CULTURE

LP.8,243 were expended as follows:

Contribution to the Education Budget of the Vaad Leumi	5,496
An additional contribution	1,000
Bialik Institute	1,097
Haifa Technicum	250
Habima	300
Ohel	100
	<u>LP.8,243</u>

VII. ADMINISTRATION LP.3,612

VIII. MISCELLANEOUS

LP.12,300 were expended as follows:

Department for Trade and Industry (including LP 455 as a subsidy to the organization for the marketing of local products "Irgun l'maan Tozereth Haaretz"), LP.150 as subsidy to the industrial union "Hitachduth Baalei Taasia", LP.169 as participation in the expenses of the Palestine pavilion in the Paris Exhibition, LP5,000 as participation in the company for the promotion of exports "Chevra L'idud Export".	LP.1,818
Economic Research Institute	1,004
Health Service: to the Kupath Cholim (sick fund) of the Histadruth	1,550
To the P. Schweitzer Hospital in Tiberias	88
For religious institutions	333
For the Daniel Sieff Institute, Rehovoth	1,000
Aid to victims of the disturbances - - - - Statistical bureau - - -	693
Loan fund for old, deserving Zionists	500
To the Vaad Leumi (for purposes of support)	400
Sundries (press, informations and collections bureau, pensions, compensations, etc.)	182
	<u>1,410</u>
	<u>LP8,978</u>
Building of new immigrants hostel in Tel Aviv (Charelic Salomon Fund)*	
	<u>3,352</u>
	<u>LP12,330</u>

*Note our report for the first half year of 5697



הסוכנות היהודית לארץ ישראל
THE JEWISH AGENCY FOR PALESTINE

Telegrams : "JEVAGENCY JERUSALEM"

Telephone : 671 (5 LINES)

Codes : BENTLEY'S

OFFICE OF THE EXECUTIVE

P. O. Box 92,
Jerusalem

Ref. No.

September 30th, 1937.

Rabbi A.H. Silver,
The Temple,
Cleveland, Ohio.

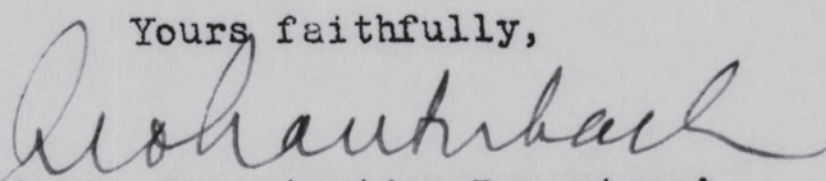
Sir,

On behalf of the Executive I have the honour
to inform you that you have been elected by the Fifth
Meeting of the Council of the Jewish Agency held in
Zurich

a Member of the Administrative Committee
of the Jewish Agency.

I am, Sir,

Yours faithfully,


Secretary, Organisation Department.

KEREN HAYESOD REPORT
For October, 1937

1. Receipts of Keren Hayesod.

The net receipts for October amounted to	LP.20,713
Comprising:	
Contributions from the U.S.A.	LP. 5,054
Contributions from England	2,285
Contributions from South Africa	4,100
Contributions from other countries	9,273
	<u>LP.20,713</u>

This amount includes earmarked contributions:

LP.1,178 for the settlement of German Jews

900 for the settlement of Sephardic Jews (contribution from	
<u>1,483</u> other special purposes	Argentine)
LP.3,561	

The amount available for the regular budget was therefore LP.17,152 as against LP.24,264 for the same month in 1936

During the month under review Keren Hayesod further received the following contributions to "Mifal Habitzaron" from:

U.S.A.	LP.11,105	
other countries	1,886	
	<u>LP.12,991</u>	LP.12,991

During the month under review the Keren Hayesod turned over LP.11,105 to the Jewish Agency for the Mifal Habitzaron funds.

The total receipts of the Mifal Habitzaron at Head Office in Jerusalem amounted to LP.124,954 up through October, 1937.

2. Receipts of Jewish Agency.

During the month under review the Jewish Agency received LP.20,985 from the Keren Hayesod on account of the regular budget, besides LP.1,267 from collections on past loans and LP.88 from various other sources.

3. Disbursements of Jewish Agency

During the month under review these amounted to LP.40,484 and fall under the following categories:

I. AGRICULTURAL SETTLEMENT		
(Including Experimental Station)	LP.11,350	
II. HOUSING AND PUBLIC WORKS	11,275	
III. IMMIGRATION AND TRAINING	5,212	
IV. NATIONAL ORGANIZATION AND SECURITY	7,267	
V. EDUCATION AND CULTURE	860	
VI. ADMINISTRATION	1,066	
VII. MISCELLANEOUS	<u>3,454</u>	<u>LP.40,484</u>

The monthly payment to Lloyds Bank of LP.3,800 on account of the consolidation loan was made directly by the Keren Hayesod.

1. AGRICULTURAL SETTLEMENT

During this month LP. 11,350 were spent as follows:

a) Moshavim - Moshavoth	LP. 2,458
b) Cooperative Settlements	6,142
c) Individual settlers	66
d) Investments	71
e) Administration, technical supervision, instruction, etc.	1,195
	<u>LP. 9,932</u>
Less: Income from the Agricultural Department	17
	<u>LP. 9,915</u>
f) Agricultural experimental station	1,435
	<u>LP 11,350</u>

Notes:

to a) The sum of LP. 2,485 expended on Moshavim-Moshavoth comprises the following:

Kfar Chassim: LP. 137 for building houses, Merchavia: LP.64 for purchase of cows, Ain Haoved; LP 200 for plantations, Ein Vered: LP. 104 for plantations, Kfar Hogla: LP. 169 for plantations, Ramath Tempkin: LP.56 for purchase of cows and poultry, Kfar Menachem: LP.981 for tools, fertilizer and well drilling, Tirah Shalom: LP.266 for well drilling, Kfar Haroeh: LP.16 for surveying and poultry, Kfar Avichail; LP. 150 for building of houses and barns, Beth Joseph; LP. 136 for various surveyals, Kfar Pines: LP. 148 for building of houses and barns, Moledeth: LP. 300 for cattle inventory, tools.

to b)

The amount of LP.6,142 was expended on cooperative settlements as follows:
Shaar Haamakim: LP. 112 for plantations, Kvutzath Gordonia in Hulda: LP. 1,356 for house building and irrigation work, Tel Amal: LP. 888 for house building and irrigation work, Hassade: LP. 1,404 for house building and irrigation work, Tirath Zvi: LP. 312 for house buildings, irrigation work, tools, Maos: LP. 695 for tools, irrigation work and various other work, Batelem: LP. 99 for various pieces of work, Chugim Shata: LP. 50 for drilling, Usha: LP. 72 for tools and manure, Tel Jitzchak LP. 296 for building, tools, manure and seeds, Hashomer Hatzair Hamerikai: LP. 315 for irrigation work, wages, plantations, Akiba Beth Schan: LP. 24 for various purposes; Machar in Hadar LP. 500 for building of houses.

To c) Loans amounting to LP.66 were granted 3 individual settlers.

To d) LP.71 were invested for the promotion of local agricultural products (Tozereth Chaklaith Ivrit) and for various preparatory works.

To e) The amount of LP.1,195 expended on administration may be divided as follows:

Agricultural instruction	LP.422
Technical Bureau	388
Salaries	141
Travel expenses	15
Expenses connected with research and Statistical work	29
	<u>LP.1,195</u>

II. HOUSING AND PUBLIC WORKS

LP. 11,275 were spent as follows:

1. For further investment in Bizur company LP.1500
2. For building of workers' quarters & barracks 1297
3. For loans for building of houses 3000
4. For security for Bizur 1300
5. For instruction of workers:

By the Merkaz Chaklai	LP1028	
By the Hapoel Hamizrachi	104	
By the Youth Hachshara	<u>50</u>	1182
6. For agricultural "Mishradim Hablanim"

(offices for contraction of agricultural work) of the Hapoel Hamizrachi LP.50	
of the Merkaz Chaklai	<u>850</u>
	900
7. For funds for loans to workers in the colonies:

by Hapoel Hamizrachi LP.155	
by Histadruth Haovdim	<u>375</u>
	530
8. For workers aid fund Mishan

of the histadruth Haovdim	275
Of the Hapoel Hamizrachi	200
of the Irgun Ovdim Zionim	<u>33</u>
	508
9. For technical instruction of workers doing Government work 200
10. For loan funds to railroad workers, dock workers, promotion of Jewish fishing, stone industry (through Hapoel Hamizrachi) 250
11. Various employment bureaus 260
12. Organization and miscellaneous expenditures 348

LP.11,275

During the month of October, 11 new barracks were built (3 for Kvutzath Hajam in Haifa Bay, 2 for Kvutzath Amal in Haifa, 1 for Kvutza Jesod Hamaala, 1 for Kvutzath Alonim, 1 for Kvutzath Hamanof in Kfar Saba, 1 for Hashomer Hatzair in Petach Tikva, 1 for Habachruth in Shechunath Borocho, 1 for Mizpeh Hasharon), work on 4 additional barracks in Petach Tikva, Kfar Saba, Hadar, and Nathanya continued, and work begun on a house for defense and dwelling quarters in Kibutz Machar in Hadar.

The LP. 3000 entered Under item 3 were given by Bizur to Chevrath Shikun as a loan for building of houses in Kirith Avoda (in the southern part of Tel Aviv).

Through the Merkaz Chaklai, Hapoel Hamizrachi and the Youth Hachshara and under the direction of 40 instructors, 1500 workers received instruction in agriculture and 150 in road building and various Government works.

The agricultural Misradim Kablanim handled 1 million cases during the present orange season, as compared with 700,000 for the previous year, employing exclusively Jewish labor.

During October approximately 3000 workers received employment through the workers employment bureaus.

III. IMMIGRATION AND TRAINING

During the month under review LP.5,212 were spent for immigration and training, which amount also includes an expenditure of LP.400 from the Charelic Solomon fund for the building of the immigrants hostel in Tel Aviv.

IV. NATIONAL ORGANIZATION AND SECURITY

LP. 7,267 Were spent as follows:

LP. 4,047 for security purposes, and LP.3,221 for the political department in Jerusalem and London.

Of the amount of LP. 7,267, LP. 3,519 were covered by the Mifal Habitzaron.

V. EDUCATION AND CULTURE

LP. 860 were spent as follows:

for the Vaad Leumi

LP. 192

" Bialik Institute for the

Vaad Halashon LP.50

Cultural dep't of Vaad Leumi 50

Historical & Ethnographical

Society 45

Kook Institute 50

Publication of books 44

Organization 13

252

Habima

316

Ohel

100

LP. 860

VI. ORGANIZATION

During the month under review LP. 1,066 were disbursed by the Jewish Agency for organization purposes.

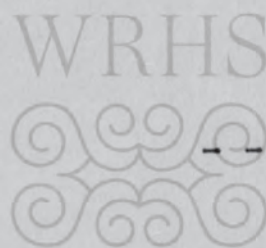
VII. MISCELLANEOUS

LP. 3,454 were disbursed as follows:

for the Ozer MifaleiJam (Tel Aviv port)	LP.2000
for the Department of Trade & Industry	280
" " Economic Research Institute	287
" " statistical bureau	191
" religious institutions	160
" compensations, press, information and collections bureau	536
	<hr/>
	LP. 3 ,454

Out of the LP.280 allotted the Department for Trade and Industry, LP. 121 were used for loans to small traders.

The amount allotted the Ozar Mifalei Jam was covered by the receipts of the Mifal Habitzaron.



KEREN HAYESOD REPORT FOR DECEMBER 1937.

1. Receipts of the Keren Hayesod.

The net receipts for December amounted to £P.24,088 comprising:

Contributions from the U.S.A.	£P.4,287	
" " South Africa	3,440	
" " Canada	2,600	
" " Gt. Britain	1,765	
" " other countries	<u>11,996</u>	£P. 24,088

This amount includes earmarked contributions of 818
so that the amount available for the regular budget was 23,270
as against £P.21,793 for the same month in 1936.

The proceeds of the Mifal Habitzaron in December 1937 were £P.6,253, of which the U.S.A. contributed £P.4,499.

In addition to the above South Africa advanced £P.22,500 for special requirements of the Jewish Agency repayable out of the proceeds of the next campaign.

2. Receipts of the Jewish Agency.

During the month under review the Jewish Agency received £P.19,214 from the Keren Hayesod on account of the regular budget, besides £P.4,619 from the KKL as its share in the new colonisation, mainly in the Beisan area, and £P.3000 as a special contribution to political expenditure; repayments on past loans accounted for £P.461, various other sources for £P.187, special contributions for the settlement of German Jews £P.206, £P.22,500 from South Africa as above, totalling £P.50,187.

3. Disbursements of the Jewish Agency.

During the month under review these amounted to £P.48,682 and fall under the following categories:

I. Agricultural Settlement (incl. Experiment Station)	£P.19,752
II. Housing and Public Works	7,290
III. Immigration and Training	2,457
IV. National Organisation and Security	5,925
V. Education and Cultural Activities	2,668
VI. Trade, Industry and Urban Colonisation	8,317
VII. Administration	1,053
VIII. Miscellaneous	<u>1,003</u> 48,682

The monthly payment to Lloyds Bank of £P.3,800 on account of the consolidation loan was made directly by the Keren Hayesod.

I. Agricultural Settlement

During this month £P.19,752 were spent as follows:-

a) Moshawim-Moshavoth	£P.1,279	
b) Cooperative Settlements	7,498	
c) Individual Settlers	264	
d) Investments	7,913	
e) Administration and Miscellaneous	<u>1,257</u>	£P.18,211
Less: Income from the Agricultural Department		<u>108</u>
		18,103
f) Agricultural Experiment Station		<u>1,649</u>
		£P.19,752

Notes:

To a) The sum of £P.1,279 expended on Moshawim-Moshawoth comprises the following:-

Kfar Hassidim £P.22 for building houses, Merhavia £P.33 for tools, Ein Haowed £P.50 for plantations, Ein Wered £P.786 for plantations and £P.50 for irrigation, totalling £P.886, Kfar Hogla £P.180 for plantations, Ramath Tiomkin £P.23 for plantations, Kfar Menahem £P.191 for tools, Tirath Shalom £P.15 for irrigation, Beth Joseph £P.488 for irrigation, survey and seeds, Irgun Moledeth £P.108 for tools, Kfar Asar £P.758 for plantations and other investments, Kfar Baruch £P.97 for buildings, Avihail £P.550 for plantations, Kfar Haroeh £P.97 for cows and buildings, Eljashiv £P.90 for buildings, Kfar Pines £P5 for balance due, £P.50 to the Yemenite Settlement Shivath Zion.

The total expenditure amounts to £P.3,643, of which a sum of £P.2,364 repaid by Kfar Hassidim is to be deducted, so that there remains the sum of £P.1,279.

To b)

The amount of £P.7,498 was expended for Cooperative Settlements as follows:-

Kvuzath Gordonia in Hulda £P.219 for buildings, Tel Amal £P.127 for irrigation, Maos £P.663 for tools, irrigation and other purposes, Kvuzath Usha £P24 for tilling, Tel Izchak £P.49 for buildings, Hashomer Hatzair Haamerikai £P.307 for sheep, Kvuzath Akibah £P.5 for tools, Kvuzath Hassadeh £P.1,025 for buildings and irrigation, Tel Joseph £P.142 o/a of payment due to "Gilboa" Ain Harod £P.1,000 as a loan for the building of 6 rooms, Givath Haim £.400 loan, Mishmar Hasharon £P.200 loan, Givath Hashlosa £P.600 loan, Ain Hakovesh £P.300 loan, Maabaroth £P.300 loan, Givath Branner £P.600 loan, PICA settlements £P.1,000, Kvuzath Bathelem £P.93 for cattle, Kvuzath Hamsilah £P.29 for tools.

To c)

Loans amounting to £P.264 were granted to 3 individual settlers in Sdeh Yaakov, Kfar Chogla and Tirath Shalom for poultry and buildings.

To d)

£P.7,385 were invested in the "PASA", as set out fully in our annual report, various preliminary works absorbed £P.528 mainly in the Beisan area, this amount including also some investigations.

In the month of December PASA granted loans to the amount of £P.21,589 as follows:-

£P.2,843 to 140 settlers in Kfar Witkin for building purposes and the purchase of cows and poultry; £P.3,754 to the Moshav Cheruth for plantations; £P.2,031 to Kfar Abraham for building purposes and cattle; £P.2,031 to Kfar Hassidim, to various other cooperative settlements £P.482 and £P.112 to individual settlers.

£P.2,364 loan was given in promotion of the vast irrigation scheme in the Kfar Hassidim-Ramath Yochanan area, which will finally absorb some £P.75,000, as set out fully in our annual report.

To e)

The £P.1,257 spent on Administration may be divided as follows:-

Agricultural Instruction	£P. 520
Salaries of Agricultural Department	260
Travel Expenses do.	77
Various organisation expenses	42
Technical work	<u>358</u>

II. Housing and Public Works

£P.7,290 were spent as follows:-

1.	For further investments in the Bizur Company	£P.1,980	
2.	" building of workers' quarters and huts	1,649	
3.	" instruction of workers:		
	by the Merkaz Haklai	£P.215	
	" " Hapoel Hamizrachi	23	
	" " Youth Immigration and General Zionists	<u>156</u>	394
4.	" agricultural Misradim Kablanim, (offices for contraction of agricultural work)		
	of the Merkaz Haklai	1,000	
	of the Hapoel Hamizrachi	<u>130</u>	1,130
5.	" Fund for loans to workers in the colonies:		
	by Hapoel Hamizrachi	£P. 125	
	by Merkaz Haklai	<u>375</u>	500
6.	" Workers' Aid Fund Mishan:		
	of the Histadruth Ovdim		150
7.	" Transfer of workers to their places of work		209
8.	" Technical instruction of workers doing Govt work		29
9.	" Employment exchanges		75
10.	" Levelling work in Kiryath Avoda (Tel Aviv)		750
11.	" Promotion of Jewish fishing and quarrying		100
12.	" Organisation and miscellaneous expenditure		<u>324</u>
			7,290

To 2) In December one house was built in Herzlia and Ramath Hasharon respectively, and huts put up for Kvuzath Alumoth.

To 3) Through the Merkaz Haklai, the Hapoel Hamizrachi and the Youth Training Centres and under the direction of 52 instructors, 1200 workers received instruction in agriculture, and 300 workers in road building and various Government works. The Labour Exchanges furnished 1000 working days in December.

III. Immigration and Training.

During the month under review £P.2,457 were spent under this head.

Below we give the detailed expenditure of the past three months (October, November, December) totalling £P.8,480, which was divided as follows:-

For medical care and loans	£P. 609	
" training abroad	4,217	
" Palestine Offices abroad	1,027	
" Palestine Offices in Eretz Israel	1,361	
" Administrative expenditure	<u>1,266</u>	£P.8,480

IV. National Organisation and Security.

£P.5,925 were spent, of which £P2,538 for security purposes, £P.2,692 for the Political Department in Jerusalem and £P.695 for the Political Department in London.

V. Education and Cultural Activities.

Contribution to Vaad Leumi for the school budget	£P.2,014	
To Mossad Bialik: for Vaad Halashon	£P. 50	
" the Cultural Dept of the Vaad Leumi	125	
" Historical & Ethnographical Society	24	
" Mossad Kuk	50	
" purchase of books	204	
" Organisation expenses	<u>19</u>	472
" Haifa Technical Institute		<u>182</u> £P.2,668

VI. Trade, Industry and Urban Colonisation.

£P.8,317 were disbursed under the following categories:-

1. Loans to industrialists	£P.1,504
2. Otzar Mifalei Hayam (Tel Aviv Harbour)	6,000
3. Igud Lemman Tezereth Haaretz (Promotion of locally produced goods)	125
4. Industrialists' Association	100
5. Institute for Technical Training	29
6. Economic information service	15
7. Organisation and other expenses	220
8. Artisans and small traders	25
9. Economic Research Institute	<u>299</u> £P. 8,317

Of account of the shares subscribed by the Jewish Agency for the Tel Aviv Harbour £P.6,000 were allotted in December out of the proceeds of the Mifal Habitzaron.

VII. Administrative Expenditure.

£P.1,053 were spent under this head.

VIII. Miscellaneous

For religious institutions	£P.143
" Statistical Department	215
" Information and Tourist Office, press and collections	452
" Pensions	<u>188</u> £P. 1,003

PALESTINE FOUNDATION FUND

(KEREN HAYESOD — קרן היסוד)

FINANCIAL INSTRUMENT OF THE JEWISH AGENCY FOR PALESTINE

111 FIFTH AVENUE
NEW YORK CITY

TELEPHONE ALGONQUIN 4-2640

December 10, 1937

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STEPHEN S. WISE

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ABRAHAM LIEBOVITZ

SECRETARY

CHARLES RESS

EXECUTIVE DIRECTOR

ROBERT SILVERMAN

Mr. Louis Lipsky, Chairman
Board of Directors
Keren Hayesod
111 Fifth Avenue
New York City

Dear Mr. Lipsky:

In view of what has transpired in recent months in the United Palestine Appeal, myself becoming the center of a malicious political attack, I feel called upon to write to you "for the record" of my part in the proposed changes in the United Palestine Appeal.

First, I want to put on record certain personal facts which I think are relevant.

In 1921, when the Keren Hayesod was introduced in America by the delegation headed by Dr. Chaim Weizmann, I was invited to organize the work of the Keren Hayesod and the Zionist Organization of America in the New England area. On various occasions I was sent on special missions to New York State, the Middle West, and other sections of the country, but during the period of 1921, when I organized the New England region, to 1933 I was directly responsible for Keren Hayesod work and Zionist activities there. At no time was any criticism levelled at me as a campaign director. Time and again expressions of appreciation of my work were uttered by the national and local administration of the Keren Hayesod.

Four years ago, at the invitation of Morris Rothenberg and yourself I came to New York to serve as national director. At that time, the work of the Keren Hayesod was at its lowest ebb, owing to the fact, largely, that we were passing through the national depression. A combination was then made with the Joint Distribution Committee and I became Co-Director of the United Jewish Appeal with Isidor Coons for two years. When the combination with

the Jewish National Fund was made in January, 1936, and the United Palestine Appeal was revived, it was part of the agreement between the Keren Hayesod and the Jewish National Fund that there be two national directors. I served as national director with Mendel Fisher. It was generally realized that there should be only one national director, but the parity arrangement with the Jewish National Fund could not be overcome.

The expectations for the 1936 campaign were quite gloomy. At a meeting of the campaign committee it was the consensus of opinion that not more than between \$500,000 and \$600,000 could or would be raised for that year. In spite of the real difficulties created by the competition offered by the Joint Distribution Committee and the need for building up our own machinery after leaving the Joint Distribution Committee, the United Palestine Appeal raised the sum of \$1,650,085.15, exclusive of the amounts raised by the Youth Aliyah and the Jewish National Fund, which were also regarded as part of the United Palestine Appeal. This amount was made up as follows: \$1,124,438.26 raised in the country and \$525,646.89 raised in New York City. These results greatly exceeded the expectations of the National Committee.

During all this time, members of the national administration were all friendly to me and appreciative of my work. But the attitude of Mr. Morrison changed completely from the date of the Providence Zionist convention, when Dr. Wise was elected President to succeed Mr. Rothenberg.

Some two years ago, when Leo Herrmann, Secretary of the Keren Hayesod Board, visited America we had a number of conferences, in the course of which he indicated that the Keren Hayesod was deeply concerned that this important fund-raising agency -- the only fund-raising agency of the Jewish Agency for Palestine -- was playing a considerably lesser role year by year, and that its status as a campaign instrument was being impaired in America. He pointed out that in every part of the world the Keren Hayesod was regarded as the premier fund; that it had taken over fifteen years of labor to establish it as a fund. And he urged that steps be taken to stimulate an activity which would widen the interest in the work which the Keren Hayesod is doing in Palestine as the budget fund of the Jewish Agency. He expressed the fear that if this were not done, fund-raising for Palestine would drift more and more into a form of charity.

This notion that the Keren Hayesod was being undermined in Zionist life was the subject of frequent discussions with various visitors from Palestine.

When we went to Zurich during the summer of 1937, a number of conferences were held on this question, in which there participated Eliezer Kaplan, Dr. Arthur Hantke, Leo Herrmann and various other members of the Executive. We were urged to take definite steps to establish the identity of the Keren Hayesod in the United States, and

to raise larger funds for the program and budget of the Jewish Agency. We were reminded that the Jewish Agency is dependent upon the Keren Hayesod for its rebuilding program; that every emergency in the life of Palestine had to be met out of the income of the Keren Hayesod, and that it would be fatal if the Keren Hayesod were to become merely an item in a chest, or an item in a conglomeration of various funds.

As a result of this conference held in Zurich, we returned to America, pledged to do our utmost in the direction of a renewed effort for the Keren Hayesod and for the re-establishment of the name of the Keren Hayesod.

On the day of my arrival, September 23, I found that a meeting had been called of the Administrative Committee of the Keren Hayesod to consider what action should be taken in connection with the renewal of the agreement with the Keren Kayemeth to set up a United Palestine Appeal campaign for 1938. A report was rendered by you, in which reference was made to the request of the Keren Hayesod for "a place in the sun". The Administrative Committee of the Keren Hayesod agreed that steps would have to be taken, however, within the framework of the United Palestine Appeal, to maintain the integrity of the Keren Hayesod, and resolutions were adopted to press the claims of the Keren Hayesod for priority in the structure of the United Palestine Appeal.

Later I realized that in the negotiations for a renewal of the United Palestine Appeal campaign for another year, no consideration was being given to these requests of the Keren Hayesod. I conferred with Mr. Montor, explained to him what had transpired in Zurich, and urged upon him that he do everything within his power to give the Keren Hayesod the status that it deserved. At that time I informed Mr. Montor that my desire for fair treatment of the Keren Hayesod should in no way be construed as an effort on my part to remain as campaign director at the close of the 1937 campaign, and asked him to inform Dr. Wise, in unequivocal terms of my intention, which I understand he did. I understand that you, too, in a number of conversations with Dr. Wise told him of my desire to remove myself from the center of that political attack which was being carried on by Mr. Morrison and others.

Soon after the meeting referred to above, and after I had spoken to Mr. Montor, I learned that Mr. Isidor D. Morrison, had addressed a letter to Dr. Wise, copies of which were sent to Dr. Goldstein and Judge Rothenberg, in which he referred to my effort on behalf of the Keren Hayesod as a desire to entrench myself further in the control of the United Palestine Appeal. Mr. Morrison professed to see in my effort a desire to "break" the United Palestine Appeal. With a recklessness characteristic of him, Mr. Morrison reduced all my interest in the Keren Hayesod, for which I have labored for over 16 years, to a matter of self-interest.

In view of Mr. Morrison's attack, I felt that self-respect required that I should give some reply thereto. At a meeting of the Administrative Committee of the Keren Hayesod held on November 10, I raised a point of personal privilege and charged Mr. Morrison with casting unwarranted aspersions on my conduct and character; that his remarks were unfounded and unfair. The discussion which followed is a matter of record. The action of the Administrative Committee in voting its "absolute confidence in Mr. Silverman's integrity, devotion and loyalty to the Zionist movement" was deeply appreciated by me.

It is necessary, however, to call your attention to the fact that Rabbi Miller's motion "to recommend to the incoming administration of the United Palestine Appeal the earnest consideration of Mr. Silverman as National Director of the campaign for 1938" came from Rabbi Miller as a spontaneous and unsolicited proposal, although I must confess that the unanimous acceptance by the Administrative Committee of Rabbi Miller's motion was welcomed by me as a repudiation of the unfounded charges made against me by Mr. Morrison in his letter to Dr. Wise. You will recall that immediately after the meeting, I reiterated to you that although I appreciated what had taken place at the meeting, my decision to retire from the post of National Campaign Director remained unchanged.

I believe it is clear to the committee that the charges of Mr. Morrison have no relation to me as director of the United Palestine Appeal. I reported to the Administrative Committee, some months before, of the talk I had with Mr. Morrison. When I inquired of him why he took every opportunity to undermine my position and my standing in the Zionist movement, he replied that my active participation in the effort to elect Dr. Wise as President of the Zionist Organization of America was extremely distasteful to him and his friends; that I should know that Dr. Wise was a "menace to American Zionism" and that he (Mr. Morrison) resented the injustice done to Mr. Rothenberg by electing Dr. Wise as his successor. He gave that as the reason for his ill-will toward me.

In closing, I want to thank you for the opportunity you have given me in the last few years to serve our cause through the national office. I appreciate the confidence reposed in me by all the other members of the committee, and I sincerely hope that you and they feel that that confidence was not misplaced.

I assure you of my abiding interest in and devotion to the cause I have served to the best of my ability these 40 years, and of my readiness to serve in any capacity which I may be called upon to occupy in the future.

Very sincerely yours,

Robert Silverman
Robert Silverman.

PALESTINE FOUNDATION FUND

(KEREN HAYESOD — קרן היסוד)

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SECRETARY

CHARLES RESS

EXECUTIVE DIRECTOR

ROBERT SILVERMAN

December 13, 1937

Dear Friend:

The Annual Meeting of the Members of the Palestine Foundation Fund (Keren Hayesod) Inc. will be held on Wednesday evening, December 22, 1937, at 8:00 P.M., at the Commodore Hotel (West Ballroom), 42 Street and Lexington Avenue, New York City.

The following important matters will be acted upon:

1. Election of the Board of Directors
2. Financial Report
3. Report on plans for the 1938 campaign
4. Such other business as may be properly presented.

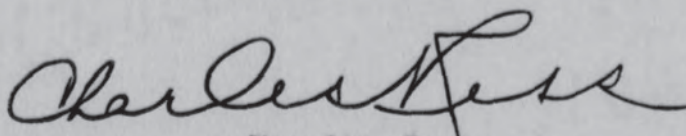
Address by - Rabbi Solomon Goldman of Chicago

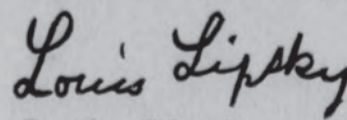
A Jewish Palestine -- whether sovereign or mandated -- continues to be the only hope for millions of our unfortunate brethren in lands of oppression.

The Keren Hayesod finances the economic and colonizatory upbuilding work in Palestine. To enhance this building process and to make room for tens of thousands of Jews in the National Homeland, ways and means must be found to strengthen the Keren Hayesod.

We appeal for your cooperation and urge you to attend the Annual Meeting of the Keren Hayesod.

Very sincerely yours,


Charles Ress
Secretary


Louis Lipsky
Chairman

PALESTINE FOUNDATION FUND

(KEREN HAYESOD — קרן היסוד)

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SECRETARY

CHARLES RESS

EXECUTIVE DIRECTOR

ROBERT SILVERMAN

December 29, 1937

TO THE BOARD OF DIRECTORS OF THE
PALESTINE FOUNDATION FUND (KEREN HAYESOD) INC.

Dear Friend:

It is our pleasure to inform you that at the annual meeting of the members of the Palestine Foundation Fund (Keren Hayesod) Inc., held on Wednesday, December 22, you were elected a member of the Board of Directors for 1938.

The first meeting of the newly elected Board will take place on Thursday evening, January 6, 1938, at 8:15 P.M., in the office of the Keren Hayesod, Room 720A, 111 Fifth Avenue, New York City.

Will you please make every effort to attend this meeting, whose purpose will be the election of officers for the new year, and to attend to such other business as may properly come before it.

Very sincerely yours,

Louis Lipsky

Louis Lipsky
Chairman, Board of Directors

Charles Ress

Charles Ress
Secretary

P.S. Please use the side entrance to the building -
7 East 18th Street.

LL.SB

[1937]

REPORT OF THE PALESTINE FOUNDATION FUND
(KEREN HAYESOD)
Oct. 1, 1936 - Sept. 30, 1937
5697

CONFIDENTIAL

Jerusalem:-

The net receipts for the year 5697 were LP.363,672, made up as follows:-

U.S.A.	LP. 132,977
South Africa	71,125
Great Britain	21,279
Eretz Israel	18,361
Other countries	<u>119,930</u>
	363,672

including the following earmarked donations:

For the settlement of German Jews	LP. 43,337
For other specified purposes	<u>12,994</u>
	56,331

of which the U.S.A. contributed LP.17,511, LP.16,935 of which was for the settlement of German Jews.

The amount available for the regular budget was LP.307,341.

The corresponding figure for the year 5696 (Oct. 1, 1935 - Sept. 30, 1936) had been LP.313,345, of which LP.267,963 had been available for regular budgetary purposes. The income for 5697 thus shows an increase of LP.50,335, roughly 16%, over that of the previous year. In addition, in 5697, the Mifal Habitzaron (Emergency Fund) yielded the following results:

U.S.A. (Individual contributions)	LP. 35,794	
Great Britain	17,574	
Canada	5,117	
Other countries	<u>60,295</u>	LP. 118,780
Less collecting expenses		<u>6,128</u>
		112,652

2. Income of the Jewish Agency. In 5697, the Keren Hayesod remitted LP. 310,612 to the Jewish Agency, of which LP.233,878 went toward regular budgetary purposes, LP.43,337 toward the settlement of German Jews, and LP.11,079 toward other specified purposes. The disposal of lands on the part of the Amzic and its subsidiary companies, and returns from other investments accounted for LP.22,318. To this was added the sum of LP.112,447

from the Mifal Habitzaron.

Income accruing directly to the Jewish Agency included LP.10,958 in repayments on account of loans (of which LP.8,711 came from Keren Hayesod settlements); LP.13,887 from the Immigration Department; LP.2,454 for rent of tents and barracks; LP.1,630 in interest; LP.18,164 miscellaneous, of which Government contributed LP.4,904 for the Agricultural Experiment Station; LP.9,595 from the KKL for new colonization; and some individual contributions, among which was LP.1,000 from the High Commissioner for the Shamaryahu Levin Garden.

The total income from all sources for the year under review amounted, therefore, to LP.470,000, as compared to LP.355,576 in the previous year.

3. Expenditure of the Jewish Agency. This amounted to LP.468,692.

LP.357,283 was spent on ordinary budgetary purposes, and LP.113,417 on account of the needs catered for by the Mifal Habitzaron. The sum was disbursed under the following heads:

I. For Agricultural Colonization (including Experiment Station):		
On account of the regular budget-	LP.122,476	
On account of the Mifal Habitzaron-	<u>4,721</u>	LP.127,196
II. Settlement of German Jews -		
		43,338
III. Housing and Public Works:		
On account of the regular budget-	50,738	
On account of the Mifal Habitzaron-	<u>14,207</u>	64,945
IV. Immigration and Vocational Training:		
On account of the regular budget-	50,019	
On account of the Mifal Habitzaron-	<u>208</u>	51,227
V. National Organizations and Security:		
On account of the regular budget-	29,360	
On account of the Mifal Habitzaron-	<u>66,080</u>	95,440
VI. Education and Cultural Activities:		
On account of the regular budget-	31,809	
On account of the Mifal Habitzaron-	<u>4,100</u>	35,909
VII. Trade and Industry:		
On account of the regular budget-	3,547	
On account of the Mifal Habitzaron-	<u>9,152</u>	12,699

VIII. Administrative Expenses

LP.13,457

IX. Miscellaneous:

On account of the regular budget-	LP.17,779	
On account of the Mifal Habitzaron-	<u>6,702</u>	<u>24,481</u>
		486,692

Direct remittances to Lloyds Bank in respect of repayments of the Consolidation Loan were made regularly, amounting to LP.45,600 during the period under review. On October 1, 1937 the amount of the Loan had been reduced to LP.440,357.

I. Agricultural Colonization

During the period under review agricultural colonization, including the Experiment Station, accounted for LP .127,190, of which LP.122,476 were disbursed on account of the regular budget and LP.4,721 from the funds of the Mifal Habitzaron. The largest part of this sum, i.e., LP.73,981, was invested in shares of settlement companies, of which LP.60,000 went toward the acquisition of additional PASA (Palestine Agricultural Settlement Association) shares. The Keren Hayesod now holds shares to the total value of LP.100,000.

At their General Meeting on November 1, 1937, the above Company decided to increase their share capital by LP.50,000 bringing it up to LP.150,000. The Keren Hayesod will also take up these new shares holding, as it does, all the founders' shares. On October 31, 1937, on the completion of the Company's first year of activities, the PASA had already invested LP.123,000, including LP.73,600 in loans to agricultural settlements and cooperative companies; LP.14,600 in water installations for 16 settlement points in the Emek Hephher, Shaaron and the neighborhood of Karkur, where 10,000 dunams have been irrigated and room is being provided for an additional 800 to 1,000 families; and LP.2,300 in loans for individual settlers.

Moreover, LP.5,000 worth of shares in the Jewish Agricultural Trust Ltd. (Otzar lahaklauth haivrith Ltd.) have been taken up and LP.1,000 have

been made available to the Agricultural Bank.

Apart from the share capital the PASA has available some LP.100,000 for loan purposes, which has been raised by the issue of 4% debentures mainly taken up by German transferees. Interest and amortization are secured by bank deposits and considerable reserves. The settlers benefiting from the loans have themselves to deposit 5% of the loan with the Worker's Bank, which serves as a guarantee for the punctual payment of amortization rates. LP.1,220 has already been paid on this account.

By the issue of debentures the PASA is enlisting private capital as well. Further issues of debentures have been authorized. National funds are employed in guaranteeing the issue, i.e., in the taking up of shares. It is contemplated permanently to expend part of the Keren Hayesod agricultural budget on the acquisition of new PASA shares automatically increasing the scope of its activities.

Hitherto the Keren Hayesod has generally carried out these increases in capital by a part payment in cash, the balance being made by the transfer of contracts and claims on account of loans to settlements. Such transfers were only made where the objects in question could be considered as economically sound and as offering adequate guarantees for interest and sinking fund from the commercial point of view.

Long-term credits and investments in new ventures, which can only gradually reach the stage of economic consolidation, do not fall within the scope of the PASA; these continue to be financed solely by the Keren Hayesod, i.e., by national fund, without the enlistment of private capital.

During the period under review LP.43,923 were spent on settlement points, i.e., LP.10,863 on Moshawim and Moshawoth, LP.29,188 on cooperative settlements, and LP.3,872 on individual middle-class settlements. Of the first-mentioned sum LP.2,088 was applied to the consolidation of Kfar Hassidim, Merhavia and Sdei Yaakov, whilst new colonization accounted for a total of

£P.291,671, of which £P.1,725 was for Kfar Witkin, £P.682 for Kfar Hittin, £P.500 for Moshaw Hagoel, £P.33 for Yarkona, £P.687 for Cheruth, £P.1,000 for Beth Chanan, £P.980 for Kfar Chogla, £P.980 for Kfar Elyashiv, £P.2,999 for Kfar Pines, £P.835 for Kfar Menahem, and £P.719 for Ein Wered. A considerable part of the above amounts was spent on the purchase of cows, the installation of water supplies, housing, machinery and tools, draught animals and plantations in Beth Chanan, Ein Wered, Moshaw Cheruth, Kfar Chogla, Ein Haowed, Eamath Temkin, Kfar Hittin and Kfar Pines.

The £P.29,188 for cooperative settlements were mainly used in the 19 settlements situated in the Beth Shaan region and the Jordan Valley, chiefly for water supply, living and protective quarters, whilst their first requirements in machinery, tools and living inventory were also supplied. The need for the consolidation of already existing settlement points and their expansion for the absorption of new immigrants was not lost sight of either. So far as new colonization is concerned, it might be mentioned that roughly £P.600 are required for the settlement of one family, part of which is contributed by the settler himself. The size of the individual unit can only be finally determined when the amount of water available has been ascertained.

In view of the new responsibilities thrown upon the movement by the new colonization in the Beth Shaan and Jordan sectors, the Keren Hayesod will have to redouble its efforts to raise the additional sums needed for the purpose.

Of the £P.3,872 spent on individual smallholders, £P.1,000 were lent to the Agricultural Bank for small loans to these settlers. This Bank grants the loans at its own risk and has undertaken to repay the £P.1,000 to the Jewish Agency in monthly instalments over a period of two years at 2½ interest. A further £P.2,872 were lent to some 30 individual settlers in six settlement points.

The balance of the agricultural colonization budget went towards expenditure connected with girls' farms in Petah Tiqvah, Nachlath Yehuda and Schunath Borochoy; agricultural instructors; preliminary work for the new points in Beth Shaan, Hulda and other places; experiments in planting; increase in the consumption of local agricultural products; and various administrative expenses.

The total of LP.127,190 likewise includes the expenditure on the Agricultural Experiment Station, i.e., LP.23,626. This expenditure is spread mainly over the Section for animal fodder; the chemical, pathological and entomological sections; the economic section; the climatic garden; examination of plants and fields; experimental garden for citrus plants; and other research work, as well as for the library, publications and administrative expenditure.

The Government grant of LP.4,904 for the Experiment Station has already been referred to above.

II. Settlement of German Jews

A special department of the Jewish Agency deals with the settlement of German Jews. Its budget is derived from various sources, among which the Keren Hayesod figures largely. The budget for the period under review was LP.205,686, to which the Council for German Jewry contributed LP.102,372; the "Arbeitsgemeinschaft" LP.56,031; the Council for British Jewry LP.3,945; and the Keren Hayesod LP.43,338. Of the latter amount LP.42,000 was used for the construction of houses and barracks (with the assistance of the Council); LP.1,240 for auxiliary farms; LP.10,305 for social services; LP.2,514 for youth immigration; LP.1,988 for educational and cultural activities; LP.3,377 for training and vocational adjustment; LP.389 for assistance to scholars; LP.600 for information service; LP.2,221 for various subventions; LP.2,457 for other constructive purposes; and LP.1,080 for preliminary work connected with the settlement of German immigrants in the

Haifa Bay, Emek Hephher and Karfur.

During the period covered by this report a number of German immigrants for whom the Council for German Jewry had made itself responsible vis a vis the Government, were installed. Each family of this category was granted a loan of £P.100. Of the total amount of £P.150,000 earmarked for this purpose, £P.138,000 has already been allocated.

III. Housing and Public Works

£P.64,945 were expended on the above purposes. The Labor Department of the Jewish Agency put up 49 barracks in 28 settlement points and purchased an additional number from the military authorities. It also provided 12 dwelling houses for workers in 10 points and 4 dining halls in 4 settlements.

Approximately £P.3,000 were allocated to the Rural Workers' Housing Co. Ltd., founded in 1936 on the initiative of the Jewish Agency for the purpose of granting loans to small colonists and farmers for the erection of cheap houses. No single loan may exceed £P.200. The initial capital of the Company of £P.35,000 was put up by "Nir", "Binyan", the South African Banking concern, and the Keren Hayesod to the amount of £P.5,000 each, as well as by various Banks and Insurance Companies in Palestine. The loans are given for 10 years at a very low rate of interest. At the present time the Company is engaged in putting up 350 houses for small farmers in various colonies.

On the strength of an agreement between the Jewish Agency and "Nir", the Keren Hayesod contributed £P.5,000 ("Nir" itself putting up £P.22,000) to a Loan Fund for housing purposes. This Fund grants loans to settlers on Jewish National Fund or other land leased for a minimum period of 49 years, and to organized cooperative settlers' groups for the construction of houses, the laying down of water installations, as well as for the establishment of auxiliary farms. The settler himself must be able to contribute

20% of the value to be created by the loan, which is given for a period of 13 or 20 years at 6% p.a. A Commission composed of representatives of the participating institutions decides on the allocation and utilization of the loans.

LP.5,000 were invested in "Bizur" in the course of the fiscal year. By means of credits granted by this Company it promotes the carrying out of large-scale public works, such as the establishment of residential quarters, construction of roads, public buildings, etc., thus creating vast possibilities of employment. The initial capital of this Company is LP.50,000, of which the Keren Hayesod contributed LP.15,000 in 5696. "Bizur" has issued debentures to the amount of LP.120,000 bearing 6% interest p.a., redeemable between January 1, 1937 and January 1, 1943. It started activities towards the end of May 1936. Thanks to the loans it gave to "Shikun", to various suburbs and colonies in the Sharon as well as for the construction of roads, many hundreds of workers found employment. Its share capital was increased by LP.10,000 last year, of which the Keren Hayesod contributed LP.5,000. With the help of the loans to the amount of LP.162,000, "Bizur" carried out works to the value of LP.400,000.

The budget of the Labor Department of the Jewish Agency allocated considerable sums for the proper instruction of agricultural workers through the "Merkasim Chaklain", i.e., LP.5,500. Instruction was likewise provided for urban workers (road construction, railway works, etc.) through the "Merkaz Haavoda" of the Jewish Labor Federation and of the "Hapoel Hamizrachi" (LP.460)

For the assistance of citrus planters the Jewish Agency deposited LP.3,000 of Keren Hayesod funds in the Anglo-Palestine Bank and the Workers' Bank.

Loans on easy terms to the amount of LP.20,000 are granted to planters who either employ Jewish labor exclusively, or mixed Arab and Jewish labor,

the Jewish Agency assuming the guarantee for an eventual loss of 12%. The same guarantee is furnished by the Unemployment Fund of the Labor Federation. These loans are granted solely for the payment of wages.

From the LP.64,945 referred to above, loans to the value of LP.2,200 were made to the contractors for agricultural work; LP.1,440 for the construction of dwellings for refugees from Jaffa; LP.1,150 for postal, railway and telegraph workers and auxiliary farms; LP.2,750 to the Workers' Assistance Fund of the General Labor Federation and the Labor Federation of the Hapoel Hamizrachi; LP.2,893 for provisional housing accommodation; LP.3,475 for loans to urban and rural workers; LP.2,736 for the promotion of Jewish shipping and harbor works; LP.702 for the promotion of Jewish quarrying; LP.327 for the Jewish fishing industry; LP.1,560 for the transfer of workers to their places of work; LP.829 for the promotion of Jewish labor; and various other amounts to the "Merkaz Baale Mlaacha" (Artisans' Union); the "Hitachduth Hatemanim"; and for organization expenses.

IV. Immigration and Training

The LP.51,227 spent during the period covered by this report provided for organization expenditure, the Palestine offices abroad (in 38 countries), the local immigration offices, as well as for social care (loans, transfer to places of work, maintenance of the immigrants' hostels, medical care and training abroad).

This year the erection of a new Immigrants' Hostel was begun with funds made available to the Keren Hayesod from the Trust Fund of the late Charelick Salomon of Bulawayo. The building cost LP.12,000, LP.9,000 of which came from the Trust Fund and the balance from the immigration budget of the Keren Hayesod.

V. National Organizations and Security

For the above purposes the ordinary budget contributed LP.29,360 and the Mifal Habitzaron LP.66,080 during the year under review. These LP.95,440

include the expenditure of the Political Departments of the Jewish Agency in Jerusalem (LP.86,419) and in London (LP.9,021). In direct connection with the events of the past twenty months, the Political Department in Jerusalem spent LP.61,678 for security purposes; LP.4,402 on the material needed for the Royal Commission; and LP.3,570 through the Vaad Leumi to help victims of the disturbances.

VI. Educational and Cultural Activities

Educational and cultural activities accounted for LP.35,909, of which an appropriation of LP.26,814 was made to the Vaad Leumi for the education budget; LP.7,545 to the "Mossad Bialik"; LP.1,000 to the Haifa Technical Institute; LP.300 to Habimah and LP.250 to Ohel.

For the fifth year in succession the Vaad Leumi made itself responsible for the Hebrew educational system. The budget, exceeding as it did the sum of LP.300,000, was covered by subventions of the Government, the Jewish Agency (Keren Hayesod), the municipalities and colony councils and school fees. In view of the urgent and increased requirements resulting from the disorders, the Jewish Agency's contribution originally fixed at LP.20,000 was increased to LP.26,814, of which LP.22,814 came from the regular budget and LP.4,000 from the Mifal Habitzaron. The number of schools is now 370 (343 in 5696); the pupil attendance 46,767 (39,701 in 5696); the number of teachers 1,787 (1,458 in 5696). The Mossad Bialik, exclusively financed by the Keren Hayesod, has continued its activities in all fields, and has produced a number of valuable anthologies from the older literature and lexica designed to promote the study of the Hebrew language. It also subsidizes some journals, as well as the Cultural Department of the Vaad Leumi, the Bezalel Museum, the archaeological excavations in Sheikh A brek and the Institute bearing the name of Rabbi Kook.

VII. Trade and Industry

Trade and Industry accounted for LP.12,699. LP.2,945 were deposited with the Anglo-Palestine Bank as a guarantee for loans to small traders. Individual

loans were not allowed to exceed LP.350 and they were given for three years, the Jewish Agency (Keren Hayesod) assuming the guarantee for an eventual loss of 20%.

At the Industrial Bank LP.2,150 were deposited as a Guarantee Fund. Loans to the maximum value of LP.150, for three or five years, are granted to small industrialists, the Jewish Agency (Keren Hayesod) in this case also guaranteeing these loans up to 20%.

The Agrobank was given LP.2,000 for credits to business men in Jaffa who had been forced by the riots to transfer their businesses to Tel Aviv.

The Association for the consumption of locally produced goods was subsidized to the amount of LP.1,850, and the Industrialists' Association to the amount of LP.600.

The Department's contribution to the Palestine Pavilion at the Paris Exhibition was approximately LP.500, and a further LP.500 went to the Society for the Promotion of Exports

VIII. ADMINISTRATIVE EXPENDITURE

The administrative expenditure of the Jewish Agency was LP.13,457.

IX. MISCELLANEOUS

Miscellaneous covered expenditures of LP.24,481. LP.3,997 were spent on the Economic Research Institute of the Jewish Agency which conducts research into, and the examination of the conditions and requirements of Palestine's economy.

The results of this work serve in the first instance to make available the material and data needed by the Jewish Agency for its various branches of activity, as well as for its negotiations on economic matters with the Palestine Administration.

During the period under review it dealt with the problems arising in connection with economic development, the conditions needed to produce cheap rents, the production of milk, the influence of customs dues on the prices

of industrial products in Palestine, the marketing of oranges, the improvement of transport conditions, the cost of land, and the problems and prospects of the Palestine textile industry.

This research is to improve the output and profits of the Palestine economy and help to replace imports by locally produced articles. Jointly with the Anglo-Palestine Bank the Institute undertook examinations into several existing concerns.

A total amount of £5,000 was invested in the Tel Aviv Harbor, of which £2,552 went in the purchase of shares; religious institutions accounted for £1,530; the Daniel Sieff Institute in Rehovoth for £1,150; the Statistical Department, which carried through a census of the agricultural settlements and industrial concerns last year, the results of which are to be published shortly, for £2,641.

That Bureau also collected and prepared the material submitted to the Royal Commission and ascertained the Jewish share in Government revenue in connection with the Jewish claim for a greater share in public works, on which a memorandum was prepared.

Health and social services accounted for £5,539, press services, collection expenses, pensions and compensations for £6,250.

The above report shows how much the Keren Hayesod has done for the Yishuv with the funds at its disposal. Every single branch of activities benefited both from the regular budget and the monies of the Mifal Habitzaron, helping to maintain and consolidate our economic position, to minimize the crisis and unemployment and to promote industry and agriculture. It may confidently be asserted that thanks to the funds of the Keren Hayesod, Palestine's Jewish sector showed vital energies of a sort which could not have been envisaged.

KEREN HAYESOD

JANUARY REPORT * 1938

4

THE SALIENT POINTS:

RECEIPTS OF KEREN HAYESOD:

Net, for regular budget	LP. 22,136
Comparative figure of previous year	40,395
Mifal Habitzaron	3,499

RECEIPTS OF THE JEWISH AGENCY:

From the Keren Hayesod	LP. 26,212
Various	4,192

DISBURSEMENTS:

Repayment to Lloyds Bank	LP. 3,800
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Budget	LP. 57,025
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1. *Receipts of Keren Hayesod*

The net receipts for JANUARY 1938 amounted to LP. 23,275, comprising contributions from:

U.S.A.	LP. 6,500
South Africa	3,367
England	1,757
Other countries	<u>11,651</u>
	LP. 23,375

This amount includes LP. 1,139 for special purposes.

The amount available for the regular budget was therefore as against LP. 40,395 for the same month in 1937.

"	1,139
	<u>LP. 22,136</u>

During the month under review Head Office of Keren Hayesod further received LP. 3,499 from the Mifal Habitzaron income and LP. 1,100 for the settlement of Jews from Germany.

2. *Receipts of the Jewish Agency for Palestine*

During the month under review the Jewish Agency received LP. 26,212 from the Keren Hayesod on account of the regular budget. The Jewish Agency further received: LP. 2,601 for the settlement of German Jews, LP. 1,317 from special receipts, LP. 648 from collections on past loans, LP. 165 from various sources, LP. 1,215 from Keren Hayesod on account of the final installment of the 1934 loan, totalling LP. 30,404.

3. *Disbursements of the Jewish Agency*

These amounted to LP. 57,026 for January and fall under the following categories:

1

I. AGRICULTURAL SETTLEMENT (incl. Experimental Station)	LP. 17,091
II. SETTLEMENT OF GERMAN JEWS	8,101
III. HOUSING AND PUBLIC WORKS	8,309
IV. IMMIGRATION AND TRAINING	3,535
V. NATIONAL ORGANIZATION AND SECURITY	10,027
VI. EDUCATION AND CULTURE	3,791
VII. TRADE, INDUSTRY AND URBAN SETTLEMENT	4,023
VIII. ADMINISTRATION	1,129
IX. MISCELLANEOUS	1,019
	<u>LP. 57,026</u>

The monthly payment to Lloyds Bank of LP. 3,800 on account of the Loan was made directly by Keren Hayesod.

I. AGRICULTURAL SETTLEMENT

A.) DIRECT ACTIVITIES:

During the month under review LP. 17,091 was disbursed as follows:

a) Moshavim and Moshavoth	LP. 6,112
b) Cooperative settlements	7,289
c) Individual settlers	186
d) Organization and sundries	<u>1,802</u>
	LP. 15,389
Less: income and collections	<u>318</u>
	LP. 15,071
e) Agricultural Experimental Station	<u>2,020</u>
	<u>LP. 17,091</u>
	Total

Notes to:

a) The item Moshavim and Moshavoth comprises:
to Kfar Chasidim for house building LP. 90; Kfar Chitin for irrigation, cattle seeds and tools LP. 357; Kfar Baruch for payment of balance LP. 3; Balfouria for chicken coop LP. 185; Ein Vered for irrigation LP. 150; Kfar Menachem for irrigation LP. 226; Moledeth for erection of camp, irrigation and tools LP. 121; Tirath Shalom for irrigation LP. 74; Moshav Alroy for school building LP. 480; Elyashiv for purchase of cows, chickens, plantations LP. 568; Kfar Haroeh for purchase of cows LP. 119; Avichail for plantations, purchase of cows and fencing LP. 529; Kfar Pines for purchase of chickens and fencing LP. 225; Beith Joseph for irrigation and building LP. 2,931.

b) This item comprises the following:

Givath Chaim, participation in consolidation loan LP. 268; Mishmar Hasharon, loan, LP. 300; Givath Hashlosa, loan, LP. 570; Ein Hachores, loan, LP. 450; Ein Shemer, loan, LP. 490; Hakovesh, loan, LP. 900; Maabaro, loan, LP. 345; Givath Brenner LP. 350; Hulda for building and tools LP. 1,643; Tel Amal for purchase of cows, chickens and plantations LP. 608; Hassade for irrigation LP. 129; Tirath Zvi for building and irrigation LP. 985; Maoz for tools, cattle and irrigation LP. 715; Kvutzath Tel Yitzchak for surveyals LP. 2; Kvutzath Hashomer Hatzair of America for tools and purchase of sheep LP. 40; Kvutzath Akiba in Beisan for fencing, surveyals and tools LP. 171; Kvutzath Bamsila for tools LP. 229.

LP. 8,289 was disbursed for cooperative settlements. LP. 1000 should be deducted from this sum as paid by Mishmar Haemek. This kvutza received the above sum from the PASA company, and with it paid the Keren Hayesod debt. The disbursements for this item should therefore be LP. 7,289.

c) Loans amounting to LP. 168 were granted to individual settlers:

2 in Sdei Yakov, 1 in Zofith, 1 in Chogla, 1 in Kfar Yedidia and 1 in Kfar Baruch for the purchase of cows, chickens and seeds.

B.) SETTLEMENT WORK THROUGH PASA:

The PASA company invested LP. 71,034 from January 1937 to January 31, 1938 and paid LP. 89,936 on account of loans approved as follows:

	<u>Sum approved</u>	<u>Paid on account</u>
<u>LOANS:</u>		
To Kfar Witkin (Emek Hefer)	LP. 30,360	LP. 29,776
To Kfar Chaim " "	16,061	13,722
To Kfar Avraham (Sharon)	2,500	1,338
To Kfar Chasidim (Emek Yezreel)	2,365	2,365
To Moshav Cheruth (Sharon)	22,439	11,327
To Kfar Hess " "	9,750	- -
To various kvutzoth	30,530	27,173
To individual settlers (middle-class)	10,890	4,235
	<u>124,895</u>	<u>89,936</u>
<u>INVESTMENTS:</u>		
Irrigation work in 16 settlements in Emek Hefer, the Sharon and around Karkur	95,751	66,034
Shares in Jewish Agricultural Trust	5,000	5,000
Reserves	459	- -
	<u>LP. 98,751</u>	<u>LP. 71,034</u>
	<u>LP. 224,105</u>	<u>LP. 160,970</u>

For the time being the resources of the PASA consist in LP. 124,244 worth of shares acquired by the Keren Hayesod, and LP. 84,000 from the sale of Debentures.

II. SETTLEMENT OF GERMAN JEWS

During the month under review the Department for the settlement of German Jews received LP. 8,101 from the Jewish Agency, which it spent as follows:

For agricultural settlement	LP. 5,500
" social work	333
" care of newly-arrived immigrants	154
" constructive loans	164
" agricultural instruction	156
" cultural work	100
" information service	144
" administration and sundries	261
	<u>LP. 6,912</u>

The sum of LP. 5,500 was expended within the limits of the budget of the Council for German Jewry for settlement in Givath Hashlosha, Givath Brenner, Ein Shemer, Ein Hachores, Maabaroth and Ramath Hakovesh.

III. HOUSING AND PUBLIC WORKS

LP. 8,309 was expended as follows:		
1.	Dwellings and huts for workers	LP. 1,109
2.	Instruction to workers:	
	through the Merkaz Hachaklai	LP. 354
	" Hapoel Hamizrachi	35
	" General Zionists	25
		<u>414</u>
3.	To the Misradiim Kablaniim	
	of the Merkaz Hachaklai	975
	of the Hapoel Hamizrachi	50
		<u>1,025</u>
4.	Workers' Loan fund in colonies	
	through Hapoel Hamizrachi	50
	" Merkaz Hachaklai	275
	" various employment	
	bureaus	20
		<u>345</u>
5.	"Mishan" Workers' Relief Fund	
	of Histadruth Haovdim	600
	of Hapoel Hamizrachi	100
	of General Zionists	85
		<u>785</u>
	carried forward	LP. 3,678

	brought forward	LP. 3,678
6.	Instruction of workers in Government work	237
7.	Promotion of Jewish fishing	75
8.	Employment bureaus	140
9.	Loan fund for auxiliary farms	500
10.	Levelling work in south Tel Aviv	3,250
11.	Security roads	100
12.	Organization and miscellaneous	329
		LP. 8,309

Notes to:

1) During the month of January, a total of 7 huts were erected in Herzlia, Kfar Maccabee, Rechovoth, Givath Michael and Haifa.

3) During the month under review the packing of 50,000 cases of oranges was handed over to the Misradim Kablanim; an average of 900 workers was employed.

4) The Loan Fund for workers in the colonies distributed loans in 15 moshavoth to 2000 agricultural workers. The loans amounted to LP. 1,500.

5) "Mishan" Workers' Relief Fund, which has branches in Jerusalem, Tel Aviv and Haifa granted loans amounting to LP. 3,000 during the month under review; LP. 300 were further expended for children's clubs of the unemployed and for the installation of cheap kitchens for the unemployed.

6) 200 workers received instruction in Government work.

9) The Loan fund for auxiliary farms granted loans totalling LP. 500 for the erection of a chicken coop and irrigation in 4 kibbutzim with 300 workers.

10) During the month under review an agreement was entered into by the Shikun Co., the Jewish Agency and the Unemployment Fund for the purpose of arranging for the levelling of a stretch of 130 dunams of land for the building of a new section in Kiriath Avoda, south of Tel Aviv. In accordance with this agreement the Jewish Agency is participating in the costs of the levelling of the land by granting a loan of LP. 4,000, the general costs being LP. 10,000. The balance of LP. 6,000 will be covered by the Municipality of Tel Aviv, the Bizur Co., and the Unemployment Fund, each being responsible for LP. 2,000.

80 homes will be built in the new section of Kiriath Avoda. Due to the participation of the Jewish Agency, work was started at once, and a large number of workers will be employed.

IV. IMMIGRATION AND TRAINING

During the month of January LP. 3,535 were expended for immigration and training. During this month 371 persons entered the country.

V. NATIONAL ORGANIZATION AND SECURITY

LP. 10,027 were disbursed, including LP. 7,069 for security purposes and LP. 2,985 for the Political Department in Jerusalem and London.

VI. EDUCATION AND CULTURE

LP. 3,791 were disbursed as follows:

Participation in Education Budget of Vaad Leumi		LP. 3,333
Bialik Institute		
for Language Committee	LP. 50	
" publishing of Apocrypha	187	
" contribution to "Moznaim"	67	
" publication of second volume of		
"Moreh Nevuchim"	50	
" contribution to "Zion", a quarterly	15	
" Kook Institute	50	
" Cultural Department of Vaad Leumi	25	
" Organization expenses	14	
		458
		LP. 3,791

VII. TRADE, INDUSTRY AND URBAN SETTLEMENT

LP. 4,023 were disbursed as follows

1. Loans to industrialists		LP. 2,750
2. Institute for Promotion of Export		200
3. Pro-Palestine Produce Union		250
4. Institute for Technical Instruction and Council		104
5. Organization and sundry expenses		247
6. Economic Research Institute:		
Payment for research work	LP. 100	
The Tel Aviv office	98	
Salaries and miscellaneous	235	
Printed matter	24	
Statistical work	60	517
less: income		45
		472
		LP. 4,023

The Institute for the promotion of export of goods manufactured in Palestine, which was established in November 1937, has already started to function in Syria, Egypt, Iraq, Iran, Cyprus and Turkey, and has opened branches in these countries. Up through January 276 orders for goods were received from 5 countries for 80 enterprises abroad, totalling LP. 6,000.

The committee for the amelioration of industry which is under the supervision of the Jewish Agency, grants credit to industrialists. During the month of January 1938 loans amounting to LP. 6,740 were granted to 7 industrial enterprises; of this sum the Department of Trade and Industry contributed LP. 2,750.

The institute for technical instruction and council which has been in existence for three months investigated and examined 20 enterprises up through the end of January, and granted small loans to provide for technical changes and ameliorations. Specialists were invited by the institute to investigate the various branches of industry.

VIII. ADMINISTRATION

During the month under review LP. 1,129 were disbursed for this purpose.

IX. MISCELLANEOUS

These amounted to LP. 1,092 for January and may be divided as follows:

For religious institutions	LP. 83
" statistical bureau	252
" contribution to Maccabee	25
" " " WIZO	250
" compensations	186
" Information Bureau, Tourist Bureau, Press and	
Collection Bureaus	296
	LP. 1,092

(קרן היסוד — KEREN HAYESOD)

111 FIFTH AVENUE
NEW YORK CITY

OFFICERS

January 3, 1938

TO THE BOARD OF DIRECTORS OF THE
PALESTINE FOUNDATION FUND (KEREN HAYESOD) INC.

Dear Friend:

The meeting of the Board of Directors of the Palestine Foundation Fund (Keren Hayesod) Inc. which was called for Thursday, January 6, has been postponed.

It will take place on Thursday evening, January 13th, 1938, at 8:15 P.M. in the office of the Keren Hayesod, Room 720A, 111 Fifth Avenue, New York City.

" We hope that the change in date will not inconvenience you, and that you will make every effort to attend.

Charles Ross

Charles Ress
Secretary.

Louis Wigmore

Louis Lipsky, Chairman
Board of Directors

KEREN HAYESOD

FEBRUARY REPORT * 1938

5

IMPORTANT :

RECEIPTS OF KEREN HAYESOD:

Net receipts for regular budget £P34,338
 Last year's figures " 27,486
 For Mifal Bitzaron " 34,841

DISBURSEMENTS:

Payment to Lloyds
 Bank £P3,800.

RECEIPTS OF JEWISH AGENCY:

From Keren Hayesod £P.53,294
 Miscellaneous 5,107 Budget £P39,952.

1. RECEIPTS OF KEREN HAYESOD

The net receipts for February 1938 amounted to £P36,186 comprising contributions from:

U.S.A.	£P.24,352	
Eretz Israel	2,114	
England	1,500	
Other countries	8,220	£P36,186

This amount of £P.36,186 includes £P.1,848 for special purposes. The amount available for the regular budget was therefore 1,848
£P34,338
 as against £P.27,486 for February 1937.

During the month under review Head Office of Keren Hayesod also received £P.34,841 from the Mifal Habitzaron funds, of which £P.25,264 were from U.S.A., £P.5,982 from Canada, and £P.709 for the German Department.

2. RECEIPTS OF THE JEWISH AGENCY

During the month under review the Jewish Agency received £P.53,294 from the Keren Hayesod on account of the regular budget. The Jewish Agency also received £P.4,734 from special funds from the Keren Hayesod, of which sum £P.4,684 came from the Mifal Arlosoroff funds (of 1933-35) for new colonisation in the Jordan Valley, £P.373 from various payments on past loans, totalling £P.58,401.

3. DISBURSEMENTS OF THE JEWISH AGENCY

These amounted to £P.39,952 for February 1938, and may be divided as follows:

1

I. AGRICULTURAL COLONIZATION (incl. Experimental Station)	£P.13,364
II. SETTLEMENT OF GERMAN JEWS	3,929
III. HOUSING AND PUBLIC WORKS	2,977
IV. IMMIGRATION AND TRAINING	3,666
V. NATIONAL ORGANIZATION AND SECURITY	7,580
VI. EDUCATION AND CULTURE	2,160
VII. TRADE INDUSTRY AND URBAN SETTLEMENT	3,64
VIII. ADMINISTRATION	1,229
IX. MISCELLANEOUS	1,405
	£P.39,952

The monthly payment to Lloyds Bank of £P.3,800 on account of the Loan was made directly by Keren Hayesod.

I. AGRICULTURAL SETTLEMENT

A. Direct:

In February 1938 £P.13,364 were expended for agricultural settlement as follows:

a) Moshavim-Moshavoth	£P.6,216
b) Cooperative settlements	6,029
c) Yemenites	320
d) Miscellaneous	282
e) Administration	1,450
	£P.14,297
Less: Income	£P.54
Joint participation of German Department	2,972
	-3,026
	£P.11,271
f) Agricultural Experimental Station	2,093
Total	£P.13,364

Notes:

to a) £P.6,216 were expended for Moshavim-Moshavoth as follows:
 To Kfar Chassidim: for building of houses £P.1008, workers tools £P.87; to Moshav Merchavia: miscellaneous £P.28;
 Kfar Chitin: workers tools and cows £P.208; Ein Haoved: plantations £P.12; Kfar Asar: vegetable cultivation £P.150;
 Ein Vered: plantations £P.70; irrigation £P.231; Kfar Menachem: irrigation and workers tools £P.514; Irgun Mole-deth: set-up and workers tools £P.1,380; Tirath Shalom: irrigation £P.19; Irgun Ephraim: stables £P300; Beth Yoseph: Buildings, irrigation, cows and working-animals £P.335;
 Elyashiv: poultry £P.112; Kfar Harceh: cows £P.50; Avichail: buildings £P.56; Kfar Pines: irrigation and buildings £P.1,689.

to b) £P.6,029 were disbursed for cooperative settlements as follows:
 Tel Yoseph: Loan £P.425; Hulda: plantations and poultry £P.160;
 Tel Amal: buildings, irrigation, plantations, fishing, purchase of cattle £P.1,448; Hasade: irrigation, sheep, cows £P.621;
 Tirath Zvi: set-up and tools £P.575; Maos: tools, irrigation and road-building £P.1,356; Batelem: irrigation £P.201;
 Hachugim Shata: irrigation £P.21; Usha: buildings £P.52;
 Tel Yitzchak: tools and irrigation £P.90; Kvutzath Hashomer Hatzair Haamerikai: tools £P.760; Akiba: irrigation, bee-hives and machinery £P.225; Bamsila: buildings £P.180.
 Irrigation in the Kishon block £P.89.

- to c) To the Yemenite settlement Shivath Zion for payment of its debts - £P.320.
- to d) For various geological experiments £P.70; for promotion of Jewish agricultural produce £P.200; miscellaneous £P.12.

B. Indirect: through PASA (Palestine Agricultural Settlement Association).

During the month under review PASA granted loans totalling £P.8,201 as follows:

For Moshavim	£P.4,950
" cooperative settlements	316
" individual settlers	38
Loans for irrigation-works	2,897
	<u>£P.8,201.</u>

II. SETTLEMENT OF GERMAN JEWS

The Jewish Agency handed over £P.3,929 to the Department for the settlement of German Jews for this purpose during the month under review.

A detailed report of the expenditures will be given in our report for March 1938.

III. HOUSING AND PUBLIC WORKS

£P.2,997 were expended for this purpose as follows:

1. Dwellings and huts for workers		£P. 718
2. Housing of refugees		250
3. Security road in Rehovoth		130
4. Promotion of Jewish shipping		145
5. Loan funds to workers in the colonies:		
through the Merkaz Chaklai	£P.100	
" Hapoel Hamizrachi	50	150
6. Promotion of Jewish fishing		425
7. Loan and aid fund "Mishan"		
of Histadruth Haovdim	£P.200	
of Hapoel Hamizrachi	200	
of Irgun Ovdim Zionim	25	
of Kibbutzim and Machnoth	100	1,525
8. Technical instruction of workers:		1,
through the Merkaz Chaklai	£P.448	
" the Hapoel Hamizrachi	35	
" General Zionists	18	501
9. Transportation of workers		65
10. Technical instruction of workers in Government work		70
11. Employment bureaus		120
12. Loan funds to railroad workers		150
13. Administration and miscellaneous expenses		293
		<u>4,642</u>
Less credits and collections		<u>-1,665</u>
		<u>£P.2,977</u>

Notes:

- to 1) During the month of February 3 huts were erected in Bamsila and in Ramath Hakovesh, and one house in Herzlia.

- to 2) £P.1,690 have been paid to the Tel Aviv Municipality to date for housing the refugees who were forced to leave Jaffa as a result of the April-May 1936 disturbances.
- to 6) Loans totalling £P.1,200 were granted 1000 workers in the colonies.
- to 7) In February loans amounting to £P.3,500 were granted through "Mishan" to 2000 workers in the following cities: Jerusalem, Tel Aviv, Haifa, Tiberias and Affule.
- to 8) During the month under review 2500 workers received training through 40 instructors.
- to 11) Through the unemployment relief bureaus 1900 persons received permanent and temporary work in the cities. The agricultural Misradim Kablaniim employed 3000 workers in February in orange-picking.

IV. IMMIGRATION AND TRAINING

During the month of February £P.3,666 were disbursed for this purpose.
During this month 806 persons entered the country.

V. NATIONAL ORGANIZATION AND SECURITY

£P.7,580 were disbursed for this purpose, of which £P.4,986 were expended for security purposes and £P.2,594 for the political departments in Jerusalem and London.

VI. EDUCATION AND CULTURE

£P.2,160 were expended as follows:

1. Contribution to Education Budget of Vaad Leumi	£P.1,645
2. Bialik Institute:	
for Language Committee (Vaad Halashon) £P.93	
publication of books 132	
subsidy to magazine "Zion" (£P15);	
Volume II of "Moreh Nevuchim" (£P100)	
and "Hateva ve Haaretz" (£P20) 135	
for Kook Institute 75	
for Cultural Department of Vaad Leumi 58	
Administration 13	
	506
Less: contribution of Zionist Organization 141	365
3. "Ohel"	50
4. Haifa Technikum	100
	£P.2,160

The Jewish school system this year (5698) includes the following:

194 Kindergartens with	254 classes	255 teachers	7,060 children
179 elementary schools	1131 "	1318 "	37,172 pupils
9 secondary schools	133 "	244 "	4,403 "
4 teachers seminaries	18 "	45 "	706 "
5 trade schools	13 "	26 "	320
391 schools with	1549 classes	1888 teachers	49,661 pupils

These are divided as follows:

Jerusalem	36	schools with	212	classes	300	teachers,	7654	pupils
Tel Aviv	83	"	520	"	673	"	20,130	"
Haifa	23	"	166	"	214	"	5,578	"
Tiberias	3	"	10	"	13	"	368	"
Safed	2	"	9	"	9	"	282	"
other cities	11	"	28	"	29	"	784	"
<u>Settlements:</u>								
In Judea and								
Sharon	128	"	346	"	375	"	9,470	"
in Samaria	23	"	70	"	80	"	1,794	"
in the Emek								
and Galilee	82	"	179	"	195	"	3,601	"
Total	391	schools	1549	classes	1888	teachers	49661	pupils

The following are part of the general school system:

90	kindergartens with	132	teachers and	3,981	children
67	elementary schools "	651	"	"	19,568 pupils
7	secondary schools	229	"	"	4,180 "
2	teachers seminaries	21	"		325 "
3	trade schools	14	"		169 "
169	schools		1,047 teachers		28,223 pupils.

The following belong to the "Hamerkaz Lachinuch"(Histadruth) school system:

83	kindergartens	with	95	teachers	and	2,224	children
64	elementary schools "	321	"			6,350	pupils
1	trade school	7	"			120	"
148	schools		372	teachers		8,694	pupils

The following are part of the Mizrachi school system:

21 kindergartens	28 teachers	855 children
46 elementary schools	325 "	10,655 pupils
2 secondary schools	15 "	223 "
2 teachers seminaries	24 "	381 "
1 trade school	5 "	31 "
72 schools	397 teachers	12,145 pupils

Schools having no particular affiliations:

2 elementary schools with 21 teachers and 599 pupils.

VII. TRADE INDUSTRY AND URBAN SETTLEMENT

£P.3,642 were spent for this purpose as follows:

1.	Credits to industrialists	£P.2,500
2.	For the Industrial Union	50
3.	For the Technical Instruction Institute	67
4.	The American Economic Committee	75
5.	Exhibits	100
6.	Administration and miscellaneous expenses	187
7.	Credits to artisans	40
8.	The Economic Research Institute	
	Subsidies for research projects of foreign	
	trade	£P.113
	Tel Aviv Office	98
	Salaries and miscellaneous	305
	Statistical compilations and publications	139
		£P.655
	Less income	32
		623 £P.3,642

According to the census made by the Jewish Agency in August 1937, 6300 industrial enterprises employing 27,300 Jewish workers exist in the country. Invested capital totals £P12,700,000 and production £P.9,060,000. In 1933 there were 3400 industrial enterprises employing 19,600 workers, invested capital amounted to £P.5,371,000, and production totalled £P.5,352,000.

VIII. ADMINISTRATION

During the month under review £P.1,229 were disbursed for administration.

IX. MISCELLANEOUS

£P.1,405 were disbursed on miscellaneous expenditures as follows:

For religious institutions	£P.185
Statistical bureau	178
Information and Tourist Bureau	73
Subsidy to Maccabee	25
" " Hapoel	100
Pensions and compensations	503
Press bureau and collections bureau	227
Subsidies to various institutions	114
	<u>£P.1,405</u>

x

x

x

PALESTINE FOUNDATION FUND

(KEREN HAYESOD — קרן ה'סוד)

FINANCIAL INSTRUMENT OF THE JEWISH AGENCY FOR PALESTINE

111 FIFTH AVENUE
NEW YORK CITY

TELEPHONE ALGONQUIN 4-2640

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ROBERT SILVERMAN

February 3, 1938

Rabbi Abba Hillel Silver
The Temple
Cleveland, Ohio

Dear Rabbi Silver:

It is my pleasure to inform you that at the meeting of the Board of Directors of the Palestine Foundation Fund (Keren Hayesod, Inc.), held on Thursday, January 13th, you were elected one of the National Chairmen. Associated with you are Leon Gellman, Rabbi Solomon Goldman, Dr. Israel Goldstein, Judge William M. Lewis, Judge Morris Rothenberg, Elihu D. Stone, David Wertheim, and myself.

I hope that you will find it possible to accept, as your name added to our list of officers will do much to help the Keren Hayesod.

Very sincerely yours,

Louis Lipsky
Louis Lipsky
Chairman

February 14, 1938

Mr. Louis Lipsky, Chairman,
Palestine Foundation Fund,
111 Fifth Ave.,
New York, N.Y.

My dear Mr. Lipsky:

Permit me to acknowledge receipt of your letter of February 3. I appreciate the action of the Board of Directors of the Palestine Foundation Fund in electing me one of its National Chairmen.

With all good wishes, permit me to remain

Very sincerely yours,

AHS:BK



WEIZMAN HOUSE
REHOVOT
PALESTINE

P.O.B. 56 ת.ת.
TELEPHONE 256 תלפון

בית 1111 צמח
רחובות
נדפס בישראל

March 29th. 38.

My dear friend Rabbi Silver, I was very happy to get your letter for which I thank you heartily. I have returned back here from London yesterday and my first visit from the shea war practically was to go up to Haifa on the Northern frontier. It was both sad and elating; sad because the occupation of this new post which was done about a week ago has already cost us two precious lives. Our fellows have been attacked the very first night of their sojourn there. But the courage, fortitude and faith of the group is something which I can scarcely put into words. Here they are in the wilderness on the Lebanese frontier with a small ^{mountain} road (which was built by them in about 4 days working practically day and night) ^{as} which their only way of communication with the outside world. They are about 170 strong all picked men representing all shades of opinion in the Yishuv from the Leire Mizrachi to the left wingers.

knitted together by a deep sense of responsibility and carrying their lives in their hands. They are about 15 kms from the nearest Jewish settlement (Naharia near Akko). It is all organised like a very efficient military camp trenches, dugouts, field telephones (The girls do the telephoning!) signals, rifles, revolvers etc. In day time they can signal and send telegrams to Haifa. Thus the four thousand downland of the Upper Galilee hills were occupied. On digging the trenches they found several Jewish tomb stones they must be about 2000 years old! It is all a most moving spectacle.

The state of things here is not very felicitous. There is again a wave of terror sweeping over the country which has claimed nine victims in the course of the week. Still it is better than Austria.

I wish you success in your great endeavour. We are not allowed to love any more in Europe and all we can do is to try and build here and if necessary die with honour for it.

I'm contemplating coming to U.S.A. this summer, either June or September. I shall be waiting to hear what you and our other friends advise me to do. Please write to me. You will have no doubt heard from Lipsky & wise about the situation in London.

All the best to you and not to

Yours ever
Chweizner

March 29, 1938

My dear friend Rabbi Silver:

I was very happy to get your letter for which I thank you heartily. I have returned back here from London yesterday and my first visit from the steamer practically was to go up to *Hamuta* on the Northern frontier. It was both sad and elating; sad because the occupation of this new *point* which was done about a week ago has already cost us two precious lives. Our fellows have been attacked the very first night of their sojourn there. But the courage, fortitude and faith of the group is something which I can scarcely put into words. Here they are in the wilderness on the *Lebanon* frontier with a small mountain road (which was built by them in about four days working practically day and night) as their only way of communication with the outside world. They are about 170 strong all picked men representing all shades of opinion in the Yishub from the *Beir* Mizrachi to the left-wingers knitted together by a deep sense of responsibility and carrying their lives in their hands. They are about 15 kms from the nearest Jewish settlement (Naharia near Akko). It is all organised like a very efficient military camp - trenches, dugouts, field telephones (the girls do the telephoning!) signals, rifles, revolvers, etc. In the daytime they can signal and send telegrams to Haifa. Thus the first 4000 dounam of the Upper Galilean hills were occupied. On digging the trenches they found several Jewish tombstones. They must be about 2000 years old! It is all a most moving spectacle.

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All the best to you and

h/c 75

Yours ever

CH. WEIZMAN

BERNARD JOSEPH.

TELEPHONE 696.

TELEGRAMS "BEEJOSEPH JERUSALEM"

PRINCESS MARY AVENUE,

JERUSALEM.

April 11th, 1938.

Rabbi Abba Hillel Silver,
Cleveland, Ohio.

Dear Rabbi Silver,

I am afraid I must apologise for not having written all this time. I had every intention of doing so, but have just not managed to snatch the half hour necessary for the purpose. I am sure you will not mind if I send you a copy of the enclosed letter which I wrote to Rabbi Wise instead of repeating its contents in this letter.

When I was with you, we thought that the Rumanian situation would do much to ensure a particularly successful U.P.A. Campaign this year. Now, unfortunately, you have another factor which will increase prospects of your success - Austria. The old story over again. The Jews of Germany refused to believe that it could happen to them. After the bitter experience of German Jewry and in spite of the writing on every wall in every house in Austria, the Jews of Austria refused to believe that it could happen to them. The Jews of Rumania are already thinking now that they have got rid of Goga that their house is in order again. And the Jews of America are, of course, convinced that nothing remotely like that could possibly happen to any of them. What a peculiar people we are! Or is it merely that the helplessness of our plight compels us to be such unreasonable optimists?

You no doubt know, that on the night before I left New York, I spoke to the Palestine Economic Committee (Israel Brodie's group). One of my old time Zionist friends said to me at the end of the meeting that she was perturbed to see how practical and calculating was my approach to the political problem I had been discussing. Yes, that is one of the anomalies of our position that just those very Jews who have come to Palestine in the wake of a great idealistic movement should have been compelled by circumstances to become surrealists. I frankly admit, whether one may like it or not, that with Europe toppling to destruction as it seems to be, with the whole of poli-

tical life in this part of the world in upheaval, it seems to me the only sensible thing to do is to try to keep one's feet firmly planted on the ground and to face the cold bare facts that may affect us.

Our immediate political problem in London has by no means become easier than it was three months ago. On the contrary, those in whose hands to a large extent the destiny of our people lies, are "wobbling" more than ever with regard to matters which affect their own very existence as an Empire. How then can we expect them to act firmly in their Palestine policy? We have little choice but to deal with every situation as it arises, never losing sight of the fundamental objective to bring as many people as we can into Palestine and to buy as much land as we can.

The establishment of the new settlement on the Lebanese frontier, Hamuta, will be one of the epics of our work in Palestine. It was a splendid daring achievement successfully carried out. It has not only stirred the imagination of all who have seen it, but has given new courage to the Yishub as a whole to carry its heavy burdens in these difficult economic days. We shall not content ourselves with Hamuta. We must press forward if only to prove to the Arabs that the Jews of the World will not be diverted from their course in the upbuilding of the National Home by terrorism. But you know as well as I do that we shall be unable to go forward unless you lead the U.P.A. through a successful year's campaign. I hope you will be able to carry out the suggestion we discussed of your personally prevailing upon a few score of our wealthy American Jews to give in a more generous measure than in the past.

I spoke to Kaplan and Leo Hermann about their arranging from here for several of the undesirables on the U.P.A. Staff to be retired. They feel a natural reluctance to impose their decision in a matter of this kind, because it may lead to some resentment on the ground of interference in American Zionist affairs. They think that unless you can manage to make them yourselves, these changes will have to come when some authorised representative visits America for the purpose of assisting in your campaign.

Dr. Weizman is planning to visit America in June for about a fortnight's time. I am sure you will exploit his presence there to the utmost.

Your father was very glad to receive your greetings which I brought him and rewarded me for so doing by giving me a gift of his Commentary on the Bible.

With cordial greetings,

Yours sincerely
Samuel



April 11th, 1938.

Rabbi Stephen S. Wise,
40 West 68th Street,
New York City, N.Y.

I feel I should write you about how I found matters in Palestine on my return from the United States. I would have written sooner, but, immediately on my arrival, I was submerged in a sea of tasks which occupied my time from early morning to late at night. The following aspects of the local political situation will, I think, be of particular interest to you.

(a) There has been a definite change in the administration of the country, not merely in the sense that there is a new High Commissioner in place of Sir Arthur Wauchope, but in the manner of administration of Government. It is difficult for one who has not lived in Palestine to realize the extent to which the personal element may in Palestine affect the administration of the country and, in a measure, the destiny of the Jews. It is perhaps premature to pronounce a definitive judgment on our new High Commissioner, but certain things are already abundantly apparent.

Sir Harold is either not politically minded or is not disposed to be politically minded. His approach to work in Palestine does not appear to be on the basis of far-reaching political implications, as was the case with Sir Arthur Wauchope. For example, I doubt whether he would be moved or deeply concerned over what has happened to the Jews in Austria. I do not think he would be disposed to feel that such an event should affect his attitude to matters in Palestine. He is essentially an administrator in his "Weltanschauung". His life has been spent as an official in the

service of his country. He has learnt to act in the systematic routine manner of the administrator, always having regard to the form of things. It seems that he would prefer to deal with us on paper and to avoid the close personal contact which existed between us and former High Commissioners.

The fact that such a change is apparently occurring, does not necessarily mean that it is a change for the worse. It will, no doubt, make it more difficult for us here to do our work as effectively as we would like to. You will understand that there is a vast difference between negotiating in person with a High Commissioner who has a deep human understanding of the problems of a people, with an appreciation of spiritual values and the forces of history, and making our representations in cold print to an officer who will consider on the basis of chapter and verse what should be done in each instance. If one were sure that chapter and verse will be strictly regarded, I would have no complaint at all to make, because that might give us even more than we had received in the past. But our experience has been that even those administrators in the past who understood the urgent need of the Jewish National Home were not willing to accord to us even those rights to which we were entitled according to the strict letter of the law. The danger arises from the fact that one may have a situation in which there will be formal approach to problems affecting us without our being granted our complete rights.

On the other hand, there may be this advantage, that policy will no longer be fixed in Jerusalem, but in London, or rather that there will be less interference by Jerusalem in the fixing of policy by London. We shall be able to judge better of all this a couple of months hence, after Sir Harold has had an opportunity of getting to know the country and becoming familiar with the political problems. In fairness to him, it should be said that he may not yet have warmed up to Palestine in general and to Jewish Palestine in particular.

(b) In the field of security, we have not yet reached a satisfactory position. The terrorists are still continuing their activities. One day there is a band of 25 to 30 who attack a group of Jewish workmen, who bravely drive them off but suffer casualties in doing so. Another day stray shots are fired into workmen's houses, killing an unsuspecting workman. The third day, bombs are deposited to explode where Jews pass in large numbers. There is little heroism in all this and, as some of our Arab friends themselves tell us, a good deal of the terrorist activities in the Arab villages are carried on by mercenaries merely for the purpose of extracting money.

The Arab population of the country is undoubtedly out of sympathy with the terrorists, but it is exceedingly difficult to galvanise this lack of sympathy into positive action to resist and even fight the terrorism. We are, however, exploring the possibility of assisting in this process.

There is one redeeming feature in the situation and that is the earnest endeavour of Government to fight terrorism by all the means at its disposal. It is true that there are means which Government is still unprepared to use. As a very high British Official said to me the other day:- "We know perfectly well that if Italy were the Mandatory, it would be able to put an end to the terror in a fortnight's time, but, unfortunately, the British public will not stand for our using the methods that Mussolini would apply".

The terrorism expert, Sir Charles Tegart, has, however, been hard at work devising improvements in handling security matters. It is probable that Government will set up a proper barbed wire fence along the Northern and part of the Eastern frontier, with the assistance of which they ought to be able more or less to put an end to the incursion of Arab bands and gun-running from neighbouring countries. If they are successful in doing this, half the battle will be won. They are also setting up a mounted police force to be stationed in several parts of the country to serve as a mobile striking force. They similarly intend to increase the number of

police dogs. As you know, the dogs have done invaluable work in tracking down criminals. Unfortunately, they are very delicate animals, requiring great care and training over a long period of time. Government has not as many as a dozen dogs in the country and they ought to have three times that number. They are also making changes in the personnel of the Criminal Investigation Department and bringing in some experienced men from Egypt. All of these things we clamoured for eighteen months ago and more. I suppose we should at least be grateful that we are beginning to get them now.

(c) The present month will very likely be a particularly difficult one for us. It is clear that the Mufti is anxious to increase the terror now because the Easter - Passover - Nebi Moussa period is a convenient period for fermenting trouble and because he feels that he must exert the pressure of terrorism more than ever now before the advent of the Partition Commission. He still hopes that the use of more violence by him will either force the Jews to yield and agree to a minority status or force the British to yield and adopt an entirely pro-Arab policy, which would achieve the same result. There is not the remotest likelihood of his succeeding on the first score. I wish I could be as certain with regard to the second.

It seems to me that the greatest effort should be made by us now once again to prevail upon the French Authorities to require the Mufti and his immediate entourage to leave Lebanon and Syria. If the British will arrange for them not to be admitted to Iraq and Egypt, so that they must go to some country farther away from Palestine, their effectiveness in controlling the terror in the country will be tremendously reduced. They may then still be able to provide the funds, but they will not be able to direct, stimulate and give encouragement to the terrorists and their leaders as they do now.

It is disconcerting to see the extent to which the Mufti and his clique have been

able by their efforts and the judicious spending of money to ferment anti-Jewish press articles and demonstrations in the Lebanon, which has always been friendly to us and with whose Government we have always been on the best of terms. Syria has been the centre of organization of terrorist activities, but it appears that for internal political reasons in Syria, the Arab administration of that country may now make an earnest effort to put an end to this. Should they really do so, matters will to some extent become easier for us.

There have been the usual intermittent talks with various Arabs about the possibility of an amicable arrangement, but we invariably come up against the same difficulty, that they do not wish to entertain any arrangement except on the basis that we should agree to remain a permanent minority in the country. All efforts for an arrangement on any other basis have failed and it is clear that there is little likelihood of their succeeding. The Arab leaders are as intransigent as ever and are determined to continue to use violence as a political weapon in the hope that they will achieve their object of ultimately gaining control of the country and dominating us as a minority.

(d) In the economic sphere, I found the situation distressing. Now that the Austrian tragedy has been added to the list of our many troubles, one longs for the days of 1935. There is so much to be done in Palestine, so much that can be done and would be done, giving work and maintenance to all our inhabitants and to tens and tens of thousands more immigrants who could be absorbed, if only the political situation became normal so that confidence be restored. The general European political situation and danger of war acts as a further deterrent to the investment of capital. In these circumstances, it becomes all the more necessary for large sums of money to be invested by our funds in building operations and other public works which will have to be done eventually and might, therefore, just as well be done now, and in giving a fillup to industry.

So far for the local situation.

(e) I should like, if I may, to revert to the situation in America. I can hardly tell you how disturbed I was to learn of the limited extent to which Hebrew is taught to the Jewish youth of America. What is the basis on which their Jewishness is being built, if their own language is a sealed book to them, if the treasure house of our people is closed to them? What sort of Jews can they grow up to be? What spiritual values will they be able to absorb so that it should be possible, in the hour of our need, to strike a respondent chord within them? You undoubtedly know the problem better than I do, but perhaps because you have lived so close to it all these years, you have become inured to a situation which has shocked me as an outsider. I ask myself how long American Jewry will continue to exist with the gates of the country closed to large scale Jewish immigration. Surely we do not want to depend on antisemitism to keep the spirit of Judaism alive in America? I regard this problem of spreading the knowledge of Hebrew amongst the Jews as one of the major problems which confront you. I would not presume to advise you as to what steps should be taken to remedy the situation. You will be the best judge as to that. It may be that you will require the cooperation of a fairly large body of teachers from Palestine, specially trained, to handle a problem of that kind. If so, we shall be only too glad to cooperate with you. But I would earnestly urge that you and your friends work out some scheme for a nationwide effort to prevail upon Jewish parents to teach their children Hebrew.

I am taking up with our friends here my proposal to which you assented that five or six specially selected young men from our Meshakin should travel about in the United States, from community to community, to give Jews there a feeling of personal contact with Palestine and to serve as a living example of what we are doing in the way of rearing a new generation of Jews in Eretz Israel.

I need not write you with regard to the political situation in London. I know that you had an opportunity, whilst there, of estimating it for yourself. So far as we are aware, there has as yet been no change in that situation.

I feel I must take this opportunity of expressing to you and through you to my mother friends in America my thanks for the many kindnesses and acts of friendship which were shown to me whilst I was with you.

With cordial regards to Mrs. Wise,



✓ "To my friend Rabbi Abba Hillel Silver and to all the workers ~~in Zionism~~; Greetings!

"I address you from Rehoboth, which is one of the oldest colonies in the southern part of Judea. It was founded about sixty years ago, along with Rishon and Petach Tikvah, by the old generations of pioneers.

"At the time they were isolated oases in the midst of a wilderness. But in the last twenty years all this stretch of waste has been converted into flourishing orchards dotted with smiling villages. Old settlements have become important communities in which Jews from all over the world have found homes.

"They came from the East. They came from the West. And each section is making its contribution toward the material upbuilding of the places and toward their cultural and spiritual life. Living as I do among them I can bear witness to the fact that the creative energies of all these people have produced a civilization which compares very favorably with that of many advanced rural communities of Europe and America.

"From this landscape, which reminds one of California or of Florida, my mind travels right up to the North, where I had the privilege of visiting our latest settlement established in the rugged hills of the Lebanon. Comparatively far removed from the existing Jewish villages, inaccessible except for a small road which was blazed out in a hurry by our pioneers, the most advanced but the most insecure post which has been occupied recently -- no Jew has trod this ground for over two thousand years.

"When a call was made by us to our chalutzim to volunteer for the occupation of Hannuta, we had eager applicants -- many more than we needed. From all sections of the Yishuv, young and old, religious and freethinkers, Westerners and Easterners, Right and Left -- they all came. The best were selected; and within a short space of a few days the beginnings of the settlement were created among grave dangers besetting them day and night.

"They erected their protective ramparts and, having dug themselves in, they began to plow and build. On digging the first trench the spade brought forward a stone with a very ancient Hebrew inscription which had been lying there for thousands of years waiting for the modern sons of Israel to bring it to life; and they were thus greeted by the soil of Palestine which they had come to redeem after this long interval.

"It has become a commonplace to speak of the difficult times through which Jewry and Palestine are going. The period in which we are living can be more exactly termed apocalyptic. Great community after great community is going down under the fell blows of our enemies Yesterday it was Germany; today it is Austria. Threats are hanging over the heads of many others -- and God knows what the morrow will bring.

"But those who think that they can destroy Jews and Judaism will soon learn that while we lose a great deal of blood and many valuable forces which we can ill afford at this time, a spirit of determination, stubbornness and courage is being created in Jewry which will resist the onslaught and which in the end will defy the forces of destruction.

"It is particularly obvious here. For more than two years the Yishuv has been subjected to provocation, to murderous attack-- mostly in the dark, below the belt and from behind. We have lost over three hundred precious lives. All this has slowed down, perhaps, the life of Palestine.

It has impeded the normal economic development of the country. But undaunted we carry on. And while the others try to destroy we create. New settlements, particularly in the remote frontier posts which were most exposed -- like Galilee, Beisan, and the Jordan Valley -- have been started. The Port of Tel Aviv has been created. New roads unite and consolidate our settlements. An organized, legally sanctioned defense force that gives good account of itself has come into being, and even the beginnings of aviation and maritime enterprises have sprung up of late. In the intellectual field there are the symphony orchestra, the medical school, the extension of the University museum, and so forth.

"But these are only faint indications of the opportunities which will unfold themselves when the situation becomes stabilized. I am given neither to exaggeration or to overstatement; but I verily believe that whatever political decision may be cast soon we are on the threshold of a new period of upward development which will surpass in its importance much that has been done hitherto. And it will enable us thus to absorb again considerable numbers of newcomers and to salvage out at least a great part of our young people from the life of misery and sorrow which our enemies have created for them.

"One sees them coming quite clearly and it depends now more than ever on our own efforts, our own spirit of determination and good will.

"In saying "our" I mean every Jew and Jewess throughout the wide world who has still been spared and who ought to feel an urge to take his or her share in the great task in which we are engaged. These dark hours herald a new dawn, and it is for us to hasten the hour so that a ray of light may begin to disperse the blackness of Jewish life.

"Who is more fit to perform this noble task than your great community?

You are sheltered beneath the wing of a benevolent and free government. You are able to take your part, as loyal citizens of a great republic, in the life and activities of your country. You have contributed much in the realm of spirit and matter to the country of your adoption. And I know that you are ready to give of your substance to those who are less fortunate and who will -- in contact with the sacred soil of Palestine and ennobled by the hard work which everyone has to perform here -- convert this substance into new values and pave the way for many, all to many, who are knocking at the gate of this country and who are anxious to come and obtain their chance, their right to live and work honestly but simply and the right to become free men and women, unmolested and unhampered in the discharge of their duties.

"I cannot conceive of a greater or more sacred duty. And I know, my friends, that under the inspiration of your leaders you will do your utmost.

"And it is the utmost that we require at this critical hour. For us of this generation there is no rest. We have no right to stop and look back. We must train our sight to pierce the darkness. It is as if we were marching through a long and dark tunnel. Occasionally a dim light flickers at the other end. But we must lead our people into the full blaze of the Palestinian sun -- give them firm ground beneath tired feet.

"This is the only dignified and worthy answer that an ancient people can give to its detractors. We have many enemies, but we also have friends. They will understand and they will help. And their sympathies will grow in proportion to our own efforts. And this is why I believe,

as I always have that whereas political conditions may and will play a very important part, the decisive action however, must come from us.

"As one who has been closely connected with you and with your work for many years, I call upon you at this solemn and tragic hour to rise to the heights of the opportunities which are given to you today, and which will be given in a higher degree to us tomorrow. We shall be judged by what we achieve now. Let the judgment of history be worthy of our great tradition."

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[1938]

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March 29, 1938

My dear Friend Rabbi Silver:

I was very happy to get your letter for which I thank you heartily. I have returned back here from London yesterday and my first visit from the steamer practically was to go up to Hanuta on the Northern frontier. It was both sad and elating; sad because the occupation of this new point which was done about a week ago has already cost us two precious lives. Our fellows have been attacked the very first night of their sojourn there. But the courage, fortitude and faith of the group is something which I can scarcely put into words. Here they are in the wilderness on the Lebanon frontier with a small mountain road (which was built by them in about four days working practically day and night) as their only way of communication with the outside world. They are about 170 strong all picked men representing all shades of opinion in the Yishub from the Zerie Mizrachi to the left-wingers knitted together by a deep sense of responsibility and carrying their lives in their hands. They are about 15 kms from the nearest Jewish settlement (Naharia near Akko). It is all organized like a very efficient military camp - trenches, dugouts, field telephones (the girls do the telephoning!) signals, rifles, revolvers, etc. In the daytime they can signal and send telegrams to Haifa. Thus the first 4000 dounam of the Upper Galilean hills were occupied. On digging the trenches they found several Jewish tombstones. They must be about 2000 years old! It is all a most moving spectacle.

The state of things here is not very felicitous. There is again a wave of terror sweeping over the country which has claimed nine victims in the course of the week. Still it is better than Austria.

I wish you success in your great endeavour. We are not allowed to live any more in Europe and all we can do is to try and build here and if necessary die with honour for it.

I'm contemplating coming to the USA this summer, either June or September. I shall be waiting to hear what you and our other friends advise me to do. Please write to me. You will have no doubt heard from Lipsky and Wise about the situation in London.

All the best to you and *One Yh*

Yours ever

CH. WEIZMAN

KEREN HAYESOD REPORT FOR OCTOBER 1937

1. Receipts of Keren Hayesod.

The net receipts for October amounted to £P. 20,713 comprising:

Contributions from the U.S.A.	£P. 5,054
" " England	" 2,286
" " South Africa	" 4,100
" " other countries	" 9,273
	<u>£P 20,713</u>

This amount includes earmarked contributions:

£P. 1,178 for the settlement of German Jews	
" 900 " " " Sephardic Jews (contribution from Argentine)	
" 1,483 " other special purposes	
<u>£P. 3,561</u>	

The amount available for the regular budget was therefore £P. 17,152 as against £P. 24,264 for the same month in 1936.

During the month under review Keren Hayesod further received the following contributions to "Mifal Habitzaron" from:

U.S.A.	£P. 11,105	
Other countries	" 1,886	
	<u>£P. 12,991</u>	<u>£P. 12,991</u>

During the month under review the Keren Hayesod turned over £P. 11,105 to the Jewish Agency from the Mifal Habitzaron funds.

The total receipts of the Mifal Habitzaron at Head Office in Jerusalem amounted to £P. 124,954 up through October 1937.

2. Receipts of Jewish Agency.

During the month under review the Jewish Agency received £P. 20,985 from the Keren Hayesod on account of the regular budget, besides £P. 1,267 from collections on past loans and £P. 88 from various other sources.

3. Disbursements of Jewish Agency.

During the month under review these amounted to £P. 40,484 and fall under the following categories:

I. AGRICULTURAL SETTLEMENT (incl. Experimental Station)	£P. 11,350
II. HOUSING AND PUBLIC WORKS	" 11,275
III. IMMIGRATION AND TRAINING	" 5,212
IV. NATIONAL ORGANIZATION AND SECURITY	" 7,267
V. EDUCATION AND CULTURE	" 860
VI. ADMINISTRATION	" 1,066
VII. MISCELLANEOUS	" 3,454
	<u>£P. 40,484</u>

The monthly payment to Lloyds Bank of £P. 3,800 on account of the consolidation loan was made directly by the Keren Hayesod.

I. AGRICULTURAL SETTLEMENT

During this month £P. 11,350 were spent as follows:-

a) Moshavim- Moshavoth	£P. 2,458
b) Cooperative Settlements	" 6,142
c) Individual Settlers	" 66
d) Investments	" 71
e) Administration, technical supervision, instruction, etc.	" 1,195
	£P. 9,932
Less: Income from the Agricultural Department	17
	£P. 9,915
f) Agricultural experimental station	" 1,435
	£P. 11,350

Notes:

To a) The sum of £P.2,458 expended on Moshavim-Moshavoth comprises the following:

Kfar Chassidim: £P.137 for building houses, Merchavia: £P.64 for purchase of cows, Ain Haoved: £P.200 for plantations, Ein Vered: £P.104 for plantations, Kfar Hogla: £P.169 for plantations, Ramath Temkin: £P.56 for purchase of cows and poultry, Kfar Menachem: £P.981 for tools, fertilizer and well drilling, Tirath Shalom: £P.266 for well drilling, Kfar Haroeh: £P.16 for surveying and purchase of poultry, Kfar Avichail: £P.150 for building of houses and barns, Beth Joseph: £P.136 for various surveyals, Kfar Pines: £P.148 for building of houses and barns, Moledeth: £P.300 for cattle, inventory, tools.

To b) The amount of £P.6,142 was expended on cooperative settlements as follows:

Shaar Haamakim: £P.112 for plantations, Kvutzath Gordonia in Hulda: £P.1356 for house building and irrigation work, Tel Amal: £P.888 for house building and irrigation work, Hassade: £P.1404 for house building and irrigation work, Tirath Zvi: £P.312 for house building, irrigation work, tools, Maos: £P.695 for tools, irrigation work and various other work, Batelem: £P.99 for various pieces of work, Chugim Shata: £P.50 for drilling, Usha: £P.72 for tools and manure, Tel Jitzchak: £P.296 for building, tools, manure and seeds, Hashomer Hatzair Haamerikai: £P.315 for irrigation work, wages, plantations, Akiba Beth Shan: £P.24 for various purposes, Machar in Hadar: £P.500 for building of houses.

To c) Loans amounting to £P.66 were granted 3 individual settlers.

To d) £P.71 were invested for the promotion of local agricultural products (Tozereth Chaklaith Ivrieth) and for various preparatory works.

To e) The amount of £P.1,195 expended on administration may be divided as follows:

Agricultural instruction	£P. 422
Technical Bureau	" 388
Salaries	" 141
Travel Expenses	" 15
Expenses connected with research and statistical work	" 29
	£P.1,195

II. HOUSING AND PUBLIC WORKS

£P.11,275 were spent as follows:-

1.	for further investment in Bizur company	£P. 1,500
2.	" building of workers quarters & barracks	" 1,297
3.	" loans for building of houses	" 3,000
4.	" security for Bizur	" 1,300
5.	" instruction of workers:	
	by the Merkaz Chaklai	£P. 1028
	by the Hapoel Hamizrachi	" 104
	by the Youth Hachshara	" 50
6.	" agricultural "Misradim Kablanim" (offices for contraction of agricultural work)	" 1,182
	of the Hapoel Hamizrachi	£P. 50
	of the Merkaz Chaklai	" 850
7.	" funds for loans to workers in the colonies:	
	by Hapoel Hamizrachi	£P. 155
	by Histadruth Haovdim	" 375
8.	" workers aid fund Mishan:	
	of the Histadruth Haovdim	£P. 275
	of the Hapoel Hamizrachi	" 200
	of the Irgun Ovdim Zionim	" 33
9.	" technical instruction of workers doing Government work	" 508
		" 200
10.	" loan funds to railroad workers, dock workers, promotion of Jewish fishing, stone industry (through Hapoel Hamizrachi)	" 250
11.	Various employment bureaus	" 260
12.	Organization and miscellaneous expenditures	" 348
		£P. 11,275

During the month of October 11 new huts were built (3 for Kvutzath Hajam in Haifa Bay, 2 for Kvutzath Amal in Haifa, 1 for Kvutza Jesod Hamaala, 1 for Kvutzath Alonim, 1 for Kvutzath Hamanof in Kfar Saba, 1 for Hashomer Hatzair in Petach Tikva, 1 for Habacharuth in Shechunath Borocho, 1 for Mizpeh Hasharon), work on 4 additional huts in Petach Tikva, Kfar Saba, Hadar, and Nathanya continued, and work begun on a house for defense and dwelling quarters in Kibutz Machar in Hadar.

The £P. 3000 entered under item 3 were given by Bizur to Chevrath Shikun as a loan for building of houses in Kiriath Avoda (in the southern part of Tel Aviv).

Through the Merkaz Chaklai, Hapoel Hamizrachi and the Youth Hachshara and under the direction of 40 instructors, 1500 workers received instruction in agriculture and 150 in road building and various Government works.

The agricultural Misradim Kablanim handle 1 million cases during the present orange season, as compared with 700,000 for the previous year, employing exclusively Jewish labour.

During October approximately 3000 workers received employment through the workers employment bureaus.

III. IMMIGRATION AND TRAINING

During the month under review £P. 5,212 were spent for immigration and training, which amount also includes an expenditure of £P. 400 from the Charelic Solomon fund for the building of the immigrants hostel in Tel Aviv.

IV. NATIONAL ORGANIZATION AND SECURITY

£P.7,267 were spent as follows: £P.4,047 for security purposes, and £P.3,221 for the political department in Jerusalem and London.

Of the amount of £P.7,267, £P.3,519 were covered by the Mifal Habitzaron.

V. EDUCATION AND CULTURE

£P. 860 were spent as follows:

for the Vaad Leumi

£P. 192

" "Bialik Institute"

for the Vaad Halashon £P.50

Cultural Dep't of Vaad Leumi " 50

Historical & Ethnographical

Society " 45

Kook Institute " 50

Publication of books " 44

Organization " 13

" 252

" Habima

" 316

" Ohel

" 100

£P. 860

VI. ORGANIZATION

During the month under review £P.1,066 were disbursed by the Jewish Agency for organization purposes.

VII. MISCELLANEOUS

£P.3,454 were disbursed as follows:

for the Ozar Mifalei Jam (Tel Aviv port)

£P.2,000

for the Department of Trade & Industry

" 280

for the Economic Research Institute

" 287

for the statistical bureau

" 191

for religious institutions

" 160

for compensations, press, information and collections bureau

" 536

£P.3,454

Out of the £P.280 allotted to the Department for Trade and Industry, £P.121 were used for loans to small traders.

The amount allotted the Ozar Mifalei Jam was covered by the receipts of the Mifal Habitzaron.