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Reel Box Folder 36 13 879

Jewish Agency, Lourie, Arthur, 1947-1948.

January 30, 1947

Mr. Harry L. Shapiro

Arthur Lourie

I had a long and friendly talk with Buxton in Boston on Saturday. He told me that he had been asked by the new editor of the <u>Herald</u> to write an editorial for the paper on Palestine as and when he thought the time appropriate, and he agreed to consider writing such an editorial now in connection with the discussions in London. He continues warmly sympathetic and is apparently thinking along the right lines.

I also arranged for him to meet with Ben-Horin on the occasion of Ben-Horin's visit to Boston in connection with the F.P.A. meeting.

One piece of information which he gave me has at least a historical interest. As those of us who were in Switzerland at the time were aware, Sir John Singleton and Beeley visited Geneva to meet with Philip Noel-Baker, who was then there representing the British Government in connection with the final meetings of the League of Nations. Buxton learned fairly recently from one of the British members that at that meeting Noel-Baker stressed the importance of a unanimous report, and this probably was a deciding factor in the attitude of the British members. Noel-Baker undoubtedly was acting on instructions, but apparently the content of the report eventually produced came as a shock to the British and blame was attached by Bevin to Noel-Baker for the manner in which he had carried out his mission - a unanimous report was desired but not that kind of a report. Noel-Baker's subsequent appointment as Minister of Air, but without a position in the Cabinet, is linked, according to Buxton's information, with the dissatisfaction produced by his handling of this matter.

AL:NF

CC: Dr. Abba Hillel Silver — Eliahu Epstein

January 30, 1947 Mr. Harry L. Shapiro Miss Sulamith Schwarts Arthur Lourie I spoke to Buxton on the telephone today about the article by Professor Stace in the Atlantic Menthly. I know that Buxton is acquainted with Sedgewick of the Atlantic Monthly, and I suggested that he should arrange to write an answer. Buxton said that he had not yet seen the article but would immediately get hold of a copy. In answer to his suggestion that it might be well for me to reply officially, I urged that the article in the current number, coming from an apparently independent source, would be best answered by someone likewise independent but at the same time an expert. He saw the force of this and promised to let me know without delay what action, if any, he was prepared to take. Incidentally, you will be glad to hear that Buxton asked me if I had seen the pamphlet on the Arab War Effort and volunteered the remark that it was without doubt an excellent piece of work. The Room Said to ALON YTHE THE THE

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To arthur louise
Care of or Apt. No. 299 Riversible Dr
Street and No. h. y.
Place O WRHS ARCHIVES
I suggest that there be a meeting of our
Executive members in Washington Fires.
Junning. We will all be in Washington
for the chilerence . Regards.
a. H. Silver

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FULL MEETING EXECUTIVE FOURTH MARCH ACTIONS COMMITTEE

SEVENTH MARCH BOTH JERUSALEM UNQUOTE=

LOURIE:

SHERTOK LOURIE.

Mr. Arthur Lourie
Jewish Agency for Palestine
16 East 66th Street
New York, N.Y.
My dear Mr. Louries

I would appreciate receiving a copy of the telegram which was sent by the Conference to the President, and the President's reply; also a copy of the memorandum which you drafted to be presented to the President, and the reply of the American

Jewish Committee.

With all good wishes, I remain

Very cordially yours,

AHS: BK

הסוכנות היהודית לארץ ישראל
THE JEWISH AGENCY FOR PALESTINE
16 EAST 66TH STREET, NEW YORK 21, N. Y.

RHINELANDER 4-4200

Cable Address JEVAGENCY

February 18, 1947

Dr. Abba Hillel Silver The Temple Cleveland, Ohio

Dear Dr. Silver:

I enclose a copy of the telegram sent by the American Jewish Conference to the President and the President's reply.

I also enclose a copy of Mr. Proskauer's reply to the invitation sent him by Mr. Monsky.

Yours sincerely,

AL:NF Encls. Arthur Lourie Director CLASS OF SERVICE

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FOLLOWING FROM SHERTOK QUOTE JERUSALEM MEMBERS AND ALL OF US HERE UNANIMOUS MEETINGS MUST BE HELD JERUSALEM STOP NO QUESTION REGARDING FREEDOM DISCUSSION AND DECISION STOP YOUR ARGUMENT REGARDING IMPOSSIBILITY OF MEMBERS LEAVE AMERICA APPLIES WITH GREATER WEIGHT PALESTINE MEMBERS STOP VIEW JERUSALEM MEETINGS DECIDED FLY AMERICA WEKEND FOR TEN DAYS STAY AND RETURN ABOUT MARCH 20 STOP ASSUME SHALL DISCUSS

TOGETHER NEW YORK ARRANGEMENTS WASHINGTON DURING ABSENCE MEMBERS EXECUTIVE REGARDS UNQUOTE= LOURIE

הסוכנות היהודית לארץ ישראל

The Jewish Agency in Palestine

MEMORANDUM

February 19, 1947

To:

Dr. Abba Hillel Silver

FROM:

Arthur Lourie

I am enclosing for your files official text of the memorandum submitted on behalf of the Colonial Secretary, dated February 7, 1947.

CHATAGAMAA

OF SAME TRANSPORT

AL: NF Encl. 01.

COLONIAL OFFICE, S.W.1.

7th February, 1947

Dear Mr. Linton,

The Secretary of State desires me to send to you, to be laid before the Executive of the Jewish Agency, the enclosed copies of a memorandum

This memorandum is out forward as a basis for further negotiation.

outlining proposals for the future government of

Palestine.

The Colonial Secretary and Mr. Bevin are ready to meet the representatives of the Jewish Agency at their earliest convenience to discuss the proposals outlined in this memorandum.

These proposals are being communicated simultaneously to the Arab Delegations now in London.

Yours sincerely,

(Sgd.) E. R. EDMONDS

The Secretary,
Jewish Agency for Palestine,
77 Great Russell Street, W.C.2

MEMORANDUM

- 1. Article 2 of the Mandate for Palestine defines the responsibilities of the mandatory power in the following terms:-
 - (a) To place the country "under such political, administrative and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble."
 - (b) To place the country under such conditions as will "secure the development of self-governing institutions".
 - (c) To safeguard the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion.

Article 6 of the Mandate, which deals with Jewish immigration and the settlement of the Jews on the land, reads in part as follows:-

"The Administration of Palestine, while ensuring that the rights and position of other sections of the population are not prejudiced, shall facilitate Jewish immigration under suitable conditions."

- During the last 25 years, efforts have been made by the Mandatory Government to associate the nonulation of the country with the Administration, but these have invariably broken down because it has not been possible to find a basis of co-operation acceptable to both Arabs and Jews. It has therefore not been possible to establish political institutions leading towards self-government.
- A time has come when development in the direction of self-government can no longer be delayed. So long as government is imposed from without, neither community has the incentive to develop that sense of responsibility without which the two peoples in Palestine cannot live together in harmony. Forms of government must therefore be established which have their roots in the people of the country and which offer a prospect of full independence within a reasonably short period.
- 4. To this end it is proposed that the meable of the country shall be given a large measure of responsibility for local affairs and shall be associated with the central Government as soon as the new policy is but into effect; that British participation in the Government shall not continue for longer than is necessary to effect the transition from Trusteeship to complete independence; and that a definite time limit shall be fixed for this period of transition. The period suggested is five years. In other words, it is proposed that His Majesty's Government should administer a five-year Trusteeship over Palestine, with the declared object of preparing the country for independence.

Under these proposals, His Majesty's Government would be carrying on the obligations which already rest upon them under the Mandate. At the same time, they would be looking forward to an early termination of the Trust, and would be acting in full conformity with the provisions of Article 76 of the United Nations Charter. If it emerged from the present discussions that the initiation of such a policy would command substantial acquiescence from both communities in Palestine, interim arrangements in harmony with this policy could no doubt be made in advance of its formal amproval by the United Nations. The essential features of the proposed Trusteeship Agreement are outlined in the succeeding paragraphs. Local Government Areas of local administration would be delimited in such a way as to include in each a substantial majority either of Arabs or of Jews. To the local Administrations the central Government would devolve a wide range of powers, legislative, administrative and financial, including some share in responsibility for the police. As the local administrative boundaries would not have the character of State frontiers, it would not necessarily follow that all the Arab or all the Jewish territory need be contiguous. Safeguards would be provided for the rights of the Jewish population in Arab areas and of the Arab nonulation in Jewish areas. The rights of these minorities would include:-(a) Adequate representation in local legislatures; (b) A reasonable proportion of posts in the local Administration; (c) Freedom of religious practice in accordance with the status quo, including the maintenance of separate religious courts for matters of personal status: (d) The right to maintain their own educational institutions; (e) The right to use their own language in their communications with the Administration and in the Courts of Law. It would be a special responsibility of the High Commissioner to ensure the maintenance of these rights. Immigration The British Delegation cannot accept the contention of the representatives of the Jewish Agency that the rate of Jewish immigration into Palestine as a whole should be determined by the Jews alone. Nor can they accent the demand of the Arab Delegations that all Jewish immigration into falestine should cease forthwith. They do not contemplate either a settlement which would bring to an end the development of the Jewish National Home, or the admission of . Jewish immigrants without reference to the effect of their entry on the rights and position of the population of the country. Any provisions made for future -2Jewish immigration must rest upon consideration for the wellbeing of Palestine as a whole. With this end in view the Trusteeship Agreement would provide for Jewish immigration, at a rate of 4,000 monthly, for a period of two years. This would guarantee the entry of approximately 100,000 additional Jewish immigrants. During the remainder of the period of Trusteeship, the continuance of immigration and the rate of entry would be determined, with due regard to the principle of economic absorption capacity, by the High Commissioner in consultation with his Advisory Council; and in the event of disagreement the final decision would rest with an arbitration tribunal appointed by the United Nations. Land Transfers Control over transfers of land, including the power to amend the existing Land Transfers Regulations, would be conferred on the local authorities. Central Government The High Commissioner would continue to exercise supreme legislative and executive authority. He would, however, endcavour to form an Advisory Council so composed as to include representatives, not only of the Arab and Jewish local Administrations, but also of labour and other organised interests. Despite this composition, it is probable that voting in the Advisory Council would tend at first to follow communal lines. Since, however, the functions of the Council would be advisory and not legislative, the High Commissioner would be required to give due attention to the views of minorities. On the conclusion of the Trusteeship Agreement, the Jewish members of the Advisory Council would supercede the Jewish Agency for Palestine as the official channel of communication between the Jewish community and the High Commissioner. During the period of trusteeship, the High Commissioner would introduce Palestinians into his Executive Council, and would progressively increase the proportion of Palestinian members in that Council. It would be the duty of the central Government to stimulate the economic development of the country through the agency of Development Boards including both Arab and Jewish members. The central Government would be responsible for ensuring that adequate provision was made by the local Administrations for the enforcement of minimum wage rates and conditions of labour. Termination of Trusteeship Agroement 16. At the end of four years a Constituent Assembly would be elected. If agreement was reached between a majority of the Jewish representatives and a majority of the Arab representatives in the Constituent Assembly, the High Commissioner would proceed forthwith to take whatever steps were necessary to establish the institutions of the independent State. In the event of disagreement in the Constituent Assembly, the various drafts prepared for its consideration and the record of its debates would be submitted to the Trusteeship Council which would be asked to advise upon future procedure. -3-

Conclusion

18. Throughout the period of mandatory rule in Palestine, it has been the object of His Majesty's Government to lay the foundations for an independent Palestinian State in which Arabs and Jews would enjoy equal rights. The state of tension between the two peoples which has existed hitherto has continually thwarted the attempts of the mandatory power to progress towards this end. His Majesty's Government are not prepared to continue indefinitely to govern Palestine themselves merely because Arabs and Jews cannot agree upon the means of sharing its government between them. The proposals contained in the present Memorandum are designed to give the two peoples an opportunity of demonstrating their ability to work together for the good of Palestine as a whole and so providing a stable foundation for an independent State.



The Jewish Agency for Palestine

MEMORANDUM

February 26, 1947

To:

The Members of the American Section of the Executive

FROM:

Arthur Lourie

I attach an exchange of correspondence between Trafford-Smith of the Colonial Office and Mr. Linton of the London Office of the Executive regarding the representation of the Jewish Agency at the recent discussions in London.

AL: NF

AL.

Trafford Smith, Esq., Colonial Office, Downing Street, S.W.1.

Dear Trafford Smith:

Thank you for your letter of the 12th February. The members of the Executive who participated in the informal talks just concluded represented the Executive of the Jewish Agency for Palestine. The position of the non-Zionist representatives on the Jewish Agency Executive is as follows:

The Council of the Jewish Agency at its last meeting in 1937 elected five members to represent the non-Zionists on the Executive. They were: Dr. M. B. Hexter, Dr. A. Ruppin, Dr. W. Senator, Mrs. R. Jacobs, and Dr. M. J. Karpf. The first three resided in Jerusalem, and took part in the meetings and in the work of the Agency Executive there - Dr. Puppin until his death in January 1943, Dr. Senator until his resignation at the end of 1945, (his place is being kept open), and Dr. Hexter until he resumed permanent residence in the United States.

The Varad Leumi (Jewish National Council) which was, one of the constituent bodies on the non-Zionist side of the Jewish Agency, is closely associated with the Executive through the attendance of two of its representatives at meetings of the Executive of the Jewish Agency in Jerusalem.

During the war no new election could be held, as the Council of the Jewish Agency could not meet; the Zionist Congress was in the same position. Though it proved possible to convene a meeting of the Zionist Congress last December, there were many difficulties connected with any similar step as regards the Agency Council. Some of the Jewish communities which were represented in the Council of the Jewish Agency are no longer in a position to be represented at all (e.g. Latvia and Lithuania - now included in the Union of Soviet Socialist Republics); others have been totally or partially destroyed (e.g. Germany, Austria, Poland, Yugoslavia); others again are only now beginning to rebuild their lives and re-establish their communal institutions. Several members of the Council died during the war, and in the United States, where the members of the non-Zionist section of the Agency Council were mostly elected ad personam, several leading Jews who played a prominent part in the inttial stages of the formation of the enlarged Jewish Agency are no longer alive.

The Executive are considering the whole question of reconstituting the non-Zionist representation on the Jewish Agency. They are already in touch with the Board of Deputies of British Jews, the Agudas Israel, and other organisations on the subject. It is contemplated to call a meeting of the Council of the Jewish Agency as soon as an outline scheme for relating the organisation of the non-Zionist section of the Agency with the post-war situation has been worked out as a result of these discussions, but you will appreciate that there are still difficulties to be overcome and problems to be solved before that can happen.

Very sincerely

The Jewish Agency in Palestine MEMORANDUM March 6, 1947 To: Dr. Abba Hillel Silver FROM: Arthur Lourie You may be interested to have the following description which was given me of Mr. Douglas, the new Ambassador to Great Britain: He feels very warmly towards the British; at the same time, in conversation, he will no doubt show himself very indignant about the Jewish situation. He is unlikely, however, to do anything about it. If ordered to take a specific line he will undoubtedly carry out his instructions.

By way of summary, he was described to me as the "perfect politician."

AL: NE

al.

הסוכנות היהודית לארץ ישראל
The Jewish Agency in Palestine

MEMORANDUM

March 6, 1947

To:

Dr. Abba Hillel Silver

FROM:

Nina Franklin (Secretary to Mr. Lourie)

Mrs. Marvin Lowenthal called this morning when Mr. Lourie was out of the office and asked me to convey the following message to you:

- 1. Mr. Lowenthal has informed her, by cable of March 4, that he is at present staying with an Arab family called Abuzalleff Addiffa. He has asked that when you arrive in Jerusalem you be good enough to be in touch with Homer Bigart of the <u>Herald-Tribune</u>, who will be in a position to assist you in contacting Mr. Lowenthal.
- 2. Mr. Lowenthal had originally intended to take a boat from Palestine on March 12 and to stop off in Europe; however, he will now not be leaving until March 28, on which date he will sail on the America for France.
- Mrs. Lowenthal had also given me a somewhat detailed account of his activities in Palestine and we felt that it would be best that she write to you directly regarding these matters, which she is doing today.

ng

nf

April 1, 1947 Mr. Harry L. Shapiro American Zionist Emergency Council 342 Madison Avenue New York, N.Y. Dear Harry: Recalling the interchange of correspondence which took place last October between the Joint Chairmen of the Emergency Council and Dr. Bodds of Princeton University, I have drafted a letter for Dr. Silver's signature to Dr. Bodds which, I think, might very well be sent to him. It should, of course, go from the Council. I am sending a copy of this to Dr. Silver and would suggest that you pursue the matter with him. Yours sincerely, AL: HF Arthur Lourie



The Jewish Agency for Palestine

MEMORANDUM

April 9, 1947

To: The Members of the American Section of the Executive

FROM: Arthur Lourie

I enclose an extract of a letter from Dr. Kahany, dated April 3, 1947, in which he refers to the Jewish Agency application to the UNESCO for consultative status as a non-governmental organization.

AL: NF Encl.

Origin of our application. The origin of our application was a memorandum submitted by the Executive of the Jewish Agency for Palestine in April 1946 to the Special Committee on Refugees and Displaced Persons of the UN meeting in London in April-May 1946. This memorandum asked in its final paragraph i.a. that the Jewish Agency may be granted a consultative status with the Economic and Social Council whenever and wherever the question of Jewish refugees and displaced persons will be discussed by the UN. In August 1946 we then received (both in London and in New York) from the Secretariat of the UN a questionnaire to be filled up by those "non-governmental" organisations which desire to apply for a consultative status with the ES-Council in accordance with Art. 71 of the Charter. We filled up this questionaire in New York and sent it to the UN-Secretariat together with five copies of the memorandum of the Jewish Agency of April 1946 submitted neviously to the special Committee on Ref. and Displaced persons (copies of this questioneire and of the answers given to it as well as of the relevant memorandum of the Jewish Agency are in the files of our New York office and have been sent also at that time both to our offices in London and in Jerusalem and to the members of the Executive meeting in Paris).

B. Importance of the consultative status. Under Art. 4 of the Palestine Mandate we are recognised as "a public body for the purpose of advising and co-operating with the Administration of Palestine so long as our organisation and constitution are in the opinion of the Mandatory appropriate." The status thus given is one vis-a-vis of the Mandatory Power in Palestine and legally - contrary to what was generally believed in our "informed quarters" - we never had any special status - in any field as far as the League of Nations was concerned. All we have achieved with the L.o.N.and we have achieved a lot - was done without any kind of recognition de jure. I have explained this already in former memos. But while the Palestine Mandate was at least effectively placed under the control of the L.O.N. there is so far no such legal situation with the UN. There is however - and this was not the case with the L.o.N.'s Covenant which knew only and exclusively states - a provision in the Carter of the UN (Art. 71) introducing the possibility of consultation with international and national "non-governmental" organisations for matters which in the competence of the Economic and Social Council - and for such matters only. If therefore a body like the Jewish Agency desires to have at least the same rights as are given to other "non-governmental" bodies the only way to get it is to apply for the consultative status under Art. 71 of the Charter. In doing so we had of course to argue that we are an international organisation - quite apart our status resulting from Art. 4 of the Palestine Mandate - being composed of branches and members who are citizens of all the various countries of the world with a scope which is as international in its character as the Jewish problem is and with specific and very important interests to watch which are quite clearly within the competence of the ES-Council. On the other side I think there is no need to state how important for us it is, especially in the present situation, to have at least the same international recognition (from the UN as may have other Jewish organisations.

ARTHUR LOURIE

DR. ABBA HILLEL SILVER

Dear Mr. Lourie:

In reply to the cable dated April 9 of the Executive of the Jewish Agency requesting the vote of the American members on

the place of meeting, I vote in favor of holding the meeting in the

Very sincerely yours,

AHS:BK

United States.

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Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

To ARTHUR	LOURIE				_	0-10-51	19
Care of or Apt. No.	JEWISH A	GENCY FOR	PALESTINE				
Street and No	16 E. 66th			AMERICAN A R C H	JEWISH I V E S		
PLEASE	TELEPHONE	INDIAN A	MBASSADOR I	MY REGRETS	S AT BEING	UNABLE TO	
ATTEND	RECEPTION	. 07	600	377	TOTAL STATE		
			SI	LVER			
	1						

May 21, 1947 Mr. Arthur Lourie The Jewish Agency for Palestine 16 E. 66th Street New York 21, N.Y. My dear Mr. Lourie: From Mr. Isador S. Turover, of Washington, I learned the following: "I hasten to advise you of same good tidings by means of this note after having tried to unsuccessfully reach you in New York: "A good friend of mine in the Yugoslav Embassy just called to advise in confidence that the Y. Government will appoint on the UN Commission a pro-Zionist in place of Moshe Paper, originally selected, who was a rabid anti-Zionist. I have also gained the impression that a warmer wind is blowing from the East." I thought that you might wish to have this information. I believe that Mr. Trygve Lie should be seen before May 26 and impressed with the necessity of favorable action upon the application which we made. Inasmuch as next Monday is You Tov, we should hold our meeting next Tuesday morning. Please let me know who is leaving for Palestine in the next few days. I should like to send some messages by hand to some people there. With all good wishes, I remain Very cordially yours, AHS: BK

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

May 28, 1947

To:

Members of the American Section of the Executive and the Staff

FROM: Arthur Lourie

The following appears in a letter from Hugo Valentin, Chairman of the Swedish Zionist Association, to Mr. Franz Kats, dated May 22:

"And, as to Sandstrom, one of our Chaverim, Dr. Josef Fischler, who knows him, describes him as 'neither pro-Jewish nor pro-Zionist.' His appointment, consequently, is regrettable."

ac

AL:NF

הסוכנות היהודית לארץ ישראל The Jewish Agency for Palestine MEMORANDUM May 28, 1947 To: Dr. Abba Hillel Silver FROM: Arthur Lourie An appointment has been arranged for Dr. Neumann to see Mr. Lie this afternoon. Re Gerold Frank: After further discussion with Mr. Shertok, it has been agreed that Gerold should accompany the Committee abroad. The Agency will be responsible for expenses, exclusive of salary. 3. Regarding the telegram from Palestine about a proposed shekel campaign, I understand that the Shekel Committee has been dissolved and could be reconstituted only on a direction from the Executive here. a. AL: NF

May 29, 1947 Mr. Arthur Lourie Jewish Agency for Palestine 16 E. 66th Street New York 21, N.Y. My dear Mr. Lourie: Referring to your memorandum of May 28, I would suggest that you write in the name of the Executive here to the chairman of the Shekel Committee requesting him to contact the various parties and call for an early organization meeting for a new Shekel Committee. In connection with the memorandum on Mr. Hoo which I sent you, you might be interested to have someone bring to his attention the enclosed statement of Dr. Sun Yat-Sen on Zionism. The Cuban representative to the UN, I understand, was rather hostile. In cultivating the UN delegation for next September, the enclosed resolution of the Senate of Cuba of 1945 may prove helpful. With all good wishes, I remain Very cordially yours, AHS: BK Enc. - 2

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

May 29, 1947

To:

Members of the American Section of the Executive

FROM:

Arthur Lourie

I enclose a copy of a memorandum which I have received from Mr. D. Horowitz of the Economic Department of the Jewish Agency in Tel-Aviv, which you may find of interest.

AL:NY

Tel-Aviv, 14th May, 1947/DH/SW/8 RE-CONVERSION IN PALESTIME Two years passed since the termination of the war. Palestine, like other countries engaged in the war effort, has been confronted during those two years with the tremendous task of readjustment of its economy geared to the war effort, to requirements of peace. This task seemed to be particularly difficult in Palestine in view of some peculiar conditions under which this re-conversion had to take place. (a) The economy of Jewish Palestine was completely geared to the war effort. Some 35% of its industry were directly employed in supply of the armed forces; the value of these supplies at the end of the war reached some LP. 35 - 40 million. Industry expanded under the pressure and stress of war requirements. This expansion can be shown in some striking instances, as, e.g., in the case of the textile industry in which the number of both spindles and looms increased during the war fivefold. Whole industries were established in response to the exigencies of the war effort, and the usual prediction of experts was that these so-called mushroom growths would hardly have any prospect of surviving the particular kind of prosperity resulting from wer-conditions. (b) In contra-distinction to Western countries, Palestine carried into effect this great expansion of production in an unorganised economy in which inflation resulted in soaring prices and the vicious spiral of wages and prices. These particular conditions prevailed in the whole of the Middle East. However, in no other country of the Middle East does industry which is exposed directly to foreign competition occupy such an important position in the economic life of the country as in Palestine. At present, it is responsible for 23% of the national income of the country. (c) Palestine economy has not only the purpose and task of preserving its : equilibrium and safeguarding the standard of life of its population. It is a dynamic and expanding economy with the clear objective of absorbing new immigration. During the years 1945 and 1946 31,000 Jewish immigrats were absorbed in the country, and this task of absorption was successfully solved on top of the task of demobilizing almost 25,000 men and women in the armed forces, which was carried into effect at a much quicker pace than in other countries participating in the war. (a) The adjustment of Palestine economy to these needs took place under extremely difficult and adverse political conditions which could not remain without repercussions on the economic life of the country. Restriction of immigration, political difficulties, terror, reprisals, martial law, Arab boycott, curfew all these formidable obstructions had to be overcome, in order to maintain the economic life of the country and to readjust it to new conditions of peace in the face of all these trials and tribulations. (e) While in other countries the task of post-war reconstruction is considered as the main purpose of the Government in the period of transition, and all endeavors of the Government are directed towards this end, the Palestine Government was indifferent to this aspect of the problem and concentrated its activities mainly on the prevention of immigration and the maintenance of the political status quo. The question arises whether Palestine economy can weather the storm of adverse political conditions and, at the same time, cope with the task of readjustment to peace conditions without endangering its character as a dynamic body intent on economic expansion, development, and absorption of immigration. From this point of view the economic life of the country must be subjected to three main tests which should provide a conclusive answer to this question. These three most important tests are: (a) Re-equipment and investment. The machinery of production in Palestine has become to a certain extent worn out by the war effort and obsolete by new technical developments of production in other countries. During the war years a large backlog of building developed owing to necessary building restrictions, as man-power had to be diverted to the most essential war tasks. The dynamic trends and purposes of Palestine economy make additional investment in new enterprises imperative. Absorption of immigration would be impossible without extension of the basis of Palestine economy by new investment. Production. Military orders had dwindled into insignificance after the ter-(b) mination of the war and ceased almost completely at the present juncture. The crucial question is whether production could be more or less maintained under the new conditions, whether industry was really a mushroom growth, whether its expansion was justified or not. The development of industrial production and construction should provide a conclusive reply to this question.

(c) Employment. Employment and unemployment indices should indicate to what extent the labour force is kept in full employment and to what extent the labour force is kept in full employment and to what extent the access of population through immigration and entrance of youth into economic life is being absorbed in the economy of the country.

Investment and Re-equipment.

Requipment is proceeding at a rapid pace. The volume of purchases from abroad is expanding rapidly in comparison with the war period. Thus, imports reached in 1946 the very large amount of LP. 70,432,000 (excl. petrol products: LP. 57,689,000), in comparison with LP. 11,357,000 in 1938, while imports of industrial and agricultural equipment (machinery) alone amounted to LP. 2,908,000. These figures are illuminating in comparison with the war years:-

IMPORTS OF MACHINERY

1939	LP.	916,282
1940		483,281
1941		282,695
1942		380, 223
1.943		335,381
1944		817,419
1945		694,131
1946		2,908,270

Of course, these figures have to be readjusted in view of the rise of prices, and the physical volume of imports in 1946 was only 117% (excl. diamonds) in comparison with 1939 = 100. However, it should be borne in mind that the average volume of imports during the war period was only about 50% of the volume in 1939.

The same trend is indicated by the distribution of KH and KKL gift dollar allocations for the purchase of capital goods in America. The following table shows these allocations for the years 1945, 1946, and 1947, as far as available.:-

SUMS OF USA \$ TRANSFERRED

	1945 & 1946	Jan. 1947	Feb. 1947	March 1947	Total
Industry	1,937,983	505,133	1,050,593	236,620	3,730,329
War Surpluses	660,385	÷	÷	÷	660,385
Agriculture	2,646,888	392,469	293,483	35,650	3,368,490
Building Materials	390,000	<u>-</u>	900	-	390,900
Transport	146,000	420,000	72,225	10,350	648,575
Orders of J.A.	330,000	6,000		191,760	527,760
Miscellaneous	107,085	. :	1,190	-	747.380
TOTAL	6,218,341	1,323,602	1,418,391	747,380	9.343.714
		==========	===========		

This table shows that in 1947 there was a very pronounced acceleration of the pace of re-equipment in spite of the aggravation of the political situation in this period. Of course, these allocations helped greatly in the re-equipment of Palestine industry and agriculture by smooth supply of machinery and raw materials.

Another important indication is the scope and structure of investment in Palestine in the year 1946 as shown in the following table:-JEWISH INVESTMENTS IN PALESTINE IN 1946 BRANCH OF INVESTMENT (in LP. 1000) a) Net purchases of land by Jews from Non-Jews 1,350 b) Urban building 10,000 c) Agricultural investment of National Funds 3,000 d) Industry 4,350 1.800 e) Transport etc. 20,500 The two indications - re-equipment and investment - can hardly be treated separately, as it will be impossible to gauge which part of investment represents replacement of obsolete machinery and which completely new enterprise. The process of investment is a dynamic one. Data for a definite and closed period do not sufficiently show the trend of development. Yet that this trend is gathering momentum can be shown in three instances: in industry where not only actual investment already effected is taken into account but also prospects and potentials in agriculture where a particular project is taken to illustrate the trend of development, and in building if figures for 1946 are compared with those already available for 1947. AGRICULTURE. During the last two years land was murchased by Jewish institutions in spite of restrictions imposed by the White Paper policy, as may be seen from the following figures :-LAND IN POSSESSION OF JEWISH NATIONAL FUND At the end of 1944 759,100 dunums 11 1945 817,000 865,000 September 1946 The rehabilitation of citrus groves by more careful cultivation is reflected in increased exports, as may be seen from the following data comparing exports in the three last seasons :-In 1944/45 . 2.75 million cases In 1945/46 5.25 million cases million cases In 1946/47 Expansion of Jewish agriculture took place not only through purchase of new land but simultaneously through better utilization of areas already in Jewish possession. The irrigated area in mixed farming (citriculture excluded) has been increased from about 40,000 dunums in 1939 to about 130,000 dunums (32,000 acres) in 1946. Amelioration of soil made considerable progress. New experiments, such as utilization of barren and desert soil in the Negev, bleaching of saline soil near the Dead Sea, and reclamation of stony hill soil made considerable progress. Of course, this kind of investment can be made only by provision of public funds, as a proportion of such investment must be written off and considered in terms of national colonisation and not of immediate profits and dividends. New colonisation undertaken in this period of time was most spectacular. Not less than 33 settlements were established during the last two years, a con- : siderable proportion of them in areas hitherto almost untouched by Jewish coloni-

sation, such as the Negev, the northermost part of Palestine, etc. New settle-

ments established were distributed according to area as follows :-

Negev A striking example of development in the field of agricultural colonisation is the new development in the Negev. This colonisation venture is in its inception, and its main importance lies in the opening up of new areas for Jowish colonisation in Palestine in the future. The settlement took place mainly in the Beersheba and Gaza sub-districts. The Beersheba sub-district comprises, according to Government sources. an area of 12,577 sq kms., of which 10573 sq.kms. are classed by Government as entirely uncultivable. At the "Middle East Agricultural Development Conference" convened in Cairo in February 1944 by the Middle East Supply Centre, the area was described by the representative of the Palestine Government, Mr. B. A. Lowe, as follows :-*) "The area of the sub-district is some 12,500 square kilometres or approximately one half of the area of Pale tine, but owing to physical disadvantages it only supports a population estimated at about 80,000, or about one twenty-fifth of the total population of the country. Apart from four recently established Jewish settlements and the traders of Beersheba town, the area is inhabited only by Nomadic Beduin who live in tents and wander over wide or limited areas in accordance with the productivity or otherwise of their lands and the presence or absence of scanty grazing for the animals. These Bedouin are not strictly confined to the boundaries of the district, and many of them more northwards temporarily into more fertile areas at harvest time when they assist the settled fellahin in gathering crops in return for a share of grain. At the same time, they obtain rough browsing and grazing for their animals during summer when the Beersheba district is virtually a desert." "The area under cultivation is estimated to be about 750,000 dunums, or 75,000 hectares, equivalent to a little less that 200,000 acres, which supports a population believed to be approximately 80,000." "It seems unlikely that any farmer would willingly seek so inhospitable and difficult a country to cultivate." In the area thus described 12 Jewish settlements were established in the years 1946 and 1947, in addition to 5 settlements which had previously been established. These settlements cover an area of 90,000 dunums approximately, hitherto either uncultivated, or cultivated in a very primi-

8 settlements

33 settlements

2

8

Galilee

Samaria

Negev Judea

Valley of Beisan Plain of Zevulun

Southern Coastal Plain

*) B.A. Love: "Dry Farming in the Beersheba District of Palestine" in "Agricultural Report No. 6, The Proceedings of the Conference on Middle East Agricultural Development," Cairo, Feb. 7-10, 1944, pp. 29, 30, 33.

tive way. The establishment of these settlements was prompted to a great

studying the conditions in the Negev and experimenting with new methods

"Experimental Settlements" showed that by proper cultivation methods the

of dry farming as well as with irrigated crops. The results obtained in the

average yields of dry farming could be doubled in comparison with the yields previously obtained by local cultivators. The irrigation experiments showed that intensive rotations could be used in the Negev, provided that sufficient quantities of water be at the disposal of the farmers. At present, the water situation is most difficult, not only for agricultural purposes, but also for

ments.

domestic use and drinking.

extent by promising results of experiments in the previously established settle-

Three settlements were established in 1944 for the main purpose of

As to the prospects of finding water the following remarks by Mr. Lowe in the Minutes of the Conference on Middle East Agricultural Development are illuminating:-*

"In view of the rapid development of irrigation elsewhere in Palestine, of methods of obtaining water economically from great depths and of pumping and leading water from distant sources, the possibilities of irrigation in this area of scanty and unreliable rainfall are of speculative interest. It must be recorded, however, that the evidence so far available is unpromising. Good supplies of water have not been found or the water found has proved too saline to be of agricultural value."

"Thus, past evidence and present indications offer little hope of improvement in Beersheba by an increase in water available for agriculture."

In spite of this unpromising outlook the work of water prospecting was undertaken and considerable successes were achieved. Wells were bored in two Jewish settlements on land belonging to the Jewish National Fund - at Nir Am and Gvar Am settlements - and water was struck at a depth of 110-140 metres.

Further trials proved that a considerable amount of water could be pumped at these places and be put at the disposal of the barron southern areas. With this object in view a comprehensive water supply scheme was prepared.

Obviously, the future of the whole scheme will depend on water supply. This colonisation venture may have almost unlimited possibilities if a practical irrigation scheme is carried into effect and difficulties placed in the way of large scale colonisation are eliminated.

INDUSTRY:

As to industry, a survey was made of projects already in the course of execution, i.e. for which machinery is already ordered and buildings are in construction. The results of this survey which covers the years 1946 and 1947 are reflected in the following table:

Branch	Investments in F	actory Buildings	Number of additional workers		
	LP.	\$			
Textiles	3,200,000	12,800,000	3. 700		
Food Building	2,900,000	8,000,000	700		
Material Metal and El ectr. Appli		10,400,000	1,100		
ces	750,000	3,000,000	800		
Chemicals	680,000	2,720,000	120		
Woodwork	195,000	780,000	260		
Misc.	670,000	2,680,000	660		
TOTAL	10,095,000	40,380,000	7.340		

If the value of the land is added, the total of planned investments (land, buildings and equipment, but working capital excluded) amounts to LP. 10.3 million (\$41.2 million).

Factories to be built according to the above plans will be equipped with the most modern machinery and are designed according to the most recent achievements of modern technique, promising increased productivity per worker.

^{*)} B. A. Lowe, loc. cit., p.33

This list of projects and plans of development of industry is highly significant. It shows that the disappearance of military orders which absorbed as much as one third of Palestine's industrial production does not deter Palestine manufacturers from expanding their existing plants as well as from establishing new industries. Some of them are on completely new lines, such as a large chemical factory for the production of artificial fertilizer with investment of half a million pounds, a new finishing and dyeing plant which will be one of the most modern equipped plants possible at the present time, new developments of jute weaving, production of sulphuric acid etc. The self-sufficiency of Palestine in manufactured goods will be greatly increased by these new investments. The most striking example of self-sufficiency is the spinning industry which worked some 6,000 spindles in 1939, reached 30,000 spindles at present, and will have at least 75,000 spindles at the end of 1948. The weaving industry shows a similar development, i.e. from 600 looms in 1939 to 3000 in 1947. The Palestine metal industry ventured even into some lines of machinery and capital goods and is producing lathes, weaving looms, machinery for the diamond polishing industry, etc. Plate-glass production which was nil before the war reached 650,000 sq. m. in 1946 and will increase threefold within the next year. BUILDING: a similar but quantitatively more pronounced trend is noticeable in construction. Data on the building movement provide an indication of the very rapid construction movement which has a preponderant share in the total volume of investment. Thus, the total investment in building in 1946 is estimated at LP. 10,000,000 and the number of rooms constructed in the Jewish sector, both in towns and villages, on the basis of this investment is estimated at 18,000. FINANCING OF NEW INVESTMENT: The high rate of investment in the many branches of the economy, such as agriculture, industry and construction in indicative of both ample financial resources and great confidence of the entrepreneur class in the stability and future of Palestine economy. It seems to show that in spite of all political vicissitudes there is an underlying tone of confidence which stimulates investment activity. As to financial resources these are greatly reinforced by import of Jewish capital from abroad. The following are some data on the import of Jewish capital during the two years since the termination of the war:-IMPORT OF JEWISH CAPITAL INTO PALESTINE 1945 LP. 11,780,000 1945 14,710,000 1947 Jan./March 2,870,000 This is again a proof of the confidence in Palestine's economic future not anly by entrepreneurs in the country itself but also by world Jewry. another aspect of the problem is the considerably increased share. of public capital within the total of Jewish capital imported from abroad. : It is estimated that prior to the war period the share of Jewish public capital in the capital imported into the country was 13%, while presently this share is estimated at 52%. This capital, mainly consisting of KH and JNF fund is, of course, particularly enterprising, as its very purpose is to promote the development of Palestine economy for new immigration. The enterprising and risk-taking character of this capital facilitates its task to serve as an ignition spark which releases also private funds available for investment.

Moreover, the high share of public capital makes it possible to direct investment to those branches of the economy, which, although not the most profitable from the point of view of private investment are most essential for the establishment of a national economy, such as agricultural colonisation, irrigation, housing for refugees and ex-servicement, etc. These funds make some planning and direction of the development of the country possible and facilitate the adaptation of the whole economic structure to the paramount task of absorption of immigration, and Jewish colonisation in Palestine. These funds helped to establish internal control and direction of colonisation policy at the key points of economic life and make it possible to conduct a national economic policy which, so far, greatly facilitated the prevention of an economic crisis and the smoothing out of the fluctuations of boom and depression. They were to a great extent instrumental in assisting Palestine economy to weather the storm of adverse political conditions, trials and tribulations.

PRODUCTION:

of

The second pre-condition for successful reconversion is maintenance of production. Agricultural production, excluding citrus has been doubled since 1939 and is still increasing, as may be seen from the following table which is based on the physical volume of production, as only values according to pre-war prices are taken into account.

	-	JCTION 45, 19	IN JEWISH 945/46 (for	The same of the sa			
	Ur	nit .	1938/3	9 1944/45	1945/46	Increase in % from 1938/39.	Increase in % from 1944/45 - 1945/46
	-		V. V. J. J. J.		K.S. T.		
Cows Milk Sheep Milk Meat Eggs Poultry Meat Fish Vegetables Potatoes Table Grapes Grapes f. Wine Bananas Deciduous Fruit Olives	1000 tons 1000 tons " " " " " " " " " " " " " " " " " " "	litr. litr. units	35,000 600 1,030 60,000 1,400 50 15,000 3,000 3,000 x 2,200 500	67,100 4,000 2,000 83,000 1,925 1,800 22,000 25,000 3,200 7,500 4,000 3,950 1,200	71,700 4,500 2,100 110,400 2,500 1,725 30,000 32,000 4,200 11,000 4,500 4,500 1,300	105% 550% 104% 78% 3350% 100% x 104% 800%	7% 13% 5% 33% 30% - 4% 36% 28% 31% 47% 13% 14%
Wheat	11	-	10,000	13,000	16,000	60%	23%
Value accdg. to war prices	pre	LP.	1,041,000	2,123,000	2,520,000		
Other produce n included abov		LP.	59.000	77,000	80,000		
TOTAL		LP.	1,100,000	2,200,000	2,600,000	136%	

x) Included under "Other produce not included above".

This increase of production is based on the expansion of mixed farming through establishment of new settlements and extension of existing farms, and by increase of productivity and introduction of new branches. Some indices of such development are illuminating. Potatoe production, e.g., increased from 3,000 tons in 1938/39 to 32,000 tons in 1945/46. This was achieved mainly by stretching the season over a larger part of the year. Potatoes are grown during three instead of two seasons at present, and the supply of local potatoes was extended from three or four to ten months. A similar process took place in greenfodder production, which is now available over the whole year.

Fish breeding in ponds also expanded considerably, and the production pond fish increased from 200 tons in 1940 to 1,725 in 1946.

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Thus, productivity of each unit of land and stock is considerably being increased. Progress made in this direction is well reflected in comparison of results in Jewish and Arab farming, as shown in the following table:-

AVERAGE PRODUCTION PER UNIT OVER FAIRLY LONG PERIODS IN SIMILAR DISTRICTS

Production	Unit	Jewish Farming	Arab Farming
Milk per cow per year Milk per sheep per year	litre	3800 - 4500 150 - 200	600 - 800
Eggs per hen per number		140 - 160	6.0
Wheat crop per dunum Barley crop per dunum	kg.	120 - 180 140 - 200	70 - 80 75 - 90
Wine grapes per dunum Vegetables per dunum	11	900 - 1200	300 - 400
of physical area	11	2000 - 2500	800 - 900

Production of sub-tropical fruit, such as avocado, mango, custard apples, guava, bananas. persimmon, passion fruit represents also partly new lines and partly the expansion of existing lines as does the export of flowers and the extension of their production, particularly of such flowers and bulbs as gladiolas, iris, etc.

A similar trend is noticeable in industrial production, which is reflected both in consumption of electrical power and in men-days worked in industry, as shown in the following table:-

Index (1939 = 100)	Men-Days worked in Jewish Industry	Sales of Electric Power for ind. purposes
1942 1943	185	MERICAN JEWISH 166 R C H I V E S 198
1944	213	227
1945 1946	212	267
1946	198	300

An analysis of these data shows conclusively that industrial production is being well maintained. Sales of electric power for industrial purposes would even seem to indicate some increase in production, while men-days worked in Jewish industry show that only in comparison with the years 1943 and 1944 is there some slight decrease in the post-war period. This slight decrease is mainly accounted for a) by the progress in rationalization of capital equipment, which makes it possible to maintain the same level of production with a smaller labour force, and b) by the fact that the index of enterprises from which statistical data are compiled represents a gross section of the existing industry. Many enterprises established in 1945/46 were not included in the index. Thus, the cross section may show a reduction in the number of men-days worked, while the industry as a whole expanded, as is shown by consumption of electric power. Thus, at any rate, the high level of industrial production achieved during the war seems to be maintained. Again, it is interesting to compare the development of industrial production in Palestine with that of other countries in the war period when it reached its peak, and in the post-war period.

Index Numbers of Industrial Production in the Jewish Industry of Palestine, in Canada and in the U.S.A.

		193	9 - 100	
		Canada	U.S.A.	Jewish Industry in Palestine
	1940	121	115	112
	1941	168	149	143
	1942	216	183	185
	1943	259	219	222
first half June September	1944	253	216	213
	1945	231	209	218
	1945	224	202	210
	1945	212	157	206
December March June September	1945	185	148	213
	1946	189	150	205
	1946	170	157	185
	1946	164	169	201
December	1946	171	164	209

It seems that Palestine compares very well with other countries in this respect.

Another indication of the progress of industrial production in Palestine is reflected in the comparison made by the Government Statistician of the share of import of manufactured goods within total imports of Palestine. Thus, while the share of manufactured products decreased from 64% in 1939 to 48% in 1946, the share of raw materials increased from 10% to 16%. This development took place in spite of the very pronounced rise in the standard of life of the Palestine population, both Jewish and Arab.

BUILDING: The spectacular increase in construction which represents one of the most important branches of production in Palestine is reflected in the following figures:-

	NEW BUILD				
	1939/40	1944/45	1945/46	1946/47	% Increase since 39/40
November December January	9,635 12,768 8,088	11,232 7,708 11,362	39,066 43,285 60,125	83,775 79,497 83,517	769% 523% 932%
November - January	30,491	30,302	142,476	246, 789	709%

The number of Jewish workers employed in building is estimated at about 15,000.

(continued)

EMPLOYMENT

The maintenance or expansion of production in all the most important branches would in itself provide sufficient indications for the third test of reconversion; the test of employment.

The maintenance of full employment in Palestine in spite of a permanent, although small increase of the labour force can be easily ascertained.

There is a steady access of manpower and a considerable number of men and women have been absorbed within the last two years in various occupations. The number of those gainfully occupied in Jewish Palestine in 1946 was approximately 260,000, in comparison with 192,000 in 1939, i.e. an increase by 35%. By 1943, the peak of the war effort in Palestine, the labour force - excluding volunteers in the fighting services - had increased to more than 220,000. Some 20,000 Jews who had joined the Army, Navy, and Air Force were replaced temporarily by women, aged persons, etc., previously not engaged in gainful occupation.

This additional labour force derived from three sources; natural increase, immigration, and demobilisation of armed forces. The distribution of new manpower according to sources is given in the following table:-

SOURCES OF ADDITIONAL MAN POWER 1943 - 1946

1)	From natural increase (adolescent people entering gainful occupations, a smaller number of deaths and retirements	8,500
2)	Net immigration of earners	18,000
3)	Demobilisation (excl. ex-soldiers not returning to gain- ful occupation, such as students, married women, etc.)	13,000 39,000

Thanks to the background and the general economic climate in Palestine, demobilisation was effected smoothly and new immigration absorbed, in spite of many handicaps.

In this connection, the analysis of unemployment in Palestine for the last 6 months for which figures are available is illuminating:-

Month	No. of Jewish Unemployed (17 days and more)
October 1946	1,211
November 1946	949
December 1946	1,146
January 1947	1,383
February 1947	1,106
March 1947	1,277

Unemployment is mainly "frictional" i.e. there is a number of people passing from one job to another, unemployables, etc. This is a normal state of affairs in modern economy. It does not preclude acute shortage of labour in some branches, such as is now prevailing in Palestine's building trade.

The same trend is reflected in Government indices of employment, which are available for the period of the last two years.

NUMBER OF EMPLOYEES AND CORRESPONDING INDEX NUMBERS

End of Month	No.	Index
1945 - April		100:0
1946 - January February March	89,982	97.6 96.4
April May	90,803 89,213 88,710	97.3 95.3 95.0
June July	90,543 92,831	97.0 99.4
August September	92,753	99.4 101.4
November December	96,020 94,711 95,172	102.9 101.5 102.0
1947 - January February March (forecast)	87,935 88,251 88,810	94.2 94.5 95.1

There are, however, manifold dangers inherent in the present situation. If the high rate of investment continues, the discrepency between the demand and supply of labour must cause a further disequilibrium in the whole economic life.

In the pre-war period import of Jewish capital, a high rate of investment and large purchasing power were always linked with immigration, so that a certain

-11equilibrium is seriously disturbed by restrictions on immigration. Thus, all the three tests - investment, production, and employment seem to provide conclusive evidence of the success of peace re-conversion in the Jewish economy of Palestine. ARAB ECONOMY: However, this state of affairs is not confined to the Jewish sector of the economy. Some indications of what is happening in the Arab sector bear out the unmistakable repercussions of these trends on Arab economic life. One of the most interesting features is the financial position in the Arab sector as reflected in the balance sheet of the Arab Bank:-ARAB BANK LIMITED Bank Date Paid-up Total Total Advances and Reserve Bills Discounted Capital Fund Deposits LP. LP. LP. LP. 374;431 396,322 30.4.1936 45;000 19;218 245;622 28,040 293;859 31.12.1939 105,000 .756.577 105,000 .526;237 31.12:1942 27,973 3,777,821 31.10.1945 2,827,277 813,296 844,154 The building movement in Arab towns, although not as brisk as in the Jewish sector, shows very considerable expansion. Even demographic indices which, as a rule, are spread over a longer period of time show the same trend. Thus, the infant mortality decreased in the Moslem population in three years by 10%, i. e. as follows:-MOSLEM INFANT MORTALITY RATE (Infant Deaths per 1000 Live Births) 1944 102,9 1945 93.9 1946 90.7 This development should be seen against the background of the tremendous rise in the standard of living of the Arab population during the war period. Arab real wages, i.e. after elimination of the influence of the rise in the cost of living index, increased, according to Government statistics, from 1939 to October 1946 by 58% in citrus groves and by 110% in the building trade. The Jewish economy and its bearing on the total economic life of the country seem to have been instrumental in making the distribution of property among the poorer classes of the Arab population more equal and even than in the purely Arab countries. While deposits and currency in circulation increased in Egypt at least as much as in Palestine, the earnings of the working population there lagged far behind this increase. In this connection a comparison of wages in industry between Egyptian labour and Arab labour in Palestine is very instructive. The weekly wage per worker in industry in Egypt in January 1946 was 1199 mls., while Palestinian Arab workers earned in the same period 2136 mls. per week in spite of the fact that the cost of living index in January 1946 was 291 in Egypt and 265 in the Arab markets in Palestine, taking the pre-war period as 100. ARAB BOYCOTT: The general economic progress and the success of reconversion were effected in Palestine, as already indicated, in a period of extreme political difficulties. One of them was the Arab boycott. The influence of the Arab boycott on industry as a whole is of small significance. In the pre-war period something like 11% of Jewish industrial production were exported, and out of this total volume only one third or a total of LP. 290,000 were exports to Middle Eastern Arab countries. This situation was changed radically in the war period. In 1944, the percentage of Jewish industrial production exported to foreign countries was LP. 8.2 million or 17.5% of the total out of which LP. 2.5 million approximately, i.e. 30% of industrial exports went to countries of the Arab League. The Arab boycott started being effective in 1946. A comparison of industrial exports in 1944 and 1945-46, will, therefore, be conclusive as to the effect of the boycott on industry as a whole:-

JEWISH INDUSTRIAL EXPORTS IN LP. 1000.

Year To Arab Countries To Other Count:
1944 2,300 5,900

Year	To Arab Countries	To Other Countries	Total	
1944	2,300	5,900	8,200	
1945	2,700	8,400	11,100	
1946 (provisional		8,500	9.000	

However, the picture is to a certain extent distorted by the extraordinarily high rate of exports of diamonds and potash which are not, and have never been exported to countries of the Arab League participating in the toycott. If these exports are deducted the development is as reflected in the following table:-

JEWISH INDUSTRIAL EXPORTS DUCL. POTASH AND DIAMONDS IN LP. 1000

Year	To Arab Countries	To Other Countries	Total	Exports to Arab in 5 of Exports to Other Countries
1944	2;100	2,000	4;100	105%
1945	2,550	1;700	4,250	150%
1946 (pr	ovis- 450	1,950	2,400	23%

The decrease indicated in these figures is not due exclusively to the Arab boycott. It is mainly due to the decline in prices of some 25-30%. This decline of prices is the result of the shift from Middle East markets with their high price level due to inflation to other markets with a more normal price structure. This considerable shift of exports from the Middle East to other countries is indicated by a comparison between the share of industrial exports to the Arab League countries and other countries in 1944, 1945, 1946, as shown in the above table. A process of substitution for Middle Eastern markets took place, which was highly gratifying to Palestine industry. A few instances will elucidate this development:

INDUSTRIAL EXPORTS (EXCL. PETROL) FROM PALESTINE DURING THE MONTHS JANUARY - SEPTEMBER IN LP. 1000

Country of Destination	1945	1946
United Kingdom	774	827
Western Europe, etc. (incl. Belgium, Holland. France, Switzerland, etc.) Greece, Italy, Spain Rumania, etc.	30 35	176 158
Scandinavian countries U.S.A.: Other industrial products (excl.		135
TOTAL		1722

The substitution could not yet completely compensate Palestine industry for the elimination of the markets of the Arab countries. The period of time in which this readjustment took place was too short to make a complete substitution possible. Research of and penetration into new markets require some time. However, the results, so far, are encouraging.

Of course, this development has to a great extent been the result of world shortages, and it is difficult to predict how far these achievements can be maintained in a period of surpluses. However, on the other hand, sooner or later, Palestine should have some possibility to protect its commercial interests by retaliation against the countries of the Arab League, and as the trade balance of this country is adverse - in relation to Arab countries to the tune of LP. 4 - 6 million per year - such retaliation should be highly effective and its impact should be greatly reinforced in a period of surpluses, when these countries will be more than ever in need of markets for their primary products.

ORDIAL :

The difficulties resulting from the internal political situation - terror, Government reprisals, and so on - must be taken into account and be reckoned with in any analysis of the economic position and prospects of Palestine in the period of reconversion. That will be well illustrated by an analysis of one particular and striking development in this whole period of ordeal.

They are estimated at approximately LP. 300,000, as follows :-DIRECT LOSSES RESULTING FROM IMPOSITION OF MARTIAL LAW in LP. 15,000 Citrus plantations 75,000 Industry of Martial Law zone Tel-Aviv 11 Building " 70,000 Jewish transport services within, to and 47,000 from both Martial Law zones 20,000 Trade (incl. hotels and restaurants) 35,000 Public services, liberal professions 26,000 working days lost by daily wage 31,000 LP. 293,000 workers in Jerusalem zone However, the indirect loss was certainly considerably larger. A number of people whose sources of living were gravely affected or completely destroyed by Martial Law Regulations did not register as unemployed. The turnover in shops and business contracted very considerably, and similar effects could be noticed in the various services, hotels, restaurents, in the entertainment industry, etc. Mevertheless, the economy showed an extraordinarily great power of. resistance and a great measure of resilience. This is best illustrated by the development of the unemployed indices in the large area of Martial Law. The following table shows the development of unemployment in the Tel-Aviv district in absolute figures and indices during the period of Martial Law :-NUMBER OF UNEMPLOYED IN THE TEL AVIV DISTRICT (TEL-AVIV, RAMAT-GAN, BNEI-BRAK, PETAH TIKVAH) Index Date No. Index Date · No. 6.3.1947 6,504 100 14.3,1947 6,022 7.3.1947 6,952 107 16.3.1947 5.943 91 55 48 6.770 104 17.3.1947 3.588 9.3.1947 3.137 10.3.1947 6,532 100-18.3,1947 2,928 6,482 45 11.3,1947 100 19.3.1947 43 12.3.1947 6,507 20.3.1947 2,811 100 13.3.1947 5,850 90 The striking feature in this table is that unemployment was not only stabilised but started declining in the Martial Law area before it was lifted. After the cancellation of Martial Law on 17.3.1947 the number of unemployed decreased further. A similar development is reflected in the unemployment and unemployment position in the manufacturing industry, according to branches :-BRANCH NUMBER OF WORKERS 28/2 13/3 17/3 No. of (before imposition (During Mart- (After Lift-Estabof Martial Law) ing of Marial Law lishments tial Law Period) 2552 (+ 25) 69 Metal industry 2529 2254(+275) 16 Textile 754 635(+119) 720 (- 34) 1.287(- 81) 1374 (+ Food 1368 12 6 Leather 129(- 25) 154 154 8 Miscellaneous 259 150(- 89) 233 (-4 Building Materials 140 140 135(- 5) TOTAL 5184 5173 (- 11) 115 4590(-594)

The point of culmination of the disturbances was the promulgation of Statutory Martial Law in an area of some 40% of the Jewish population of Palestine, in which 60% of Jewish industry is situated. This area was cut off from a considerable proportion of its markets in the country and abroad and from the

supplies of raw materials. Further, the building movement was strangulated by the stoppage of transport of building materials into the area on which Statu-

Aviv Harbour and by the difficulties placed in the way of this industry, as far as transport of fruit, movement of labour for picking and packing, etc.

The citrus industry was gravely affected by the closing of the Tel-

The direct losses resulting from this situation were not very large.

tory Martial Law was imposed

are concerned.

The building figures are also very instructive from that point of view :-

BUILDING MOVEMENT IN TEL AVIV AND HAIFA (area in square metres)

	Te	1-Aviv	Ha	ifa
Monthly average 1946	Buildings Started 17,797	Buildings Completed 11,070	Buildings Started 11,480	Buildings Completed 7,386
January 1947 February 1947 March 1947	17,415 37,837 9,684	10,744 10,808 27,454	4,700 19,000 19,000	7,460 14,700 11,300

The month of Martial Law, of course, would have been much better as far as building is concerned, were it not for this unexpected disturbance. However, even under these extraordinary condtions the building movement never completley stopped and seems to have gained momentum immediately after the cancellation of Martial Law. At any rate, during the whole period of Martial Law there was never any increase in the number or proportion of unemployed, which could have been considered as fraught with grave dangers. The resilience was, of course, to a great extent the result of financial resources accumulated in the preceding period, but the ingenuity, elasticity, and dogged determination to stand up against the threat to the whole life of the community played an important role in strengthening the power of resistance.

Afterwards the economy of the country swung again into equilibrium. There was even some additional fillip given to the whole movement of economic life, deriving from a pent-up demand which did not become effective during the period of Martial Law. Deferred purchases accumulated and exerted a pressure on the market. The whole economy acted like a spring contracted for a short period and reverting to its position with increased power.

Anyhow, evidently the fundamental trends and tendencies of Palestine economy are asserting themselves again in spite of all difficulties. Although the situation is still fraught with many dangers there seems to be little prospect of an immediate crisis, as long as unsurmountable difficulties are not created by new reprisals. The rapid process of expansion is resumed again, and there is quite a considerable capacity of absorption for new immigration, if and when political developments make it possible.

The results of this period of re-conversion are clearly brought into relief by unmistakable facts and figures.

The trend of increasing production has continued. The physical volume of Jewish mixed farming production increased from 1944/45 to 1945/46 by 18% and the expansion is continuing unabated. - Production Jewish industry is being, at least, maintained, as indicated by consum of electric power, while the slight decrease in men-days in the cross section of Jewish industry is compensated by establishment of new enterprises. - Construction licenses granted in the four main towns increase from an annual average of 77,000 sq. m. in 1944 to 284,000 sq.m. in 1945.

The trend of increasing production has continued. The physical 1945/46 by 18% and the expansion is continuing unabated. - Production of Jewish industry is being, at least, maintained, as indicated by consumption of electric power, while the slight decrease in men-days in the cross section of Jewish industry is compensated by establishment of new enterprises. - Construction licenses granted in the four main towns increased from an annual average of 77,000 sq. m. in 1944 to 284,000 sq.m. in 1945, and to 719,000 sq.m. in 1946. In Tel-Aviv, actual building was 89,000 sq.m. in 1945 and 213,000 sq.m. in 1946, and 55,000 sq.m. in the first quarter of 1946 in comparison with 64,000 sq.m. in the first quarter of 1947 in spite of Martial Law which fell into that period, while in Haifa which was excluded from Martial Law the total of building completed was 23,000 sq.m. in 1945 and 88,000 sq. m. in 1946, 22,000 sq.m. in the first quarter of 1946 and 32,000 sq.m. in the first quarter of 1947. - New mortgages registered in the whole country doubled from LP.5.5. million in 1945 to 10.5 million in 1946 .- Unemployment in the Jewish economy is still below 3% of the total labour force, i.e. practically negligible. There is a pronounced shortage of labour in many branches of the economy .-Real investment in the Jewish economy averaged in the years 1935/39 LP.8.25 million p.a., in 1944 LP. 5 million, in 1945 LP.6.25 million, and in 1946 LP. 20.5 million. Import of capital equipment in the pre-war period averaged some LP. 2.5 million p.a. and decreased during the war to negligible proportions. In 1946, in spite of shortage of capital goods all over the world, it amounted to LP.10.5 million of which machinery alone amounted to LP.3 million. - The extension of bank credits is another indication of the stability of the economic life. Bank credits which reached in January 1946 the amount of LP. 29,000,000 reached in 1947 (January) LP. 38,414,000.

While the issue of new securities averaged in 1937/39 some LP. 400,000 p.a. and was non-existent in 1940/44, it was resumed in 1945 with an amount of LP. 2.25 million and in 1946 with LP. 1.25 million. In spite of Martial Law and all the difficulties and disturbances the quotations of local securities remained unchanged, and at the end of March 1947 their level was by 2% higher than in January 1947.

The problem of Palestine economy is well illustrated by a comparison with Egypt. The population of Egypt is 18 millions, that of Palestine 1.8 millions, i.e. exactly one tenth. But while imports into Egypt in 1946 reached an amount of L 81 million, they amounted in Palestine to L 55 million, i.e. almost 70% of imports into Egypt. While exports in Egypt amounted to L 57 million, Palestine compares well with L 16 million worth of exports, i.e. one third, with a population of one tenth.

There is no doubt that the first two years of the post-war period belied the gloomy predictions of experts who anticipated the collapse of Palestine economy in the first months of the post-war period, and considered the development of the country as a mushroom growth depending on military orders. The re-conversion of Palestine economy took place under conditions incomparably more difficult than those prevailing in other countries of the world and was at least as successful as in those countries which encountered the least difficulties in their re-conversion. Demobilization was smooth, and absorption of refugees proceeded successfully in spite of the fact that while in 1939 the percentage of capitalists was 28 in 1945 it was only 0.7%, while the figure for 1946 is 0.8%. The majority of the others were destitute.

These results were obtained thanks to the vitality of Palestine economic life and the tremendous psychological and social forces propelling the process of economic development and determining the rhythm of economic life in Palestine.

The purposive and directing influence of public and national factors and funds played a most important role in the process of readjustment. The financing of development and expansion and of the

settlement of new immigrants is in itself a highly important factor in the economic life of Palestine as a country of immigration. The very fact of considerable proportion of public capital financing new investment makes some planning in development possible. The ramifications of public capital into credit and investment institutions under one directing influence make for coordination of economic effort, utilization of credit expansion and construction with a view to maintaining a stable level of employment, for a concentration of the economic effort on those lines most important from the point of view of the great national task of absorption of immigration, settlement and Jewish reconstruction in Palestine.

D. Horowitz



FEATURES OF EMERGENCY LEGISLATION IN PALESTINE

INTRODUCTORY May 6, 1947

1. It would be a thankless task to attempt to summarise in a brief note the anti-democratic features of the Emergency Legislation. It consists of numerous regulations, every one of which could serve as an example of autocratic law. It is therefore intended to point out here the striking features of the legislation.

2. The source of the Emergency Legislation is the Palestine (Defence)
Order-in-Council 1937 which might conveniently be called "the Defence Order".
It confers upon the High Commissioner boundless power to make Defence Regulations "as appear to him in his unfettered discretion to be necessary or expedient" for securing the public safety and similar objects. The regulations - making power is so general that there cannot possibly be any Defence Regulation which would not be intra vires the Defence Order and the Courts have repeatedly so held.

DEFENCE ORDER

- 3. Whilst almost all objectionable features of the Emergency Legislation are embodied in the Defence Regulations there are two outstanding features in the Defence Order itself which ought to be mentioned.
- From the point of view of international law, the main objection to the Defence Order is that it does away with the obligation imposed upon the Mandatory by the Palestine constitution to respect the provisions of the mandate. The Palestine Order-in-Council 1922-1940, which is municipally the constitution of the British rule in Palestine, prohibits by Article 17 the enactment of any law which is "in any way repugnant to or inconsistent with the provisions of the Mandate" or which tends " to discriminate in any way between the inhabitants of Palestine on the ground of race, religion or language". There is no similar safeguard in the Defence Order; moreover it expressly provides by Article 6(2)(d) that any law may be amended, modified or suspended by any Defence Regulation and by Article 6(4) that any Defence Regulation or order or rule or by-law made thereunder supersedes any law with which it conflicts. As the term "law" in the Defence Order is defined by Article 2(1) as including Orders-in-Council, there is now nothing to preclude the High Commissioner from making any Defence Regulation repugnant to the Mandate or entailing racial discrimination.
- 5. From a civic point of view, the main objection to the Defence Order is the deprivation of the right to seek the aid of the Courts in protection of elementary liberties. Article 12 provides that no document purporting to have been made under the Emergency Legislation can be called in question in any Court of Law or in any other manner whatsoever. The Courts of Justice, however high, are completely helpless to remedy any wrong, however unjust or fanciful, committed by any Government Official, however low, if the wrong is done under the pretence of a document purporting to be under the Emergency Legislation. Any absurd document is taboo if it purports to have been made under the Emergency Legislation.

- 2 -

RULE BY THE BRITISH MILITARY FORCES

Wide and harsh as the Defence Order is, yet it contemplates the enforcement thereof by the Palestine Administration itself. the slightest indication in the Defence Order disclosing an intention to hand over the functions of Government to the British Military. The Defence Regulations, which form the bulk of the Emergency Legislation, virtually hand over the country to the British Military Forces. The General Office Commanding the British Forces in Palestine, who is neither appointed by the High Commissioner nor answerable to him is made the supreme authority in the country. He appoints Military Courts (D.R.12) and Military Commanders for the various areas into which he divides Palestine (D.R.6), he confirms sentences of Military Courts (D.R.47-48), only he can overrule a Military Commander (D.R.6(5); the Palestine Police Force is under his operation and control (D.R.11.). The Military Courts, all British military personnel, have exclusive jurisdiction over the population in a considerable number of criminal offences relating mainly to the use or possession of arms and to kindred matters (D.R. 57(2) and jurisdiction, concurrent with the ordinary Criminal Courts, in all other offences against the Defence Regulations (D.R.15) and in a martial law area exclusive jurisdiction in all criminal matters (D.R.153).

Military Commanders, all British military personnel, are the virtual rulers of the areas under their command, and the Civil District Commissioners act merely as political advisers to them (D.R.6(3). A Military Commander is the sole authority on the liberty of the inhabitants within his area; he can restrict the movements of any person in his area and expel him therefrom (D.R.109); he can put any person under police supervision (D.R.110); he or any person authorised by him can direct the detention of any person for an unlimited period of time (D.R.111); he is not answerable for any such act to any one; it is sufficient if he is of the opinion that the act is necessary or expedient (D.R.108). A Military Commander can order the forfeiture and demolition of property in his area (D.R.119); he can order the billeting of additional police (D.R.121); he controls roads and traffic (D.R.122 & 126); he imposes curfews (D.R.124); he may close areas and expel therefrom all the inhabitants (D.R.125); he may order the opening and closing of business and other premises. (D.R.129).

Additional powers are given to a Military Commander if martial law is declared in his area; such as closure of banks (D.R.154), prohibition of traffic (D.R.156),* making orders and directions with retrospective effect (D.R.160).

The High Commissioner cannot overrule any decision of the Military Authorities and he has thus divested himself of most of his executive powers in favour of the British Military Forces, in breach of his constitutional duties.

7. COLLECTIVE RESPONSIBILITY

The principle of collective criminal responsibility is stretched in the Defence Regulations to a most alarming extent. A person may be sentenced to death if it is proved that he is a member of a group or body of persons another member of which committed an office of a certain class such as carrying or discharging arms (D.R.58(d). Similarly, a member is liable to life imprisonment if another member has committed an offence of a certain class, such as possession of arms, damage to roads or vehicles. (D.R.59(g).

* requisition of buildings and land (D.R.158)

-10 "Group or body of persons" is nowhere defined in the Regulations and may mean anything. It is not even necessary that the member who actually committed the offence should have done it on behalf of the group or body or in furtherance of its objects. The mere membership of an offender renders all the other members, however innocent, liable to these severe punishments. A house may be forfeited, the occupants thereof evicted, and the house destroyed on the sole ground that it is situated in a town some of the inhabitants of which have, in the opinion of a Military Commander, committed an offence against the Defence Regulations involving violence (D.R.119). LIBERTY OF THE SUBJECT Any soldier or policemen may arrest any person without a warrant and keep him in custody for seven days if he believes that there are sufficient grounds for a Military Commander to detain him or for the High Commissioner to deport him (D.R.112B). Any person can be searched without warrant by any soldier or policeman 9D.R.76). There is no provision for women to be searched by women only. The powers of a Military Commander to restrict the movements of persons. put them under police supervision and to detain them have already been mentioned. . The High Commissioner may order the deportation from Palestine of any persons, without even specifying their names, numbers or description and without giving any reasons (D.R.112). The Power of a Military Commander to impose curfew for any period of time enables him to impose a wholesale home arrest of the entire population of the curfew area as a punitive measure. As has been stated, there is no Court or Authority to whom one can appeal against any encroachment upon liberty. The only vestige of appeal is an objection against an order of detention, and against such order only, to an Advisory Committee (D.R.111) but even this is no more than a shadow of a right. The detainee is neither given a charge nor a precis of facts on which the suspicion against him is based; the composition of the Committee is nowhere published; it sits in camera; it has no law or rules to go by; the detainee does not appear before it nor is he represented by a lawyer or anyone; the C.I.D. is represented before the Committee; the material before the Committee is a report of the C.I.D. and their representations and a petition by the detainee which in the circumstances cannot amount to much more than a general protest of innocence. Even then the decisions of the Committee are merely recommendations which may or may not be accepted by the Military Commander. MILITARY COURTS There is no provision that any of the officers who constitute the Military Courts require any legal qualification. In fact they very often have no such qualification. This is particularly deplorable since they are the judges both as to law and fact, they are not bound by any procedure (D.R.21) and they are entitled to admit evidence which under the ordinary law is inadmissible (D.R.22). Even in a capital case there is no preliminary enquiry, and the accuse is unaware of the nature of the evidence and of the names of the

witness against him. All he is given is a short statement of a few lines stating the facts constituting his guilt. The judgment of the Court need not be, and never is, reasoned. The judgment is final and unappealable and cannot be questioned anywhere (D.R.30); the only semblance of appeal is a petition by the convict to the General Officer Commanding to vary the judgment or sentence. The elementary rules for treatment of prisoners under sentence of death and the procedure of execution do not apply to persons sentenced to death by Military Courts (D.R.52). The prisoner need not be informed of the time of the execution (as in P.R. 289); he need not be evacuated to a hospital even if the prison doctor considers it imperative (as in P.R.292); he is not entitled to visits of relatives or of his religious minister (as in P.R.295); he need not be executed in private (as in P.R. 298); there is no need for a religious minister to be present at the execution (as in P.R.301); there is no need to hand over the body to the relatives for burial (as in P.R. 302). CENSORSHIP 10. There is an elaborate set of regulations providing for censorship both of postal communications and publications including newspapers (D.R. 86-101). The censor may, and in fact does, require the submission of newspapers for censorship before publication (D.R. 97). The censor may suspend or close any newspaper and confiscate the printing press if any publication in the newspaper is considered by him to be unlawful even in the case where the publication has previously passed the preliminary censorship (D.R.100). PROPERTY The powers of a Military Commander to order the forfeiture and demolition of property has already been mentioned. A District Commissioner may requisition any immovable property (D.R.114). The scope of this power is so wide that it enabled the requisitioning not only of solitary premises but of entire business centres and residential quarters in Jerusalem, Haifa and Tel Aviv. The source of livelihood of a great many business and professional men was thus seriously impaired; thousands of persons were almost overnight to leave their homes. Under the Regulation the guilt or innocence of the evacuees is of no importance, and in these evacuations no suggestion of any suspicion of guilt of any of the evacuees was ever made. Any soldier or policeman, if authorised by an officer, may search any premises or vehicles etc. without a warrant (D.R.75). The authorisation may be general, and the regulation is so wide in scope that it enabled mass searches to be effected in Tel Aviv for four consecutive days, when the entire city was searched from house to house, and in Jerusalem and other parts of the country when whole quarters were from time to time searched from house to house, without any suspicion attaching to any particular house. The necessity of the presence during a search of impartial witnesses prescribed by the ordinary law is dispensed with.

MARTIAL LAW

. . .

The powers of the Military and the limitations of and interference with the liberties and rights to properties of the inhabitants reach their apex upon the imposition of martial law upon areas declared to be controlled areas (D.R.148). In such case, in addition to all the restrictions applying as above stated, the following further restrictions apply to the controlled area; all Government Offices are closed to the public (D.R.150); the ordinary Civil and Criminal Courts are closed (D.R.151); Military Courts have exclusive jurisdiction over all offences (D.R.153); banks may be directed by the Military Commander to be closed (D.R.154); no telephonic, telegraphic or postal services, either local or with other areas in Palestine or with other countries are provided and telephonic and telegraphic apparatus may be disconnected. (D.R. 155); movement of persons and vehicles into and out of the controlled area are prohibited(D.R.156); any person may be removed by order of the Military Commander from the controlled area to any place in Palestine (D.R.157); a Military Commander may exercise the requisitioning powers of a District Commissioner (D.R.158). In short, the controlled area is put under absolute military rule and is cut off from the rest of Palestine and the world.

References:

D.R. is abbreviation for Defence Regulation P.R. " Prisons Rule.

- Palestine Order-in-Council 1922-23 appears in Vol. 3 Laws of Palestine (Drayton) p.2569 seq. & p.2591.
- Palestine (Defence) Order-in-Council 1937 appears in Supplement 2 to Palestine Gazette No.675 of 24.3.37, p.267.
- Defence Regulations 15, 57(2),58(d), 59(g), 112B as well as an amendment of lll appear in Supplement 2 to Palestine Gazette No.1470 of 28.1.46 also 112 appears in the same Gazette but an amendment thereof appears in Supplement 2 to Palestine Gazette No. 1536 of 20.11.46.
- Defence Regulations 148, 150, 151, 153, 154, 155, 156, 157, 158 and 160 appear in Supplement 2 to Palestine Gazette No. 1572 of 10.4.47.
- Defence Regulations 30 and 52 appear in Supplement 2 to Palestine Gazette
 No. 1574 of 17.4.47.
- All the other Defence Regulations mentioned in this Memorandum appear in Supplement 2 to Palestine Gazette No. 1442 of 27.9.45.
- The Prisons Rules appear in Vol. 3 of Laws of Palestine (Drayton) p.2057-8.

UNITED NATIONS LAKE SUCCESS, NASSAU COUNTY, NEW YORK 4 June 1947. Dear Sir: I have the honour to inform you that the United Nations Special Committee on Palestine, after careful consideration of your letter of 19 May 1947 and of the general problem of relations with representatives of the Mandatory Power and of the population of Palestine, adopted on 3 June at its third meeting the following rule of procedure: "The Mandatory Power, the Arab Higher Committee, and the Jewish Agency for Palestine may appoint liaison officers to the Committee who shall supply such information or render such other assistance as the Committee may require. The liaison officers may, suo moto, present at the discretion of the Committee such information as they may think advisable." I would appreciate it if you would inform me at an early date of the name of the Liaison Officer of the Jewish Agency if it

may wish to designate such an officer.

I have the honour to be,

Sir,

Your obedient servant,

/s/ V. Hoo VICTOR CHI-TSAI HOO Personal Pepresentative of The Secretary-General Special Committee on Palestine

Abba Hillel Silver, Chairman American Section The Jewish Agency for Palestine 16 East 66th Street New York 21, N. Y.

CLASS OF SERVICE

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DR ABBA HILLEL SILVER=

THE TEMPLE=

1947 JUN 6 AM 11 10

FOLLOWING FROM ZIONIT QUOTE YOURS NET 2/6 ACCORDINGLY
DECIDED BY MAJORITY FIRSTLY POSTPONE ACTIONSCOMUNTIL
JULY PLEASE INFORM URGENTLY ALL MEMBERS AMERICA
INCLUDING ZUCKERMAN SECONDLY HOLD PLENARY EXECMEETING
ELEVENTH JUNE JERUSALEM AS ANNOANCED STOP EXECUTIVE
CONSIDERS IMPERATIVE FULL ATTENDANCE THIS IMPORTANT
MEETING THEREOFRE URGES ALL MEMBERS AMERICA MAKE UTMOST
EFFORT ARRIVE JERUSALEM NEXT WEEK UNQUOTE=

THE ARTHUR LOURIE DESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

June 12, 1947

PERSONAL

Dr. Benjamin Akzin American Zionist Emergency Council 342 Madison Avenue New York, 17, N. Y.

Dear Benjamin:

Don't be asinine! Of course the imputation in the last paragraph of your letter of June 10 is unfounded.

So far as the World Christian Palestine Committee is concerned, with which my own contacts have hitherto been rather termous. I haven't the remotest idea whom they invited or did not invite to their diamer tonight and am certain that no slight to the Emergency Council was intended. The very fact that Howard LeSourd and Carl Voss are principal officers of the Committee and work in closest contact with the Emergency Council should have been sufficient proof of that. I would suggest that the obvious thing is for you or someone else in the Council to ring up Mrs. Mond and draw her attention to the omission.

I know nothing of the non-invitation of Sack and Schulson to the Jewish Agency reception for local newspapermen - to which I also was not invited - but I shall be glad to pass on to Epstein a copy of your note in this connection.

Please believe, as stated in my earlier note, that the failure to invite members of the Emergency Council to the Actions Committee meeting was a pure oversight. Incidentally, apart from myself, who made a brief report, no other members of the Agency Staff were invited to this meeting. I want to conclude by saying that I certainly desire mething more than to work in close cooperation and harmony with my old colleagues in the Emergency Council.

Yours Sincerely,

Arthur Lourie

ALIMP

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

June 23, 1947

To:

Dr. Abba Hillel Silver

Arthur Lourie

FROM:

Tuvim has informed me that you would like to see the Minutes of the meeting of the Executive in which the question of the Friends of the Haganah was discussed. I am enclosing the relevant section of the stenotypists record as it stands. I have marked in pencil in the margin the section dealing with this matter.

I am trying to get into touch with Rabinowitz to ascertain the present status of the whole affair.

AL: NF Encl. are folder for Hagamah. Quencom for Hagamah

June 23, 1947 Mr. Arthur Lourie Jewish Agency for Palestine 16 East 66th Street New York 21. N.Y. My dear Mr. Lourie: I am sending you a copy of the letter of Mr. Marshall to Senator Wagner in response to Wagner's request that the documents pertaining to the Mufti should be published. I am sending it to you on the off chance that you have not seen a copy of it. Have you cabled to Jerusalem the suggestion that at the proper time the Committee of Inquiry should ask the United States to express its opinion? Henderson has twice indirectly suggested that this be done as a means of getting America's official opinion registered. Mr. Tuvim phoned me this morning about the organization of the Friends of the Hagana which is taking place, its incorporation, etc. I do not recall that the Agency Executive took final action on the matter or that funds were allocated for that purpose. I should be grateful to you if you would send me a memorandum on this subject indicating where the matter stands at the moment. I am enclosing herewith a letter which I received from Dr. Saul Lande. There seems to be considerable merit to what he writes. Is there anything we can do about it? You may wish to pass on Dr. Lande's thought to the Agency in Jerusalem. With all good wishes, I remain Very cordially yours, AHS:BK Enc. - 2

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

June 24, 1947

To: Dr. Abba Hillel Silver

FROM: Arthur Lourie

I enclose a copy of some notes which I have sent to Mr. John McDonald with reference to his article on Zionism, the draft of which I have had an opportunity of seeing, which is to appear in the near future in Fortune magazine.

NOTE ON FORTUNE ARTICLE

Page 2. 8 lines from end: "Political Zionism is rampant Jewish nationalism". Presumably the writer does not describe the aspirations of the Irish or the Greeks or the Czechs for the maintenance of their national independence as "rampant" nationalism. The use of the word here is offensive and unjustified.

Page 2. 5 lines from end: "Political Zionism ... took a commanding position over cultural Zionism in organized Jewry after 1939". This idea recurs at various places in the article. It betrays a complete misunderstanding of Zionist history and of the use of the term "cultural Zionism". Dr. Weizmann who was the strongest advocate for acceptance of the Peel Commission proposal for a Jewish State in 1937 is no more or less a political Zionist than say Ben-Gurion who was primarily responsible for the Biltmore program. Nor was Weizmann any less a political Zionist in 1917 when he obtained the Balfour Declaration than he was in 1937 or than he is to-day. At the same time his belief in the ultimate establishment of a Jewish State was always conditioned by his conviction that that State would not come unless a firm foundation in terms of actual achievement - of an established Jewish settlement in Palestine - had first been laid. Cultural Zionism on the other hand was an abstraction based on the idea of isolating cultural problems from political economic and other factors. All that was required according to this theory was a center of Jewish culture sufficiently large to survive and maintain its individual existence. Even Ahad Haam, the chief exponent of cultural Zionism, abandoned it after the Balfour Declaration. Cultural Zionism was at no time accepted by the Jewish masses or the Zionist leadership.

Page 3. Line 8: "The rise of political Zionism to a position of domination in world Jewish affairs ... has roughly paralleled the rise of the Nazi movement in Europe". Again this shows a lack of understanding of the depth of the Zionist idea in Jewish life and thought. The tremendous enthusiasm engendered amongst the Jewish masses in the United States in 1917 by the Balfour Declaration was not a reaction to the growth of Nazism in Europe after World War I. Similarly, with respect to the intense longing, which long predated the rise of Nazi Germany, of the great Jewish communities of Poland Lithuania and the other Eastern European countries for a homeland of their own.

Page 3. 6 lines from end: The same fallacy underlies the statement that "Zionism had to await the coming of Hitler to inspire a considerable number of Jews to take it seriously". The only comment one can make on this statement is that the writer doesn't know what he is talking about.

Page 5. line 9: "Humanitarian and political principles were thus shakily hinged together". From the very beginning Zionism has combined the idea of the political reestablishment of the Jewish nation and that of providing a secure home for those Jews in need of it. The two are intimately and inextricably associated. They are not "shakily hinged together". The further suggestion that for the political Zionist the misery of the displaced persons was merely an opportunity for trying to achieve a mumerical majority over the Arabs, is, once more, offensive and unwarranted. As for the reference in line 13 to "Zionist campaigns in the camps of Europe for immigration to Palestine" precious little campaigning was required to persuade the decimated remnants of the Mazi slaughter that they did not wish to remain in the graveyard of Europe but wanted a land of their own.

Page 10. 5 lines from end: "According to Herzlian logic it ultimately took 6,000,000 dead to get 600,000 living into Palestine." This is too clever by far. One might as well say that "according to the logic of liberal humanitarianism it ultimately took 6,000,000 dead to get 300,000 living into the United States in the inter-war period." Leaving aside the fact that most of the 600,000 had actually settled in Palestine before the Mazi mass slaughter took place, it was not because of any defect in Herzl's logic that so few were saved but by reason of the speed of the Mazi disaster and the attitude of the Mandatory. On the contrary he foresaw the danger of an ever more aggravated persecution and concluded that the only answer was a homeland of their own for the Jewish people. Events would seem to have justified him only too fully.

Page 13. line 16: "Jews were courted in the 18th century". This is certainly an exaggeration. In England, for example, discriminatory laws which prevented Jews from election to Parliament were not repealed until the mid-19th century.

Page 18.9 lines from end: The suggestion that Britain got the support of the Arabs in World War I is far too general. (see attached note)

Page 20, end of 1st Paragraph: It is suggested that the sentence should be amended to read "What they did to rock, swamp and desert forms an unassailable Zionist argument for favorable judgment."

Page 21. line 13: The suggestion that Zionism was in a state of decline and was revived only by the Hitler persecution, is in contradiction with the facts of the Jewish situation in Eastern Europe throughout the inter-war period; and with such a development as the establishment, with the participation of the leading members of British and American Jewry, of the enlarged Jewish Agency in 1929.

Page 23. beginning of 2nd paragraph: "In two years cultural Zionism was engulfed by political Zionism." It has already been suggested that the writer has an entirely false conception of "cultural Zionism" and the part it played in Zionist history. The idea that up till 1942 "cultural Zionists" were in the saddle and that they then gave way to "political Zionists is nonsense. Weizmann, Ben-Gurion, Shertok, Silver, and others who conducted the destinies of the Zionist movement prior to, as well as after, the Biltmore Conference were as much political Zionists before that conference as they remained afterwards. What the Biltmore Conference did, however, was to recognize the impossibility of continued large-scale immigration and settlement under British rule. The Jewish Commonwealth formula was based on the conclusion to which the Zionists had been driven that only by Jewish control of Jewish immigration and development could uninterrupted immigration into Palestine be assured. Such differences as developed in regard to the Biltmore program were with regard to emphasis and approach rather than political objective.

Ind of page 24: To describe the present phase of Zionism as the "Jabotinsky period" is a distortion. A much more accurate description would be the "White Paper period". This misleading impression is reinforced by the reference to "the Revisionists returning victoriously to the official Zionist fold at the Basle Congress last year" (page 25, line 12) Far from this being a victorious return, it reflected the recognition on the part of the Revisionists that their hopes of establishing a New Zionist organization which would supplant the old organization had failed. The extent of their victory was indicated by the figure of 15% which they obtained of the Palestine vote. Surely not an overwhelming victory! The Revisionists moreover refused to participate in the elections for the General Assembly of the Jews of Palestine, the reason undoubtedly being that they knew that the result would have demonstrated their relative

numerical weakness. It is characteristic of the "White Paper period" that despite every obstacle on the part of the Mandatory power Jewish settlement, under the direction of the recognized Jewish leadership, including the establishment of dozens of new colonies in the Negev and elsewhere, continues uninterrupted. With this constructive achievement the Revisionists had and have nothing to do.

Page 28. line 16: Dr. Silver has never, as far as I know, registered as a Republican and would probably deny affiliation with the Republican party.

Pare 29. line 10: I do not think that the description of Dr. Goldmann as a "minimalist" is a fair one, even though in his view a partition based on the immediate establishment of a Jewish State in a adequate area of Palestine should be regarded as an acceptable compromise. That view was, in fact, endorsed by a large majority of the Zionist Executive in Paris last August. The Palestine Alivah Hadasha group, which was represented at the last Congress, and believes that agreement must be sought with the British at almost any cost, could perhaps properly be described as minimalists.

Page 33. line 6: Regarding the principle of self-determination as it related to Palestine it must be remembered that Palestine as such never was an Arab State. During the hey-day of Arab power it was merely one corner of the Arab Dominions. During World War I the nations of the world conceded the right of the Arabs as a people as well as of the Jews as a people to national self-determination: this was the basis of the arrangement whereby Arab independence was envisaged for the vast areas freed from Turkish rule while Palestine was to be reserved for the dewlopment of a Mational Home for the Jews.

Page 33. line 19: "Federalization" is not the appropriate word. The scheme proposed is really one for "Cantonization". Federalization implies the grant of authority from the constituent elements to the center. This is not the case in the British scheme where the central British Government retains all essential powers. The British have no doubt given currency to the word Federalization as being more attractive to the American ear.

Page 33. line 10: This is no place to go into a discussion of nationalism.

But to describe nationalism as "the worst of all possible political motivations", certainly seems to be going a trifle far.

In general so far as the conclusion of the article is concerned, one has the impression that the writer singles out for condemnation Jewish nationalism. Why not at the same time condemn the desire for national independence of all other peoples.

On page 34. 7 lines from the end, he talks glibly about a "bi-national" state which would put it up to the residents of Palestine to work out their differences. The writer does not indicate what he means by a "bi-national state" - which means many things to many people. Does he imply a "parity state" (in which each national group is equally represented in all governmental institutions, as suggested by Dr. Magnes) or a state in which a tolerated Jewish minority would be guaranteed certain rights under the constitution. If the former how does he propose to deal with the inevitable deadlock which will arise. If the latter, what prospect is there that the Mufti, as eventual ruler of Palestine, will observe the proposed guarantees any more than did the Iraqis observe the guarantees given by them to the League of Matiens with respect to the Assyrian minority whom they proceeded to slaughter as soon as they had obtained their independence.

The last page and a half are so woolly, and despite the impeccable concluding sentiments, so obviously devoid of any real solution, that it is difficult to comment on it in detail.

"Remove the goal of a Jewish State and what does immigration matter?"

It will continue to matter a gread deal to the Arabs and vitally - in

the literal sense of the word - to a great many Jews.

"If the history of the Jews means anything, after the first 100,000 refugees have come into Palestine there will not be many more desirous of going". One may retort that, if the history of the Jews means anything the continuation of their national homelessness offers nothing but the prospect of continued insecurity and periodic persecution. "A binational state in Palestine (under a revised British Mandate or a United Mations Trusteeship) ... that is a program with inspiration and a future". The Jews of Palestine and elsewhere for that matter can see precious little inspiration in the prospect of continued British Trusteeship. As for an international Trusteeship, does this imply here a three or four-power trusteeship in which, as in the case of the Trieste regime, great power politics will produce only paralysis: or has the writer some other scheme up his sleeve which he fails to disclose.

"Political Zionism must be regarded essentially as a backward and hopeless movement." It was nevertheless Political Zionism which was responsible for what is generally conceded as the one great constructive achievement in mass colonization of our generation.

"Except as a minor refuge from a minor trouble, Palestine is obviously an escapist dream". Vell! Vell!

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

June 26, 1947

To: Dr. Abba Hillel Silver

FROM: Arthur Lourie

I saw Judge Rifkind this morning and enclose a note which I have prepared on the basis of his verbal report to me.

ah.

Note of Conversation Between R. and E. Tuesday. June 24. 1947

Following some introductory talk of a personal and informal character, R. said that he had wanted to talk to E. about Palestine. In doing so he suggested that it might be helpful if E. could indicate, in general, his attitude to the idea of the Jewish National Home. E. at once stated that he was favorably disposed to the Jewish National Home and that, for two reasons. He was not influenced in the matter by religious considerations. But in the first place he knew what the Jews had done in Palestine; with the Arabs on the other hand it was not the case of the Arab following the desert but the desert following the Arab. The Jews were doing a good job of work and he felt it was in the general interest of mankind that that work of development should continue. And secondly, he favored a Jewish homeland because it was his observation that if a group has no place of its own that makes for trouble.

In subsequently qualified this by saying that he did not agree that the place for the Jews must necessarily be Palestine. Thus from what he had seen in Cyrenaica there was much to be said in favor of that country.

R. replied that there was nevertheless an indigenous population also in Cyrenaica which would before long constitute a parallel problem to that of the Arabs in Palestine, who, in 1917 had also not been considered a major factor. But beyond this was the essential fact that the Jews just didn't want to go to Cyrenaica, whereas they did want to go to Palestine. R. also drew attention to the great investment of devotion, energy and capital which the Jews had made in Palestine; their achievement there today had an immense meaning in terms of national pride which could not be overlooked or liquidated.

In answer to E's inquiry as to the prospects of the passage of the Stratton bill, R. said he felt that the prospects were not good.

E. mentioned that in 1945 he had recommended an immediate transfer of a substantial number of DP's to the United States. His experience at that time had suggested that they were likely to make a useful contribution to this country's resources. He also expressed himself as still favorable to the idea of settling Belts in Alaska.

Coming back to the question of Palestine, E. stated that what the British wanted was that the Americans should accept responsibility. He went on to say that there was a difference of opinion as to the extent to which Arab hostility was likely to be a dangerous factor in the event of favorable action by the United States on the Jewish National Home. Some said yes, and some said no. There were questions of sabotage of pipe lines and communications, and E. referred to the idea of a "Jehad".

R. asked if he might let E. have a memorandum on the strategic aspects which had been prepared by the Jewish Agency. In so far as he had knowledge of the matters discussed in the memorandum he associated himself with the points made there. It was a memorandum drawn up by competent people. He added that in present circumstances it was very easy for an Egyptian politician to obtain attention by letting himself go on the Palestine issue, but if once a Jewish State was established the Arabs would in the course of time have other fish to fry and would accept it as a fact. In the course of discussion as to whether a pro-Arab or pro-Jewish settlement would be more likely to achieve finality, R. said that a pro-Arab solution would almost certainly be a springboard for further demands on the part of the Arabs and would in fact not constitute a final settlement. For the Jews furthermore there is no alternative, they must achieve the national

home or struggle on indefinitely - there was no other way out. With reference to the question put by E. as to whether there was still room for an agreed solution R. drew attention to a memorandum filed by him in January 1946 with Headquarters in which he had asserted that any hope of a solution was doomed to failure and that what was called for was "decision, judgment and execution". E. remarked that naturally R. was familiar with the fact that the British Government had proceeded on a contrary assumption for the last 18 months. E. expressed assent to R's comment that history had in fact borne out his own views. E. said that he would be glad to study the memorandum and asked if he might pass it on to the Secretary of State with his comments. To this R readily agreed. E. asked about our relationship with the Secretary and R. pointed out that in view of Marshall's military background the contacts of the Jewish Agency leaders with him had hitherto been very limited. R. went on to say that on paper American policy on Palestine was good but that the American attitude at the United Nations had been disappointing. Moreover leading representatives of the United States Government had on occasion even gone so far as to discourage the sympathies of other states. In this connection, without mentioning names, R. referred to a specific off-the-record meeting between Herschel Johnson and certain South American representatives.

At one point in the interchange of ideas there was a reference to the effects on the American scene of the absence of a settlement in Palestine and particularly on the Jews in this country. The suggestion was made that the concentration of American Jews on this extraterritorial problem over a long period was not to be desired but would be unavoidable in the absence of a satisfactory solution.

Except for a passing reference there was no discussion of the Russian angle. Such indication as E. gave in this direction suggested that he was not unduly impressed by that particular argument.

The interview which was very friendly throughout lasted 45 minutes.

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JUNE 26, 1947

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485 MESTINO TESTERDAY EXPERIENTISM ALL GROUPS CONSTITUEND NEW SHEERL BOARD STOP
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הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

June 30, 1947

To: Dr. Abba Hillel Silver

FROM: Arthur Lourie

Attached is a translation of a letter received by our Latin American Department from Dr. Gerchunoff of Argentine, reporting on his tour of a number of South American countries on our behalf.

I have suggested to Dr. Roitman that in the future he should arrange to have his translations revised for style.

OL.

June 19, 1947.

MEMORANDUM

From: Latin American Department, The Jewish Agency for Palestine, Washington, D.C.

To : The Members of the Executive

Subject: Translation of a letter-report submitted by Doctor Alberto Gerchunoff, of Buenos Aires, Argentine.

"Buenos Aires, June 10, 1947."

"Mr. Moises A. Toff, Director Latin American Department The Jewish Agency for Palestine Washington, D. C.

My dear friend:

The job commissioned to me has come to an end and here I am, back at home, amid my people and my books, devoting once more to my profession and it is easy for me now to summarize the impressions gathered during my tour throughout some South American countries.

While in Brazil my task was greatly eased by the special reasons of my established connections with the press and my previous political activities there which in some instances acquired an international character, in Lima my work was made a bit harder by the old feeling of the Peruvian people. There is in Lima an atmosphere of antisemitism created by the hatred which social classes of some distinction have accumulated in their hearts and, naturally, even to the tourist would seem logical, the aggravating factor of the actual jew of immigratory origin, whose sudden enrichment increases the antagonism towards the jewish community.

In fact, backed by their best intention, they told me much about the impression caused by the phenomenon of the small jewish community on the man of a middle class social standing in Peru -- the Jewish Community in Peru is of about 2,500 people and characterizes itself for the abundance of of its resources, the high living levels and its apparent outside riches. As you will see, Jewish gold is always the argument that develops the usual entagonistic reaction with which the Jewish community is isolated, belittled and which, furthermore, is used to hamper the fulfillment of its ideals to constitute in a nation. However, I was able to impose on the situation to the point of forcing the press in its deliberate silence on the object of my mission, to account for it, for my activities and my interviews with personalities of the official circles. You are familiar with certain facts, some even in details, on which it is not necessary to make additional reference. I can tell you that even in Lima a great many obstacles of considerable importance were overcome and I even moved the Minister of Foreign Affairs, a young personality of aristocratic connections who considered my arguments and my data of far reaching interest, to the point that he urged me to make them known to the President of the Republic as well as to other personalities of high political standing at present. So, from the President to the Cardinal, I have moved all the means that a diplomatic mission of this nature had to avail of, with appropriate exactness and scrupulosity,

and keeping in line with this primordial pursuit, I was able to contact public opinion through the best reputed educational institutions of the city. At the University, the Writers' Association and at the Insula Society of Mireflores, of social and artistic prestige, my conferences were heard and I never failed to explain the objective of my mission, even when the subjects discussed were completely different. The case is that at the University of San Marcos, at Lima, I talked about the Jewish problem, just as it was possible for me to explain our cause and our aspirations from other tribunes of traditional reputation. With reference to my connections with the community itself, I must inform you that notwithstanding its demographic limitation, it is very active and shows a good will which must be appreciated, not ignoring the fact that it lacks men of significance and physical and spiritual readiness enough to face ministers, logislators and personalities of high positions. However, I would be unfair to ignore the merit of its efforts and, above all, the beauty of its devotion. In that community they count on some persons as Dr. Wecselman, a young lawyer of good disposition and well known in the judicial and forensic circles. He is not the only one, of course, but I mention him because besides Mr. Neiser, he could be used to our benefit. In regard to the Poruvian Conmittee for Palestine, I must say that it has the good qualities and the wrong sides as most Committees do, it being much better then the Brazilian and evidently inferior to the Chilean. Its President, Doctor José Galvaz, is a personality who could not be replaced without detriment to the Committee. He is extremely affable, heartily in fever of the Jewish cause. and who, after relinquishing his duties at the Senate, which will be next August, could easily be more widely and more successfully used in behalf of the work of the Committee. By all means his presidency is a big asset in the Committee and it would be extremely difficult to replace him. The Committee's Socretary, Mrs. Julia Prilutzky Farny, was of exceptional help to me in my work and in developing my relations in Lima. Some of the members of the Sienist Orgenization, among them Dr. Kerl, whom you may possibly know, impatient on his desire to activate the Committee and somewhat confused by the germanic methodicalism, would like to handle that entity as if it were a decile subordinate of that Organization. I had to calmend appears him. He also asked me to set a pottern of work for the Zionist Organization and I limited myself to request their efforts, on the first place, to egitate the community through conferences and large and small gatherings, in order to maintain in it a living civic spirit. I believe this is all that could be done, and I adviced them to keep in contact, in friendship and in cooperation with the most important men in Lima and even to behave in a way that would annul, because of its scrupulosity and correctness, the impressions that always determine the antisemitic feelings in most of its stages. Doctor Karl has insisted that I request the Jewish Agency to send them to Lima a man who would direct and discipling them. It is a program somewhat uncongenial with me and with the spirit of the Committee of Line and I asked Dr. Karl to desist of his dreams. I addressed the community in different opportunities. In a meeting of loaders I was subjected to many questions related to the Jawish problem, its possibilities and its contrasting contingencies and I had to solve all these undoubtedly complicated matters. I also made special addresses in various machines and I gave them everything that my spirit could afford in the best and most sincore cordiality.

In connection with my visit to Chile, I am no loss satisfied. There, due to old precedents, the Government is favorably inclined to our cause; I was in contact with its principal members and, as in Lime, was accorded attentions which honor me and which indirectly have had their favorable effects on my mission, a reason for my satisfaction. The Minister of Foreign Affairs gave me a

forewell dinner of great significance, in the name of his Government, a distinction very solder accorded. You are also familiar with the works carried out in Chile and were informed, in its opportunity, of my activities which started in the morning and came to an end by midnight. I am particularly satisfied by the fact that I got Dector Arture Alessandri to address to me the open letter on the Jewish problem published by the newspapers. I suppose that you have it already. I have recommended Dr. Goren to you as the right man to be charged with the work mentioned in your telegram. There are in Chile many young fellows, pleasant and even having a very nice appearance, that could undertake the representation of the Agency with great success. However, I prefer to recommend Goren because of his extraordinary devotion, to the extent of sacrificing his personal interests and, at the same time, for his efficiency as a representative, originated through his sufficient capacity and his many connections in the Chileen world.

This is all I have to report and I would only make some reference to your letter, which I received today and in which you mention the Assembly to be held next September. I cannot make any comments on this respect, my dear friend. I have a great many problems pending of solution to decide leaving Buenos Aires to go to that city, which I would cortainly like to visit again. My position as an active newspaperman impedes me to request new leave and, in case of doing so, I would have to retire and this, frankly, I am not contemplating yet. We will talk further about this. In the meantime, my soul will be with you in your trip, I am fully aware of its trascendency and of the great difficulties. I hope it will be a successful trip and with my faith in your vigour and in your telent I forward you my fraternal embrace. (Signed) Alberto Gerchunoff."

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

July 15. 1947

To:

The Members of the American Section of the Executive

FROM:

Arthur Lourie

I am enclosing herewith copy of letter from Si Kenen, dated July 3, 1947

AL: HI

si ken folde

The Jewish Agency for Palestine

MEMORANDUM

August 4, 1947

To: The American Section of the Executive

FROM: Arthur Lourie

I enclose herewith copy of "Diary of Events" in connection with the EXODUS 1947 received from our London Office.

AL: NF Encl.

See

Exodus

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

July 25, 1947

To:

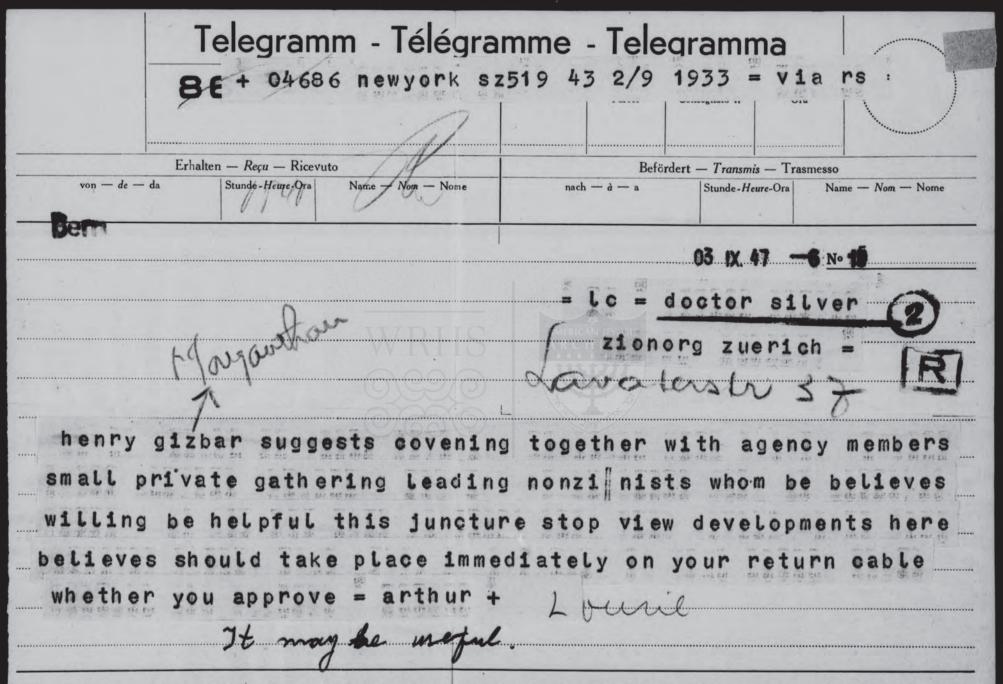
Members of the American Section of the Executive

FROM:

Arthur Lourie

I enclose for your information copy of confidential memorandum sel soluts memo which I received from Miss Schultz.

AL: NF



הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM AUEU

August 11, 1947

To: The American Section of the Executive

FROM: Arthur Lourie

I enclose herewith copy of letter from Dr. Weizmann to the Chairman of UNSCOP, dated July 14, 1947.

AL:NF

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September 12, 1947

Mr. Arthur Lourie Jewish Agency for Palestine 16 E. 66th St. New York 21, N.Y.

Dear Mr. Lourie:

I note in Friday's New York Times, on page 12, an article by George Jones from Lake Success in which out of a clear sky it is reported "as in the Special Session of the Assembly which dealt with the Palestine question last Spring, the forthcoming meeting will be attended by representatives of the Hebrew Committee of National Liberation."

Then follows a long statement by Irai Jabotinsky.

I am wondering who this Mr. Jones is who writes for the New York Times and why he persistently drags in the Hebrew Committee of National Liberation. I think our publicity department should check up on this matter with Mr. Jones or with the New York Times.

With all good wishes, I remain

Very cordially yours,

AHS: BK

The Jewish Agency for Palestine

MEMORANDUM

October 8, 1947

To:

Hembers of the American Section of the Executive

FROM:

Arthur Lourie

I attach, for your confidential information, copy of a memorandum submitted by Mr. Robert Mathan to General Hilldring and Mrs. Roosevelt in connection with the meeting which is to take place today on the draft statement of the American Delegation.

AL: HF

see news nothern 1947

October 10, 1947 Mr. Arthur Lourie The Jewish Agency for Palestine 16 E. 66th St. New York 21, N.Y. My dear Mr. Lourie: I think that perhaps the letter which was . addressed to us on October 3 by the Palestine Resistance Committee on the subject of the Irgun might well be presented to the next meeting of the Executive for discussion. I had a committe call on me yesterday and I should like to report to the Executive on the conversation which took place. With all good wishes, I remain Very cordially yours, AHS: BK

COPY December 11. 1947 The Honorable Trygve Lie Secretary-General of the United Nations Lake Success New York Sir: The Security Council being now seized of the Palestinian question in accordance with the formula adopted by the Council at its meeting on December 9. 1947, the Jewish Agency for Palestine, as representing the interests of the Jewish community in Palestine and of the Jewish people generally in regard to Palestine, respectfully requests the opportunity to be admitted and to be heard in any discussions which may take place in the Security Council regarding the Palestinian question. It will be recalled that the General Assembly at its first Special Session resolved "that the First Committee grant a hearing to the Jewish Agency for Palestine on the question before the Committee." During the Second Regular Session of the General Assembly, further, the Jewish Agency for Palestine was again granted the opportunity to participate in the work of the Ad Hoc Committee on the Palestinian Question and of Sub-Committee 1 of the Ad Hoc Committee. It is obvious that the Jewish people in Palestine and elsewhere are vitally interested in any discussions on the Palestinian question which may take place in the Security Council, and the Jewish Agency for Palestine accordingly requests the right to be admitted and to be heard, as aforesaid, in any such discussions. It is our understanding that it is open to the Security Council, under Rule 39 of its Provisional Rules of Procedure and under the general powers of the Security Council with respect to its procedure, to admit the Jewish Agency for Palestine to be represented before it. Sincerely yours, Arthur Lourie Director New York Office AL/bfa Jewish Agency for Palestine 7-1-37

DOMESTIC	CABLE
TELEGRAM	ORDINARY
DAY	URGENT RATE
SERIAL	DEFERRED
NIGHT LETTER	NIGHT

ordinary cablegram.

WESTERN 1207 UNION

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12 20 17

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

Care of or Apt. No. Jewish Agency for Palestine Street and No. 16 E. 66th St. Place. New York, N.Y. I HAVE RECEIVED A TELEGRAM FROM ZELDEN GINSBURG AND OTHERS A COPY OF WHICH WAS FORWARDED TO YOU WITH REFERENCE TO THE APPEALS IN BEHALF OF HAGANAH. I BELIEVE THEY SHOULD BE INFORMED THAT IT IS OUR UNDERSTANDING THAT ALL CAMPAIGNS FOR HAGANAH FOR 1948 WILL BE DISCONTINUED INASMUCH AS PROVISIONS HAVE BEEN MADE IN THE LARGE GOAL OF THE UJA FOR SECURITY NEEDS. I SUGGEST THAT A TELEGRAM BE SENT OVER THE JOINT SIGNATURES OF KAPLAN GOLDSTEIN AND MYSELF TO THAT EFFECT.		ADMINID TOWN
Street and No. 16 E. 66th St. Place New York, N.Y. I HAVE RECEIVED A TELEGRAM FROM ZELDEN GINSBURG AND OTHERS A COPY OF WHICH WAS FORWARDED TO YOU WITH REFERENCE TO THE APPEALS IN BEHALF OF HAGANAH. I BELIEVE THEY SHOULD BE INFORMED THAT IT IS OUR UNDERSTANDING THAT ALL CAMPAIGNS FOR HAGANAH FOR 1948 WILL BE DISCONTINUED INASMUCH AS PROVISIONS HAVE BEEN MADE IN THE LARGE GOAL OF THE UJA FOR SECURITY NEEDS. I SUGGEST THAT A TELEGRAM BE SENT OVER THE JOINT SIGNATURES OF KAPLAN GOLDSTEIN AND MYSELF TO THAT EFFECT.	To	ARTHUR LOURIE
Street and No. 16 E. 66th St. Place New York, N.Y. I HAVE RECEIVED A TELEGRAM FROM ZELDEN GINSBURG AND OTHERS A COPY OF WHICH WAS FORWARDED TO YOU WITH REFERENCE TO THE APPEALS IN BEHALF OF HAGANAH. I BELIEVE THEY SHOULD BE INFORMED THAT IT IS OUR UNDERSTANDING THAT ALL CAMPAIGNS FOR HAGANAH FOR 1948 WILL BE DISCONTINUED INASMUCH AS PROVISIONS HAVE BEEN MADE IN THE LARGE GOAL OF THE UJA FOR SECURITY NEEDS. I SUGGEST THAT A TELEGRAM BE SENT OVER THE JOINT SIGNATURES OF KAPLAN GOLDSTEIN AND MYSELF TO THAT EFFECT.	Care of	or Apt. No. Jewish Agency for Palestine
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I HAVE RECEIVED A TELEGRAM FROM ZELDEN GINSBURG AND OTHERS A COPY OF WHICH WAS FORWARDED TO YOU WITH REFERENCE TO THE APPEALS IN BEHALF OF HAGANAH. I BELIEVE THEY SHOULD BE INFORMED THAT IT IS OUR UNDERSTANDING THAT ALL CAMPAIGNS FOR HAGANAH FOR 1948 WILL BE DISCONTINUED INASMUCH AS PROVISIONS HAVE BEEN MADE IN THE LARGE GOAL OF THE UJA FOR SECURITY NEEDS. I SUGGEST THAT A TELEGRAM BE SENT OVER THE JOINT SIGNATURES OF KAPLAN GOLDSTEIN AND MYSELF TO THAT EFFECT.	Street an	d No AMERICAN JEWISH
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SILVER		SILVER

Sender's name and address
(For reference only)

Sender's telephone number

CLASS OF SERVICE DESIRED

DOMESTIC CABLE

TELEGRAM ORDINARY

DAY
LETTER URGENT
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LETTER LETTER

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WESTERNIUNION

PRESIDENT

\$
ACCOUNTING INFORMATION

TIME FILED

19.

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

reet and No	16 E. 66th St.
	Place NEW YORK, N.Y.
FOR S	SECURITY REASONS I DO NOT WISH TO INFORM MR. LIFSHITZ OF THE EDEN
HOTEI	L IN JERUSALEM BY CABLE OF THE TIME OF MY ARRIVAL IN ORDER TO MAKE
RESEF	RVATIONS IN HOTEL. WILL YOU LEASE IN ONE OF YOUR NEXT CODED CABLES
ASK S	SOMEONE IN THE AGENCY TO RESERVE TWO ROOMS OR A SUITE FOR ME AND MRS.
SILVE	ER AT THE EDEN HOTEL AS OF JANUARY TENTH. REGARDS.
	SILVER

Sender's name and address (For reference only) Sender's telephone number

12-20-47

December 22, 1947

Mr. Arthur Lourie
The Jewish Agency for Palestine
16 E. 66th St.
New York 21, N.Y.

My dear Mr. Lourie:

A chalutz, Samuel Rakowsky, of the Colony Nabatim in the Negev, is reported in the press to have been seriously wounded. His parents came in to see me yesterday and requested me to make special inquiry about his condition. I would appreciate it very much if you would cable to Palestine and obtain whatever information you can and let the parents know. The address of the father is: Joseph Rakowsky, 910 Spring N.E., Canton 4, Ohio.

Samuel Rakowsky is 23 years old. His former address, as I understand it, was Haafek Hadar, "Post Ramatayim."

With all good wisher, I remain

Very sincerely yours,

AHS: BK

December 24, 1947 Mr. Arthur Lourie The Jewish Agency for Palestine 16 E. 66th St. New York 21, N.Y. My dear Mr. Lourie: I should be very pleased to see Rabbi I. M. Lewin of Palestine or Rabbi Goldstein when I am in New York next Monday. I would suggest that they telephone me at the Commodore Hotel around noon so that we can make a definite appointment. I would appreciate it if you would let me have next Monday the code address of our offices in London, Jerusalem and Paris, and the telephone numbers of the overseas agencies. You might also notify the Palestine office that if I communicate with them from Europe it will be under the code name of Daniel. With all good wishes, I remain Very cordially yours, AHS: BK

S. HOOFIEN

Plaza Hotel

May 6, 1948

To: Mr. Arthur Lourie

From: S. Hoofien

I enclose a few copies of the agreement between the Palestine Commission and the Haifa Chamber of Shipping re representation of the Commission in Postal Matters.

Inasmuch as we would have preferred the Jewish Postal Authorities to act for the Commission the agreement is not satisfactory. Since, however, the Commission was most definite in its refusal to let those authorities act for it, the agreement is the best that could be attained under the circumstances.

I have not failed to point out to Mr. Graetz (before he signed the agreement) and he has fully understood, that the Chamber of Shipping and its members will, like any other body and person in the Jewish State, be fully subject to the authority of the government and the law of the country and I have drawn his attention to the particular applicability of this fact to clauses I and 9 of the agreement.

5. Horfren

AGREDIANT BETWEEN THE UNITED NATIONS PALESTINE COMMISSION AND THE HAIPA CHAMBER OF SHIPPING

The United Nations Palestine Commission, (hereinafter referred to as the Commission), having considered the importance of maintaining to the extent possible in the existing circumstances mail services to and from Palestine hereby authorizes the Haifa Chamber of Shipping (hereinafter referred to as the Chamber) to undertake as from the date of approval of the present arrangement by the Bureau of the Universal Postal Union and not later than 16 May 1948 the reception of foreign mail in Palestine and the dispatch of foreign mail out of Palestine subject to the following conditions and arrangements which have been agreed between the Commission and the President of the Haifa Chamber of Shipping, Mr. Heins Rudolph Graets, on behalf of the Chamber:

- 1. The Commission authorises the Chamber without delay to consult with the Postmaster General of the Palestine Government and to receive from him copies of all existing contracts, between the Postmaster General of Palestine and various Carriers, for the conveyance of mail whether by land, sea or air, all of which will be terminated on a date not later than 15 May 1948, and to take steps to have these contracts temporarily renewed either between the Chamber and the Carriers or between local postal agencies and the Carriers.
- 2. The Chamber will undertake all normal functions in connection with the reception and dispatch of mail by sea or air to and from Palestine and may employ as its sub-agent the Jaffa-Tel-Aviv Chamber of Shipping.

CONTRACT !

an interest in maintaining correspondence with Paleatine.

- organization or organizations as may be designated by the Secretary-General of the United Nations and at such time as he may indicate, and shall render at that time a complete account of its administration to the Secretary-General of the United Nations and to such organization or organizations in Palestine.
- 10. The present arrangement is subject to the approval of the Bureau of the Universal Postal Union to which it shall be communicated immediately.

5 May 1948

Signed:

MEMORANDUM

May 21, 1948

To: Mr. Arthur Lourie From: Dr. S. Bernstein

I wish to inform you that on Monday, May 23rd, I am having a conference with Mr. Boulous of the American Expert Line, at which I intend to ask a written guarantee that the Marine Carp, sailing June 18th, will make its FIRST stop at Haifa or Tel Aviv. A considerable number of persons who have secured visas through us prior to April 30th, 1948, expect to board that boat and unless such a guarantee is forthcoming, we shall be obliged to warn each and every prospective traveller to Palestine against sailing on the Marine Carp and make it our policy not to recommend any of our people to them for future sailings. We may utilize the medium of the press in this connection.

I understand that the American Expert Line plans to have three more boats sailing to Palestine this summer, -- much better ones than the Marine Carp.

We shall also ask them to include in this assurance also boats carrying freight to Palestine as well as passengers.

I shall inform you of the outcome of our negotiations with them.

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WESTERN

110 143) 1948 MAY 36

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PRESIDENT

CL186 PD=WUX NEWYORK NY 26 1204P
DR ABBA HILLEL SILVER=
:THE TEMPLE=

GOVERNMENT ORDER CEASE FIRE ALL FRONTS TONIGHT TWENTY HOURS
ISRAEL SUMMERTIME REISSURED TO ALL COMMANDERS TO BE
CARRIED OUT IF OTHER SIDE ACTS LIKEWISE STOP PLEASE
COMMUNICATE SECURITY COUNCIL AND PUBLISH SHERTOK UNQUOTE=
:LOURIE

Reid 5/26/48 2:15 pm

The Jewish Agency for Palestine

MEMORANDUM

May 27, 1948

To: Dr. Abba Hillel Silver

FROM: Arthur Lourie

I attach a letter from Dr. Goldstein with regard to the proper use of available technical experts in various fields for Palestine. I gather from Teddy Kollek that the Haganah people here have established contacts, and a small organization to deal with some of the items referred to, particularly in paragraph 2. I would therefore suggest that, as and when you receive the committee suggested in Dr. Goldstein's letter, Mr. Kollek be also invited to attend.

AL: LM Encl.

AHS 270 West 89 Street New York, N. Y. Dr. Abba Hillel Silver The Jewish Agency for Palestine 16 East 66 Street New York, N. Y. My dear Dr. Silver: I attended a meeting this afternoon of a number of representatives of groups including the American Economic Committee, the Technion Society, Keren Hayesod and an organization for the purchasing of supplies for Palestine, and some individuals such as Rabbi Irving Miller and a few others. The purpose of the meeting was to talk over the question of coordination of all possible technological resources which might be mobilized here in the United States to help Israel in waging its war effort as well as its peacetime construction effort. What gave particular point to the discussion was the feeling that there is a tremendous available resource of help from various experts in all fields which could be and must be harnessed. One of the participants in the discussion, a very reliable man who is a Colonel, pointed out that an American General was ready to go to Palestine and render whatever help he can. Other men had excellent contacts with leaders in various technological fields. There emerged from the meeting a unanimous opinion that the American Section of the Jewish Agency be requested to give a hearing to a small committee of two or three people who could point out the important possibilities which

exist and the need of some central authority in the nature of a high command at whose disposal all available resources could be placed.

May I register it as my personal conviction that this group and the many hundreds of engineers and technicians in the various fields which represent this effort, have a very valuable contribution to make. It would be a sin of omission not to make use of them at this crucial time.

I was requested on their behalf to ask you to grant a hearing to a very small committee at the next meeting of the Agency Executive here. Some of these people have been working directly with representatives of Haganah as well as others who have been working through other channels. The important thing is to integrate all these efforts under the general authority of the Jewish Agency.

Please arrange to receive their committee as soon as possible.

Sincerely yours,

Israel Goldstein

IG:h

Share telephone you Theorday Please try to hove in andwer for me.

הסוכנות היהודית לארץ ישראל

The Jewish Agency for Palestine

MEMORANDUM

To: Dr. Abba Hillel Silver

May 27, 1948

FROM: Arthur Lourie

The attached three cables have been received here for you today.

AL: LM Encl. TELAVIV CODE

SILVER JEVAGENCY NEWYORK

MAY 25, 1948

HAVE APPOINTED ELIAHU EPSTEIN AS MINISTER WASHINGTON DC CABLED STATE DEPARTMENT
EXPRESSING HOPE THEY RECIPROCATE STOP I TRUST THAT HE WILL HAVE BENEFIT ASSISTANCE
YOURSELF AND COLLEAGUES

COLLAND FAMILIANIA

THE THEORY OF THE PARTY OF THE

SHERTOK

TELAVIV

SILVER JEVAGENCY NEWYORK

MAY 26, 1948

MH185 LEARN TODAY MY CABLE TO YOU REGARDING EPSTEINS APPOINTMENT INORDINATELY

DELAYED IN CODING OWING ENORMOUS PRESSURE WORK PLEASE EXCUSE

SHERTOK

CAMPANELLAM IN

THE RESIDENCE

TELAVIV MAY 26 1948

SILVER JEWAGENCY NEWYORK

MH184 WERE FULLY ALIVE YOUR AND COLLEAGUES CONSIDERATIONS AS EVIDENCED BY OUR PROMPT INITIAL AFFIRMATIVE RESPONSE BUT FEAR YOU WERE NOT FULLY IN POSITION APPRECIATE EXTREME COMPLEXITY MILITARY POSITION JERUSALEM AND ITS POSSIBLE FARREACHING POLITICAL REPERCUSSIONS THEREFORE MUST EXPRESS REGRET AT DELAY TRANSMISSION OUR REPLY

SHERTOK

THE PROPERTY OF MICHAELDS

MINISTER STORES

AND THE STATE OF THE PARTY OF T

May 28, 1948 Mr. Arthur Lourie Jewish Agency for Palestine 16 East 66th Street New York 21. New York Dear Mr. Louries I have had a few inquiries as to whether the fighting formes of the Irgun now working together with the Haganah are receiving their ammition, equipment, and whatever else soldiers need from the national treasury of Israel, or whether they are still being independently financed by the treasury of the Irgun-The original agreement, of course, which anti-dated the establishment of Israel, called for the Irgun to finance itself. I should like to know whether that arrangement still holds or whether the new situation has brought about a new arrangement. I would appreciate if you would cable to Tel Aviv and get the answer. With all good wishes, I remain Most cordially yours.

AHSter

Via air mail

ABBA HILLEL SILVER

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WESTERN UNION

SYMBOLS

DL=Day Letter

NL=Night Letter

PM 4

PM 4

NLT=Cable Night Letter

The fil CL361 PD=WUX NEWYORK NY 4 319P

of origin. Time of receipt is STANDARD TIME at point of destination

DR ABBA HILLEL SILVER=

THE TEMPE 105 ST=

FOLLOWING RECEIVED TODAY FOR YOU FROM ADELE ROSENWALD
LEVY QUOTE FRIEDA HENNOCK NEWYORK LAWYER OF THE FIRM OF
CHOATE MITCHELL AND ELY HAS BEEN APPOINTED A MEMBER OF
THE FEDERAL COMMUNICATIONS COMMISSION. SHE IS EXTREMELY
ABLE AND: BECAUSE OF THE FACT THAT SHE IS THE FIRST WOMAN
TO HAVE RECEIVED SUCH AN APPOINTMENT AND BECAUSE SHE
HAPPENS TO BE A JEWESS I FEEL THAT THE CONFIRMATION OF
HER NOMINATION WOULD BE TREMENDOUSLY ADVANTAGEOUS TO
THE JEWISH PEOPLE. WOULD YOU BE WILLING TO TELEGRAPH
SENATOR TAFT IN WASHINGTON AS SOON AS POSSIBLE IN REGARD
TO THIS MATTER AS POLICY COMMITTEE MEETS TOMORROW UNQUOTE:
LOURIE.

return & AL for file-June 9, 1948 Mr. Leslie Biffle Senate Office Building Washington 25. D. C. Dear Mr. Biffle: I want to tell you what a very great pleasure it was to have had an opportunity to meet you and to talk with you. I should like, if I may, to say once again that if there is any way in which I can be helpful in this situation I hope that you will feel free to call on me. It occurred to me that you might wish to have a brief capitulation of the facts presented to you yesterday. They are as follows: 1) That every decent act of the United States to resolve the Palestine question in the past three years has been on the initiative of the President. 2) That the President has consistently been victimised by the State Department and that what is generally regarded as a double-cross has been inspired by the State Department and coincides with the President's absences from Washington. 3) That the newest evidence of this double-cross is the failure of the State Department to give de jure recognition of the state of Israel on the score of the present situation in Palestine, and with the indication furthers (a) That it no longer considered itself bound to recognize the Jewish state within the boundaries established by the United Nations resolution of November 29, indicating that its recognition of the provisional government of Israel was a de facto recognition based on a de facto situation and having no reference to the November 29 resolution. (b) That de jure recognition would come about only if the Jewish state were prepared to make territorial concessions. This despite the fact that Secretary Marshall had stated publicly that the recognition was within the boundaries of the Movember 27 resolution.

The line which certain members of the State Department have been using -- that appeasement of the Arabs is necessary as a move against the Soviet Union -- is destroyed, if it were not already proved false, by the British objective. If they obtain that objective, they are not appeasing the Arabs. They are splitting the Arab world because the British intention is to install Abdullah, their puppet, in control of Arab Palestine, greatly enlarged, where they would satisfy all their desires for bases. If the British succeed they are alienating Egypt, which hates Abdullah and wants to instate the notorious Mufti, the fourth partner of the Axis. They are alienating Syria and Lebanon which are fearful of Abdullah and his expansionist desire to absorb Syria and Lebanon in the Greater Syrian Federation. And they are alienating Ton Saud, a traditional enemy of Abdullah. So the lie is evident. And it is to this policy of British aggrandizement that the State Department is lending its hand. I am afraid that this sorry situation will continue as long as the Department having to do with Middle Eastern affairs is headed by a man notorious for his fanatical defense of the Arabs and equally fanatical hatred of the President of the United States.

If there is any doubt concerning the vindictiveness of Loy Henderson and his associates in the State Department, I would suggest that you read the articles by James Reston in the New York Times of May 21, 26, and June 3, copies of which I enclose. Reston, when he is not serving as the mouthpiece for Senator Vandenberg, usually reflects the State Department point of view.

I would also like to bring to your attention the articles by Joseph and Stewart Alsop from Washington and London in the New York Herald Tribune of May 31, June 7, and June 9. These two gentlemen, as you will note, are the spokesmen for the worst elements in our State Department and the British Foreign Office, the links between which are made entirely clear in these columns. Both Reston and the Alsops have permitted themselves to be used by the State Department and the British Foreign Office in an inspired attempt to slap down the President of the United States.

Lasking any decisive action by the President to end this betrayal, you will forgive me if I say that the public assumption must necessarily be either that he is in sympathy with the action, or that he is too weak to stop it. Our judgment is that he is utterly opposed to this betrayal and that he certainly has the power to end the State Department double-cross.

I would like to make a suggestion to you, if I may, about the fashion in which the situation could be rectified, and rectified without danger of new retrogression:

1) De jure recognition of the state of Israel and the exchange of diplomatic envoys.

Such action on the part of the Fresident could do more for peace than 50 mediators and 100 meetings of the Security Council. It would be the conclusive proof to the Arab states and to the British government that the United States will brook no interference with this set of justice and decency. What has been lacking until now, if I may say so, is precisely this kind of conclusive proof. Such conclusive proof, backed by subsidiary steps, would very quickly put an end to both the British revolt and the British-organised Arab revolt. 5) The announcement that at the end of the truce period the United States, in recognition of its friendly relations with the state of Israel, would be prepared to help arm the Haganah. This would be an act no different from the action of the United States with respect to other friendly countries in Europe or Latin America, let us say. 3) The appointment of a special adviser on Palestine affairs who will be in the complete confidence of the President and whose own repute will be the assurance of decency, justice, and the protection of the interests of this country. Two possibilities for this post would be former Under Secretary of State Summer Welles, or Dr. Frank P. Graham, President of the President on important missions, and, I believe, is already a special adviser to the State Department. 2) The firing of Mr. Loy Henderson. Page 4... With kind regards, 4) The announcement of a lean to the state of Israel. Cordially yours, Lillie Shults Director

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LILLIE SHULTZ

Mr. Arthur Lourie Jewish Agency for Palestine 16 East 66 Street New York, N. Y.

Dear Arthur:

As you know we have been trying to get the recognition of Iceland expedited through the good offices of our mutual friend. This friend discussed the matter about a week ago with the Minister of Finance of Iceland who was in New York and also suggested early recognition in a letter to the Iceland Ambassador, Thor Thors, with whose brother he is in a business deal in Iceland.

The Minister of Finance was extremely sympathetic, thought that recognition was part of the thinking of the government and promised to take it up upon his return. He has since returned to Iceland and our friend thinks that he should hear from him possibly within the next week.

On Monday he received a letter from Thor Thors in which the Ambassador declared that he has no doubt that recognition will be forthcoming in due course. I have told our friend that it is of the greatest importance that the matter be expedited and that time is of the essence. He will do what he can and I shall, of course, keep you informed as I get any further information.

Cordially,

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ABBA

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NEWYORK NY 15 230P of receipt is STANDARD TIME at point of destination CL423 LONG PD=WUX HILLEL SILVER THE TEMPLE=

ANSEL RD AND 105 ST=

FOLLOWING FROM SHERTOK QUOTE EBAN SEE MEDIATORS COMMUNICATION JUNE EIGHTH PARAGRAPH SIX BRACKET THREE UNBRACKET WHICH PROVIDES CHECK BY MEDIATOR AT PORTS EMBARKATION DEBARKATION AND UN OBSERVERS ON SHIPS BEARING IMMIGRANTS STOP PROPOSAL NOW MADE DRAWING MEMBER STATES IS INNOVATION WHICH CONSIDER UNWARRANTED ON PRINCIPLE AND LIABLE IN PRACTICE CAUSE ARBITRARINESS CONFUSION UNNECESSARY DELAYS AND RESTRICTIONS CONSEQUENT HARDSHIP AND INJUSTICE STOP WHILE WE PLEDGED FULL COOPERATION MEDIATOR AND HIS STAFF CANNOT ACCEPT HYDRA HEADED INSPECTION OF ENTIRE STOP SUGGESTION ALREADY WORLD PUBLISHED BY REUTERS NOT QUITE ACCURATELY BUT MERE IDEA OF IT IS REVOLTING TO OUR PUBLIC OPINION UNQUOTE=

:LOURIE=

ABRAHAM FEINBERG 350 FIFTH AVENUE NEW YORK 1, N.Y.

June 16th, 1948.

Dr. Abba Hillel Silver
The Jewish Agency For Palestine
16 East 66th Street
New York, 21, N Y.

Dear Dr. Silver,

Thank you for your letter of June 10th with reference to Americans For Haganah.

I must respectfully point out to you that your letter is based on an incorrect assumption. Americans For Haganah was not organized to meet the propaganda of the Irgun. It was organized to present to the American public at large through all of the media of information the story of Haganah, past and present with particular emphasis on the tasks of defence and immigration. Thus, you will see that the underlying method was constructive in nature and was not founded on an anti Irgun formula.

I believe that it is well that the Executive raises this question at this moment because it is important that the problem be considered anew in view of the most significant event in modern history, the Declaration of Independence of the State of Israel.

Prior to the existence of the State, various organizations in this Country undertook to perform duties on behalf of the Yishuv which now devolve upon the Government itself, or upon its accredited representatives here.

In the past, we were always confronted with vexing questions as to which American organization should be entrusted with certain special tasks. Intelligent, disciplined Zionists should have striven to avoid duplication and to assign such tasks to the group which could perform them most efficiently.

Naturally, we looked to the Jewish Agency in Palestine to guide us on these issues of jurisdiction, since that Agency was recognized as the agent for Jewish interests. As such authority in this field which the Agency may have wielded now vests in the

ABRAHAM FEINBERG
350 FIFTH AVENUE
NEW YORK 1, N.Y.

Dr. Abba Hillel Silver

2.

June 16th, 1948.

Government of the State of Israel, we certainly would not want to do anything in any manner which the Government might find objectionable.

Americans For Haganah was created to do a particular job, the need for which was expressed by accredited Agency representatives in Palestine. That job was entrusted to Americans For Haganah rather than to existing Zionist groups for the very special reason that it had to be done by an organization which was entirely divorced from political or religious concepts and which could embrace all Americans, Jews and Gentiles alike, regardless of party or political affiliation.

Obviously, the existing Zionist parties holding party position with voting strength in World Zionist Councils were disqualified per se for this work. Even a ''party key'' committee in which each party would have voting representation was foredoomed to failure as evidenced by the recent abortive attempt in this direction.

All of this however, is now academic. Israel is a living reality and its accredited representatives in the United States are well qualified to exercise their duties. We trust that no American organization will make the tragic blunder of seeking to impose its will upon the Provisional Government, or arrogate to itself functions properly belonging to that Government.

We are informed that the Provisional Government has established an office of information in the United States which will issue official Government press releases and disseminate information in the manner of other information services of foreign states. Americans For Haganah does not expect to be connected with the Office of Information directly or indirectly. Of course, we hope to take advantage of information and services of Israel's Office of Information in the same manner as any other American organization.

We are however, fully convinced that there still exists a dire need for an intelligent organization in the United States to accomplish the following purposes:-

ABRAHAM FEINBERG 350 FIFTH AVENUE NEW YORK 1, N.Y.

Dr. Abba Hillel Silver

3.

June 16th, 1948.

- Broadly disseminate interesting and colorful news, motion pictures and radio broadcasts depicting Israel's army and its struggle to defend the new State.
- 2. Through mass meetings, group meetings and home meetings, marshall material and financial aid for the Army of Israel.
- 3. Through a well organized speaker's bureau, aid and assist the United Jewish Appeal, Materials for Palestine, and other appropriate agencies to collect money and material for the Army of Israel.
- 4. Through a vigorous public relations program, to enlighten the American public of the danger of supporting organizations attached to dissident military groups in Israel who are now acting in open defiance of the laws of Israel and thereby encourage assistance only for such organizations who support the one Army of Israel.

We believe that the purposes above outlined indicate the need for our continuance in existence. We seek, and will welcome the support of all Zionists regardless of party affiliations. We believe that our appeal is much broader than the purely political appeal of any of the existing Zionist parties. We are in a position to reach a much broader and more receptive public composed of Jews, non Jews, Zionists and non Zionists, and even anti Zionists, all of whom are anxious to hear the story of Israel and to give every form of assistance to Israel without involving themselves in party politics. It should be obvious that only a group which is apolitical can perform this task and that this work cannot, under any circumstances, be vested in the hands of a single Zionist party or even a group of Zionist parties.

It should also be obvious that no conscientious Zionist can fail to support us in our efforts merely because of some pique over the fact that his individual Zionist party has not been entrusted with this all encompassing job.

Prior to the formation of Americans For Haganah, there existed no group which was doing this work and we feel strongly that our dissolution would create another vacuum such as existed previously.

ABRAHAM FEINBERG 350 FIFTH AVENUE NEW YORK I, N.Y. Dr. Abba Hillel Silver 4. June 16th, 1948. Our decision to remain in operation is based entirely upon our beliefs as expressed above, that an intelligent, apolitical organization must exist to present to the general public the picture of the new Government of Israel. Just as our organization did not come into being without the encouragement of the authorized leaders of the Jewish Agency, so now we have not come to this decision to continue without the knowledge and sympathy of the authorities and recognized representatives of the Government of Israel. I sincerely trust that the foregoing will clarify our position to you. You suggest in your letter that we meet. It is always a pleasure to meet with you, but I know that you are a busy man and peculiarly enough, my business interests take up a considerable part of my time also. I should be happy to meet with you at any time convenient to you. Sincerely, your AF:HSL

הסוכנות היהודית לארץ ישראל The Jewish Agency for Palestine MEMORANDUM June 18, 1948 To: Dr. Abba Hillel Silver FROM: Arthur Lourie put this on the Agenda for Monday's meeting.

I enclose copy of a telegram which I have received from Shertek reporting conversation which he had with the Mediator.

I also enclose a letter from Abraham Fineberg which seems to me to be about the limit! I take it that you will want to

M ...

EBAN MEMISRAEL NEWYORK

JUNE 18, 1948

ME421 CONVERSATIONS MEDIATOR PRELIMINARY CHARACTER STOP RESTATED OUR GENERAL POSITION ON BASIS ASSEMBLYS RESOLUTION AND IN VIEW SUBSEQUENT DEVELOPMENT. UNDER LATTER EXPLAINED FATE PARTS PALESTINE OUTSIDE ISRAEL WE NOW HOLDING AND QUESTION REPATRIATION OR OTHERWISE OF ARABS WHO LEFT ISRAEL WILL DEPEND ON TERMS GENERAL POLITICAL SETTLEMENT AND LONG AS WAR CONTINUES THESE QUESTIONS MUST BE LEFT OPEN. REGARDING JERUSALEM THOUGH PATENTMORAL BAKRUPTCT CLAIM CHRISTIAN WORLD TO INTERNATIONALISATION JERUSALEM ABSOLVES US FROM OBLIGATION MAINTAIN AGREEMENT THERETO WE DO NOT TIMEBEING REVOKE OUR COMMITMENT BUT IN LIGHT TRAGIC EXPERIENCE MUST INSIST MAINTAINING PRESENT HOLD ON UNBROKEN TERRITORIAL CONNECTION BETWEEN ISRAEL AND JERUSALEM AS ONLY EFFECTIVE SAFEGUARD FOR FUTURE OF JERUSALEM JEWRY AND JEWISH STAKE IN HOLY CITY STOP MEDIATOR INQUIRED WHETHER WE WOULD AGREE DEMILITARISATION JERUSALEM IF NO AGREEMENT REACHED MAJOR ISSUE AND WAR RESTARTS. MEDIATOR ASSUMED DEMILITARISATION WOULD INCLUDE WITHDRAWAL ARAB LEGION. MY REPLY ALL WOULD DEFEND OUR CONFIDENCE IN EFFECTIVENESS INTERNATIONAL REGIME IN LIGHT BITTER EXPERIENCE HE THOUGHT THIS WAS REASONABLE REACTION PARAGRAPH MEDIATOR LEFT FOR RHODES VIEW CONSULTATION WITH HIS ADVISERS STOP IF ANY PROPOSALS CRYSTALLIZE WILL PROBABLY COME TO US RATHER INVITE US RHODES BUT MEANWEILE ASKED US SEND RHODES LIAISON TO ANSWER FACTUAL QUESTIONS AND TRANSMIT TO US queries on points principle. We accepted and intend send kohn zaslani

SHERTOK

AHS. MEMORANDUM June 19, 1948 FOR: Arthur Lourie FROM: I.L. Kenen (I have told Dr. Silver about this and he is interested in it). I regret that my absence denies me an opportunity to contribute to the discussion on Americans for Haganah as it relates to our information and public relations work. I am therefore submitting this memorandum, for such use as you care to make of it. 1. Until May 14, the Haganah was an underground force with no official connection with the Jewish Agency for Palestine, Accordingly, our information office refrained from contact with Haganah representatives in this country and declined all comment and information on Haganah activities. We provided information about Haganah to newspapers, etc., only as matters of general knowledge but always stipulated that such information was secondhand and unauthoritative. When it was advisable, we referred inquiries to Americans for Haganah. 2. The need for such a separation terminated absolutely on May 14. From that day on, the Israeli army was operating openly and it became necessary for our office to act as an information center for it. Literally hundreds of queries were handled by us. It was impossible to deny such requests, for reporters and commentators writing stories about the political situation in Israel were entitled to have the whole story, political and military, without being referred to another office. We were seriously

handicapped because much information was not available to us, since Haganah representatives were not attached to this office. However, we managed to secure the facts from military experts here, such as Mr. Ruffer, etc.

3. Within recent weeks, we have had lengthy discussions with Mr. Reuven Dafne and Mr. Moishe Pearlman, who will be in charge of the overseas press in Tel Aviv. They informed me that they proposed to open a separate office of war information in New York, with a new staff and a new apparatus.

Mr. Zinder, our Washington press attache (formerly of Life and Time Magazines), Mr. Teller of Palcor and I discussed this matter with Mr. Pearlman. All of us strongly urged that no separate office be opened. We pointed out that it was most essential to concentrate all information activities in one office. It would be a disservice to the press and the public to handle general information here and to compel them to go to another building or telephone for war information, casualties, etc. It would be most difficult for Tel Aviv to send out information to two different offices. It would require a co-ordinator to see that both offices were constantly informed. On the other hand, the operation could be handled most efficiently and economically if it were streamlined in one office, with war information in a separate department. Palcor-never made proper use of -- could be integrated in this one office. Great savings all appears daily in the Palcor bulletin, and months ago, I arranged with Teller to have Palcor distributed to the wire services so that they might check against the reports of their own correspondents.

The reporter's cable went on to request that Americans for Haganah cable to Tel Aviv each day the Arab canards so that denials could be issued. But on that very day, Mr. Shertok cabled the same request to me. And ten days before, I had requested Palcor to assume that responsibility.

Had I the time to make a complete inquiry, I am certain that I could cite many such examples of waste, duplication, futility. I will present only one other operation. Months ago, I was informed by Mr. Tuvim that the American Zionist Emergency Council had engaged a radio publicity firm to promote Zionist spokesmen on the air. I was asked to turn over the names of interesting Palestinian personalities, as they arrived. But the personalities who were of greatest radio interest were not coming to this office. On the other hand, Americans for Haganah was maintaining its own radio man, who was pushing for radio time. Accordingly all radio stations were being besieged by two separate Zionist offices, and when they wanted something hot, they called a third—the office of the Jewish Agency.

7. This memorandum is offered with the conviction that drastic steps must be taken to stop duplication that is not only wasteful but is most injurious to the common effort. There is no need to maintain special offices and organizations after their need has disappeared. During the four years I spent with the American Jewish Conference, much of my time was absorbed in trying--mostly without success-- to co-ordinate Jewish public relations on overseas matters. It was most disheartening to battle, not for Jewish rights, but against vested organizational interests. We have the opportunity now to eliminate wasteful and futile procedures. It would be a serious blunder to encourage continued proliferation of feeble agencies and bureaus.

NEW YORK 24. N.Y.

June 23rd, 1948

Mr. Arthur Lourie, Consul General Provisional Government of Israel 16 East 66th Street New York City

Dear Mr. Lourie,

I am attaching herewith a copy of a letter which speaks for itself.

I want to assure you that we deeply appreciate the time and interest that you and Major Comay extended to us.

With all good wishes and kind regards, I am

46 West 83rd Street. New York City

Very sincerely, /s/ Mrs. Selma J. Borowsky President

June 23, 1948

Dr. Israel Goldstein 276 West 89th Street New York City

Dear Dr. Goldstein:

May I take this opportunity to correct a wrong impression created by my letter to you dated June 18th, copy of which was mailed to Dr. Silver.

I should like to state that, since conferring with Mr. Lourie, Major Comay, Mr. Yuval

and Mr. Herman, we have had good reason to believe that we were at long last moving towards our goal. They were the first to attempt to secure for us some concrete results.

It should be stated that the obstacle that we ran into, after a fruitful conference with Mr. Lourie and Major Comay, was - money. I am attaching a copy of a letter of Major Comay addressed to our Association to that effect.

I regret to have to burden you with this explanation, but it is most essential inasmuch as a wrong inference was drawn.

With very kind regards, I am

Most sincerely,

/s/ Mrs. Selman J. Borowsky President

THE JEWISH AGENCY FOR PALESTINE 16 E. 66th Street New York 21, N.Y. June 24, 1948 Dr. Abba Hillel Silver The Temple East 105th Street & Ansel Road Cleveland, Ohio Dear Dr. Silver: I have spoken to Eban with reference to the letter from Wellington Koo in which he refers to "new instructions" to the Chinese representative

at the Security Council. Eban has asked for an

thing specific, but it would in any case seem advisable to meet again with Tsiang at this time.

AL:lm

appointment with Dr. Tsiang and will seek to elicit information from him. I doubt if he will get any-

Yours sincerely,

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201 SYMBOLS

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PRESIDENT

ABBA HILLEL SILVER=
THE TEMPLE CLEVE=

1948 JUN 24 PM 10 37

THE FOLLOWING CABLE RECEIVED FROM DOBKIN QUOTE WE INSIST
THAT THE ZIONIST GENERAL COUNCIL TAKE PLACE NOT LATER THAN
JULY THIRD IN ISRAEL STATE BEFORE END CEASE FIRE STOP CABLE
YOUR CONSENT UNQUOTE THIS CABLE SENT JUNE 21ST CABLE SIGNED
ZIONIT ANNOUNCING CALLING ACTIONS COMMITTEE FOR JULY SIXTH
WAS RECEIVED PRIOR TO DOBKINS BUT SENT MIDNIGHT 22ND=
LOURIE

June 25, 1948 Mr. Apthur Lourie Jewish Agency for Palestine 16 Mast 66th Street New York 21, New York Dear Mr. Louries A proper reply should be sent to Abraham Feinberg for his letter of June 16th, and a proper release should be made to the public announcing the dissolution of the "Americans for Haganah" as soon as you have received a reply to your cable. If a reply is not forthcoming within the next few days, we shall have to consider making the announcement anyway. With all good wishes, I remain Very cordially yours. ABBA HILLEL SILVER AHS: er

The Jewish Agency for Palestine

MEMORANDUM

June 30, 1948

To: Dr. Abba Hillel Silver

FROM: Arthur Lourie

I rang Mr. Fineberg with regard to the immediate dissolution of Americans for Haganah. He had already been informed of the contents of the cable from Tel Aviv and said that they were meeting to give the matter consideration. He would not, however, undertake then and there that they would make an immediate announcement about the termination of their activities. I advised him that failure to do so was likely to result in the publication of a prior statement on behalf of the Executive.

AL: 1m

Dr. Abba Hillel Silver
The Jewish Agency for Palestine
2210 Massachusetts Avenue, N. W.
Washington, D. C.

Following from Ben-Gurion: "View request Palbranch GenZionists World Center postpone Actions Committee until July; also view Shapiro's New York cable to Ravfishman stating Mizrachi not participating Actions Committee if held in June. Gruenbaum, Bernstein insist firstly holding plenary Executive meeting 11th June as decided; secondly, postponing Actions Committee until UN committee finished work in Palestine Stopx Request all Exec members cable their opinions Stop Myself favor calling Actions Committee 15 - 6 as decided".

Following from Bernstein, Gruenbaum, Kolodny: "Silver, Neumann, JevAgency, New York, has prevailed upon Ben-Gurion to consent to renewed consultation members Executive about postponement Actions Committee July but appeal to you that at least one of you participate one week meeting Executive starting 11 - 6".

Please wire or phone me your views for transmission.

Arthur Lourie