Abba Hillel Silver Collection Digitization Project

Featuring collections from the Western Reserve Historical Society and
The Jacob Rader Marcus Center of the American Jewish Archives

MS-4787: Abba Hillel Silver Papers, 1902-1989.
Series I: General Correspondence, 1914-1969, undated.
Sub-series A: Alphabetical, 1914-1965, undated.

Reel	Box	Folder
38	14	941

Jewish Agency, "I", 1948.

Western Reserve Historical Society
10825 East Boulevard, Cleveland, Ohio 44106
(216) 721-5722
wrhs.org

American Jewish Archives
3101 Clifton Avenue, Cincinnati, Ohio 45220
(513) 487-3000
AmericanJewishArchives.org

ISRAEL MUSIC FOUNDATION Inc.
11 WEST 42nd STREET
NEW YORK 18, N. Y.
BRyant 9-8946-7

Israel Office
66 ACHAD HAAM STREET
TEL AVIV

Cable Address: RECODREGEN

January 3, 1948

Dr. Abba Hillel Silver
The Temple
Cleveland, Ohio

Dear Dr. Silver:

The Israel Music Foundation was formed for the purpose of disseminating the musical culture of Israel and to act as a musical bridge between Israel and the rest of the world.

Our presently planned program, already in action, encompasses the recording of a complete repertoire of Israel's musical expression, delving into the fields of classical, patriotic, folk, liturgical and other varied works. The highest level of musical integrity, authenticity and quality will be our watchword in the selection of musical material, use of musicians and singers and recording techniques.

On behalf of contemporary Israeli composers, the Foundation intends to publish, disseminate and market throughout the world as many creative works as possible. The recording program in Israel will bring much needed immediate income to large numbers of singers and musicians and the benefit of royalty earnings to our symphony orchestra, two opera companies and two large choruses composed of more than 100 voices each with which we have contractual relationships.

We are enlisting your interest and support in this undertaking by requesting you to serve as a member of the Board of Trustees of the Israel Music Foundation. Among the members of the Board of Trustees who have already consented to serve, are such distinguished men as Olin Downes, Deems Taylor, Fritz Reiner and many others.

Without throwing any of the day to day problems of the Foundation upon you, we sincerely hope we will have the benefit of your vast experience, counsel and advice at the planning level.

Very sincerely yours,

ISRAEL MUSIC FOUNDATION, Inc.

Martin Adolf

MARTIN ADOLF
Vice-President

MA:M

COLUMBUS 5-1893

MATERIAL FOR PALESTINE, Inc.
250 WEST 57th STREET NEW YORK 19

Isaac Imber, Director

Oct. 15, 1948

Dear Dr. Silver:

I believe it to be my responsiblity to inform you that I resigned today as director of Material for Palestine. My rsignation will become effective on Nov. 5th. When we met in Cleveland some weeks ago I indicted to you that I was contemplating this step and the reasons I gave you then are more than ever valid today.

Now I feel free to place my services at the disposal of the Jewish Agency and I would like to meet with you again to ask for your council and help in my next step.

When may I see you? Kind regards, best wishes for the new year.

Cordially,

Isaac Imber

October 22, 1948

Please reply to:
The Temple
Cleveland 6, Ohio

Mr. Isaac Imber
Material for Palestine, Inc.
250 West 57th Street
New York 19, New York

My dear Mr. Imber:

Thank you for your kind letter of October 15th. I hope to be in New York after the holidays. I am not sure just when at the moment, but you can find out by calling the office of the Jewish Agency towards the middle of this coming week to learn just when I shall be in the city, and I shall be very pleased to see you.

With all good wishes, I remain

Most cordially yours,

ABBA HILLEL SILVER

AHS:er

The Israel Corporation of America

250,000

CUMULATIVE PREFERRED SHARES, $.80 DIVIDEND SERIES

250,000

COMMON SHARES

PROSPECTUS

Dated November 9, 1948

PROSPECTUS

The Israel Corporation of America

250,000

CUMULATIVE PREFERRED SHARES, $.80 DIVIDEND SERIES

without nominal or par value

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

250,000

COMMON SHARES

par value $1 per share

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

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

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

(2) Before deducting estimated expenses of issue.

The date of this Prospectus is November 9, 1948.

The Israel Corporation of America

INTRODUCTORY STATEMENT

The Israel Corporation of America (herein called the "registrant") has filed with the Securities and Exchange Commission, Washington, D. C., a Registration Statement under the Securities Act of 1933, as amended, with respect to the securities which are offered hereunder. This Prospectus does not contain all of the information contained in the Registration Statement, certain items of which are omitted, or included in condensed or summarized form as permitted by the Rules and Regulations of the Commission. Copies of the Registration Statement may be obtained from the Commission on payment of the charges specified by the Commission.

HISTORY OF THE REGISTRANT

The Israel Corporation of America was organized under Delaware law on September 21, 1948. Its principal office is at No. 501 Fifth Avenue, New York, N. Y.

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

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

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

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

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

CAPITAL STRUCTURE

The capital structure of the registrant is as follows:

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

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

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

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

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

PRICE TO PUBLIC

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

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

ALLOCATION OF CONSIDERATION

Out of the consideration to be received by the registrant from the sale of the $.80 Preferred Shares and Common Shares offered hereby in units, the sum of $20 per unit is to be credited to the capital account applicable to the $.80 Preferred Shares, the sum of $1 per unit is to be credited to the capital account applicable to the Common Shares, and the balance received by the registrant in excess of $21 per unit is to be credited to an account entitled "Paid-in Surplus". Registrant has determined that, when the offering covered by this Prospectus has been completed, registrant will charge off its organization expenses and the expenses of the offering against the paid-in surplus resulting from such offering.

UNDERWRITING AND MARKETING

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

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

Mr. Albert Schiff, President of the registrant, will be in direct charge of the sale of these securities. Employees of the registrant, so far as they are engaged in the sale of securities, and any commission salesmen who may be employed will work under the direct supervision of Mr. Schiff. Mr. Schiff receives no compensation as President or for any services rendered or to be rendered by him to the registrant, including his services in connection with the distribution of these securities. Mr. Schiff as well as the other directors and executive officers of the registrant may be considered underwriters of the securities offered by this Prospectus, as the term "underwriter" is defined in the Securities Act of 1933, as amended.

There is no present market for the securities offered by this Prospectus, and the registrant has not made any arrangements and does not know of any arrangements made by others for the creation of such a market.

GENERAL INFORMATION

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

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

> "An appropriate Jewish agency shall be recognized as a public body for the purpose of advising and co-operating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.
>
> "The Zionist organization, so long as its organization and constitution are in the opinion of the Mandatory appropriate, shall be recognized as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the co-operation of all Jews who are willing to assist in the establishment of the Jewish national home."

The Zionist organization, referred to in the Mandate, which was founded in 1897 to create for the Jewish people a home in Palestine secured by public law, constituted a public body known as the Jewish Agency for Palestine (hereinafter referred to as the Agency) for the declared purpose of discharging the functions of the Jewish agency as set forth in the Mandate.

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

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

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

Since May 14, 1948, the Jewish Agency has, with the approval of the Government of Israel, continued as an entity to discharge the functions above described. The Government of Israel has adopted a policy of encouraging immigration and has charged the Agency with substantial responsibilities, particularly with reference to housing and the economic welfare of recently arrived immigrants. During the year 1948 and particularly since May 14, 1948 the rate of immigration has been rapidly accelerating and at the present time is believed to be in excess of 10,000 immigrants per month.

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

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

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

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

PURPOSE OF ISSUE

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

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

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

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

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

(a) $3,000,000, or

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

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

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

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

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

The Agency has further undertaken in the agreement:

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

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

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

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

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

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

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

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

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

THE FOREIGN EXCHANGE SITUATION

The official currency of the State of Israel established by its currency ordinance of August 16, 1948, is the Israeli pound. The official rate of exchange was declared to be equivalent to that of the Pound Sterling, or $4.025 per Pound. However, the effective import cover rate for transactions with approved dollar countries continues at the former "gift dollar" rate of $3.015 to the Israeli pound. This latter rate is made available by the Israeli exchange-control authorities for imports of "essentials". In practice, therefore, the effective rates for approved imports from hard-currency countries are:

Buying rate: $3.015 to the Israeli pound.
Selling rate: $2.986 to the Israeli pound.

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

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

Funds once converted into Israeli pounds cannot freely be reconverted into United States dollars at the present time. However, so far as may be practicable and as may be permitted by applicable laws of the United States and of the State of Israel, the registrant will seek to conclude contractual arrangements similar to that included in the above-mentioned contract with the Jewish Agency for Palestine to make funds available to it in dollars in the United States. There are other agencies which have in the past sent substantial American dollar funds to Palestine for philanthropic purposes. No representation is made either that any such arrangements for the conversion of Israeli currency into United States dollars can be made in the future, or that any such arrangement, including that provided in the agreement with the Agency, will accomplish its purpose.

MANAGEMENT AND CONTROL

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

The names and addresses of the Directors are as follows:

Name	Address
Jacob M. Alkow	8161 Laurel View Drive Hollywood, Calif.
Benjamin G. Browdy	3 West 19th Street New York, N. Y.
Benjamin Doft	450 Seventh Avenue New York, N. Y.
Abraham Goodman	3355 Flamingo Drive Miami Beach, Florida
Samuel Greenblatt	225 Fourth Avenue New York, N. Y.
Mortimer May	436 Houston Street Nashville, Tennessee
Dr. Emanuel Neumann	521 Fifth Avenue, Room 1903 New York, N. Y.
Albert Schiff	160 Central Park South New York, N. Y.
Mark Sugarman	South Coatesville, Penna.
William H. Sylk	6953 Greenhill Road Philadelphia, Penna.
I. S. Turover	4725 Bethesda Avenue Bethesda, Maryland
Herman L. Weisman	295 Madison Avenue New York, N. Y.

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

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

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

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

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

Directors of the registrant will not receive remuneration as such. At the present time none of the executive officers of the Corporation is receiving remuneration. Although registrant contemplates engaging compensated employees, some of whom may serve as officers, it is not contemplated that the aggregate remuneration received by any such person during the first year of registrant's operations will exceed $20,000 or that the aggregate remuneration paid to all officers of the registrant during such year will exceed $50,000. All of the directors and executive officers of the registrant may be deemed "Promoters" as that term is used in the Securities Act of 1933, as amended, but are not to receive any compensation for services as such. There are no arrangements to compensate any officer or director or any other person by way of options, securities or other property, or by bonus or profit-sharing, and no such arrangements are contemplated.

The law firm of Weisman, Grant & Jaffe, of which Herman L. Weisman, one of the directors of the registrant, is a member, have been retained as general counsel to the registrant, and will be compensated for legal services in connection with its organization and the registration and distribution of these securities.

Registrant's Certificate of Incorporation provides that every director and officer of the registrant is relieved from any disability which might otherwise prevent him from contracting with the registrant for his own benefit, or for the benefit of any firm, corporation, company, association, trust or organization in which or with which he may be in anywise interested or connected.

PRINCIPAL HOLDERS OF EQUITY SECURITIES

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

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

Name and Address	Title of Class	Amount	Percent of Class
Abraham Goodman 3355 Flamingo Drive Miami Beach, Fla.	$.80 Preferred Shares Common Shares	1,000 sh. 1,000 sh.	18.87% 18.87%
Benjamin G. Browdy 3 West 19th Street New York, N. Y.	$.80 Preferred Shares Common Shares	1,000 sh. 1,000 sh.	18.87% 18.87%
Albert Schiff 160 Central Park South New York, N. Y.	$.80 Preferred Shares Common Shares	2,000 sh. 2,000 sh.	37.74% 37.74%

The investment in registrant of holders of the Special Shares, as such, will be nominal. Registrant has not yet determined to whom or at what time or times Special Shares will be issued. However, registrant created these Special Shares in recognition of the fact that its business objectives necessarily require integration with the program of economic development of Palestine and the Near East long espoused by the Zionist Movement. The registrant therefore desires that individuals prominently and publicly identified with that Movement have a voice in the policies and activities of the registrant through their ownership of securities possessing the particular characteristics of the Special Shares. To that end, it is the intention of the registrant, from time to time, to issue Special Shares at par, to persons who, in the judgment of registrant's Board of Directors, will, by reason of such identification, make available to the registrant, through their right to representation as a separate class on its Board of Directors, and through the particular voting powers which the Special Shares possess, the benefit of their experience and judgment on matters pertaining to Israel. The Special Shares will not be publicly offered.

DESCRIPTION OF SECURITIES OFFERED

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

Copies of the Certificate of Incorporation and of said Resolutions of the Board of Directors are filed as exhibits to the Registration Statement. The statements and descriptions hereinafter contained do not purport to be complete. Reference is made to the Certificate of Incorporation and said Resolutions of the Board of Directors and the statements and description which follow are expressly qualified thereby.

PREFERRED SHARES

Of the 750,000 authorized Preferred Shares of the registrant, 5,300 shares had been subscribed for at October 15, 1948, as indicated above under the caption "Principal Holders of Equity Securities."

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

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

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

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

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

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

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

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

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

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

Dividend Rights

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

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

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

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

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

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

Voting Rights

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

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

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

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

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

(b) the amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation, which affects adversely the voting powers, rights or preferences of the holders of the Preferred Shares; provided, however, that if any such amendment, alteration or repeal shall be prejudicial to the holders of shares of one or more, but not all, of the series of Preferred Shares at the time outstanding, such consent shall be required only from the holders of two-thirds of the total number of outstanding shares of all series so affected. The amendment of the provisions of the Certificate of Incorporation so as (i) to create or authorize a new class of shares ranking junior to the Preferred Shares or (ii) to increase the authorized amount of the Special or Common Shares or of any other class of shares ranking junior to the Preferred Shares shall not be deemed to affect adversely the voting powers, rights or preferences of the holders of the Preferred Shares;

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

(d) the issue (except to the registrant or another subsidiary) by any subsidiary of any preference shares, or any security convertible into preference shares, of such subsidiary; or the sale or resale by the registrant or by any subsidiary (except to the registrant or another subsidiary) of any preference shares or any security convertvertible into preference shares of a subsidiary, unless (i) such securities were acquired in good faith from a person, firm or company not a subsidiary at the time of the acquisition, in connection with a debt previously contracted, or (ii) the registrant and its subsidiaries at the same time shall sell or otherwise dispose of all of the shares of such subsidiary at the time held by the registrant or by its subsidiaries; provided, however, that the provisions of this subparagraph (d) shall not be deemed to prevent the registrant from at any time acquiring a subsidiary (not theretofore a subsidiary) which at the time of such acquisition has outstanding any preference shares or any security convertible into such preference shares. (Paragraphs (6), (7), (11) and (13) of Article Fourth of the Certificate of Incorporation)

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

Redemption Provisions

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

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

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

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

Liquidation Rights

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

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

Limitation Upon Payment of Dividends on Preferred Shares

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

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

Liability for Further Calls or Assessments

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

Pre-emptive Rights

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

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

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

Sinking Fund Provisions

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

Conversion Rights

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

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

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

COMMON SHARES

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

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

Dividend Rights

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

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

Voting Rights

Except in the case at any time when six or more cumulative quarterly dividends (whether or not consecutive) on any series of Preferred Shares shall be in default, in whole or in part, at all meetings of shareholders for the election of directors, the holders of the Common Shares issued and outstanding, voting as a class, shall be entitled to elect eighty per cent. (80%) of the membership of the Board of Directors of the registrant and the holders of the Special Shares, voting as a class, shall be entitled to elect twenty per cent. (20%) of the membership of the Board of Directors of the registrant. Voting for the election of directors is cumulative.

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

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

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

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

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

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

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

Liquidation Rights

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

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

Limitations Upon Payment of Dividends on Common Shares

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

Liability for Further Calls or Assessments

The 250,000 Common Shares being offered by this prospectus, when duly issued, will be fully paid and non-assessable. The Common Shares reserved for conversion of the $.80 Preferred Shares, when duly issued upon such conversion, will be fully paid and non-assessable.

Pre-emptive Rights

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

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

OTHER SECURITIES OF THE REGISTRANT

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

Dividend Rights

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

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

Voting Rights

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

Liquidation Rights

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

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

Pre-emptive Rights

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

Redemption Provisions and Restrictions Upon Transfer

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

No holder of one or more Special Shares may transfer the same except upon notice to the registrant of an intention to effect transfer, after which notice the registrant has the exclusive option for a thirty day period to purchase said share or shares at the price of $5 per share. In the event the registrant fails to exercise such option within the specified period of thirty days any holder of Special Shares may, with the approval of the holders of not less than two-thirds of the Special Shares then outstanding, purchase the share or shares covered by such notice at a price of $5 per share. The respective options of the registrant and other holders of Special Shares set forth above come into force and effect upon the death of any holder of Special Shares as though notice of an intention to effect transfer had been received by the registrant on the day when the registrant is notified of the death of any holder of Special Shares.

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

INDEMNIFICATION

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

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

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

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

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

LEGAL OPINIONS

The legality of the securities offered by this Prospectus will be passed upon by Messrs. Weisman, Grant & Jaffe, 295 Madison Avenue, New York, New York, and Harry Torczyner, Esq., 521 Fifth Avenue, New York, New York, registrant's general and associate counsel respectively, as well as by Carlos L. Israels, Esq., 20 Exchange Place, New York, New York, of counsel. Herman L. Weisman, a member of the firm of Weisman, Grant & Jaffe, is a director of the registrant. On October 15, 1948 he had subscribed for forty (40) $.80 Preferred Shares and forty (40) Common Shares of the registrant.

EXPERTS

Loeb & Troper, certified public accountants, 501 Fifth Avenue, New York, N. Y., have certified the financial statements and schedules of the registrant contained in the Registration Statement. Such financial statements and schedules have been included herein in reliance upon the certificates of said firm and upon the authority of said firm as such experts.

FINANCIAL STATEMENTS

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

Balance sheet—October 15, 1948.

Statement of cash receipts and disbursements—
Period from September 21, 1948 (date of incorporation), to October 15, 1948.

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

Schedule XIII — Capital Shares.

OPINION OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

Loeb & Troper
Certified Public Accountants

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

THE ISRAEL CORPORATION OF AMERICA

BALANCE SHEET

As at October 15, 1948

ASSETS

Cash	$44,390.25
Organization expenses (Note 1)	2,434.75
Total	$46,825.00

LIABILITIES

Accrued expenses	(Note 2)
Loans payable to individuals for advances for preliminary organization expenses	$10,000.00
Total	$10,000.00

CAPITAL SHARES AND SURPLUS

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

See accompanying Notes to the Balance Sheet.

NOTES TO THE BALANCE SHEET

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

Note 2 — Reference is made to Note 1 above.

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

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

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

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

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

THE ISRAEL CORPORATION OF AMERICA

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

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

Receipts:	
From Directors who have subscribed to 5,300 capital share units at $25 per unit, (each unit consisting of one Cumulative Preferred Share, $.80 Dividend Series, and one Common Share) and who have paid in, through October 15, 1948, a total of.......	$36,825.00
Loans from three incorporators for preliminary organization expenses	10,000.00
Total Receipts....	$46,825.00
Disbursements:	
To Prentice-Hall, Inc. for Delaware incorporation fees, etc.	2,434.75
Cash Balance—October 15, 1948....	$44,390.25

REPORTS TO SHAREHOLDERS

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

THE ISRAEL CORPORATION OF AMERICA

By ALBERT SCHIFF,
President

TABLE OF CONTENTS

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

The Israel Corporation of America

250,000

CUMULATIVE PREFERRED SHARES, $.80 DIVIDEND SERIES

250,000

COMMON SHARES

PROSPECTUS

Dated November 9, 1948

The

ISRAEL CORPORATION

of AMERICA

Aims and Objectives

The

ISRAEL CORPORATION OF AMERICA

Aims and Objectives

2 PARK AVENUE, NEW YORK

NOVEMBER, 1948

The Israel Corporation of America

The Israel Corporation of America, founded
and organized for industrial, commercial
and agricultural development in Israel,
with an authorized capital of:
750,000 Preferred Shares
3,999,900 Common Shares
10 Special Shares.

This pamphlet has been produced by The Israel Corporation of America. It is not authorized for distribution unless accompanied or preceded by delivery of the official Prospectus of the Corporation, by which all offerings of securities are made.

The Israel Corporation of America

History and Business

American-inspired, American-controlled and American-directed, The Israel Corporation of America was formed on September 21, 1948, by a group of business and industrial leaders prominent in the Zionist Organization of America to meet the challenge presented by the industrial potential of the sovereign State of Israel.

Purposes

The purposes of the Corporation are:

To engage in business and commercial enterprises in the State of Israel, to promote and develop business and commercial activity between the United States and Israel.

To serve as a vehicle for investment capital commensurate with the present and future potential of production in Israel, especially in industry, housing and agriculture.

To furnish skilled advisory management and production personnel for the purpose of assisting in the development, growth and expansion of that production.

Securities Offered

The Israel Corporation of America now offers to the American public:

250,000 Cumulative Preferred Shares,
$.80 Dividend Series;

250,000 Common Shares;

in units of one $.80 Preferred Share and one Common Share, at $25 per unit.

The terms of these securities, including the voting rights of various classes and the conversion privilege and dividend features of the Preferred Shares, are described in the official Prospectus of the Corporation.

In addition, The Israel Corporation of America plans to issue 10 Special Shares to individuals who are prominently and publicly identified with the Zionist movement. Through their representation on the Board of Directors, these individuals will have a voice in the activities of the Corporation and will make available to it the benefit of their experience and judgment on matters pertaining to Israel. These Special Shares will not be publicly offered.

Use of Proceeds

At least fifty per cent of the proceeds of the first stock issue of the Corporation has already been earmarked for housing. The Israel Corporation of America has entered this field at this time not only because of the safety factor which an investment in housing appears to offer but also to aid in providing a permanent home for some of the uprooted survivors of Europe. A primary concern in Israel today is to accommodate this wave of immigrants. New arrivals are coming into Israel at the rate of well over 100,000 annually, and are expected to continue to do so for years to come. It is therefore anticipated that this factor, apart from any other, has created and will continue to create an acute need for housing.

Together with the Jewish Agency for Palestine, which is now charged by the Government of Israel with the primary responsibility for the transfer and maintenance of this migration of Jews to the soil of their people, the Corporation has entered into an agreement with the Jewish Agency for the joint construction, ownership and operation of rental housing units in Israel.

To safeguard principal and interest on the investment of The Israel Corporation of America, the Agency has agreed that:

(a) The Israel Corporation of America will hold a first mortgage that will yield 5% per annum on the full capital invested by The Israel Corporation of America in the project and which will be amortized over a period of approximately fifteen and a half years.

(b) The Agency will lease the entire project for a period of ten years, at a rental at least sufficient to pay interest and amortization on the mortgage.

(c) The Agency will be entitled to receive non-cumulative preferential dividends of 3% per annum or less.

(d) The Israel Corporation of America and the Agency will participate equally in any balance of earnings of the housing project and will each own 50% of its equity.

(e) Interest, dividend and amortization payments on The Israel Corporation of America's investment in the housing project will be paid to it in United States dollars made available for such purposes by the Agency.

(f) The Agency will use its best efforts to obtain favorable tax rates and other concessions for the project in Israel.

Economic Blueprint for the Future

A—The Corporation

The Israel Corporation of America represents an American program for promoting the economy of Israel in a manner best calculated to advance the economic well-being of its people.

The threefold objectives of the Corporation are:

(1) To meet the economic needs of Israel.

(2) To provide the maximum employment which will enable the economy of Israel to absorb the largest possible immigration.

(3) To provide safety and security of investments with a reasonable return.

B—The State of Israel

With the establishment of the State of Israel a broad new vista opened. The horizon of opportunity spreads out not only for Zionists who see in Israel the foundation for a great political, social and cultural structure, but also for others who desire to share in the creation of a thriving economy that can lift the entire Middle East from stagnation and neglect to peace and prosperity.

With the establishment of the State of Israel, 800,000 people have assumed a new status and a new dignity. They know that the home they have hewn out of the rocks and watered out of the sands has a potential as great as their devotion and energy. They now have something to offer in return to all whose faith helped gain them independence.

Based on a modern social structure designed to grant equal opportunity to all sections of the population, Israel's economic pattern, according to the official stated policy of the government, is to encourage and promote the private investment of capital.

It has become clear that private capital must pour into the economy of Israel in unprecedented amounts to facilitate the tremendous task of state building which should eventually bring Israel to the forefront in raising the living standard of the entire Middle East.

The government of Israel has announced plans to extend special privileges to private industry in the way of taxes, tariffs, and other concessions, in order to attract this vital source of capital.

Investment in the Future of Israel

In addition to the American private capital investments in Israel that The Israel Corporation of America intends to supply, the Corporation has as one of its objectives the bringing of American skill and "know how" into Israel. The Israel Corporation of America will seek to bring American technicians and experts in all fields of economic endeavor into direct participation in the building of the future economy of the country.

The Israel Corporation of America is now embarking on a most significant undertaking. It enters the field of investments in Israel with a faith in the future of Israel based on the glorious performance that the Jews of Palestine have shown in the past.

Answering the overwhelming desire of the American Jewish Community to participate directly and constructively in the development of Israel, The Israel Corporation of America is now offering to the public its preferred and common shares at a price well within the reach of all who desire to help the upbuilding of the economy of Israel.

OFFICERS AND DIRECTORS

Albert Schiff
New York, N. Y.
President and Director

Abraham Goodman
Miami Beach, Fla.
Chairman of Board of Directors

Mortimer May
Nashville, Tenn.
Vice-President and Director

William H. Sylk
Philadelphia, Pa.
Vice-President and Director

Jacob M. Alkow
Los Angeles, Calif.
Secretary and Director

Benjamin G. Browdy
Brooklyn, N. Y.
Treasurer and Director

Samuel Greenblatt
New York, N. Y.
Comptroller and Director

Benjamin Doft
Long Island, N. Y.
Director

Dr. Emanuel Neumann
New York, N. Y.
Director

I. S. Turover
Washington, D. C.
Director

Herman L. Weisman
Scarsdale, N. Y.
Director and General Counsel

PRINTED IN U.S.A.
Astoria Press, N. Y. C. 490