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Jewish Telegraphic Agency, 1948-1950.

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REPLY TO JACOB BLAUSTEIN'S CHARGES AGAINST JACOB LANDAU IN
HIS REPORT TO THE BOARD OF DIRECTORS OF THE JTA, DATED APRIL 27, 1948

Mr. Jacob Blaustein's report, dated April 27, 1948, to the Board of Directors of the JTA, is crammed with innuendos, half-truths, distortions and outright ^{un}truths. It is no wonder that he withheld a copy of the report from me for almost a year. He knew I would have no difficulties refuting it.

As a member of the Board, I had every right to attend the meeting of April 27th. Only illness prevented my attendance. It is at least questionable ethics for Mr. Blaustein to have read a statement to 14 members of the Board and to have withheld it from me. It is obvious that his prime purpose was to create an aura of suspicion around me.

Mr. Blaustein's report raises a number of questions, the answers to which will not be fully comprehensible without some of the necessary background and history of our Agency. Only then will there be a proper perspective to make the significance of Mr. Blaustein's statements and actions clear.

1. History of the JTA

The JTA was created in the Hague during the strains and stresses of World War I. The first daily bulletin appeared on February 6, 1917. I was aided in establishing the agency by Elias Chanania, a diamond dealer in Amsterdam, and by Jacques Buchenholz, Sylvain Birnbaum and Sylvain Russ, all three, sons of Antwerp diamond merchants. It was an idealistic venture. None of us received a salary; all of us gave of our money, time and energy. I gave less money than the others because I had much less, but it was I who edited the service.

The JTA was a fully independent enterprise from the outset. We were in no way controlled or sponsored by any organization in Holland. The JTA (at that time called the Jewish Correspondence Bureau) from the very beginning enjoyed the confidence of the Dutch press, which was of unusual high calibre. The Nieuwe Rotterdamsche Courant was as good a paper as the London Times. The Dutch press -- daily devoted columns to our news reports. In Holland we were in a position to receive news from everywhere

and to send news to all countries. In those early days we established the first contacts with the great news services of the world.

Jacques Buchenholz, who was the wealthiest among us, quarreled with his father from time to time. At such times he slept in the office, where his work was stamping envelopes, running the mimeograph, etc. Most of the the time Buchenholz and I took our meals at the Pomona, a vegetarian restaurant in the Hague, where we regularly ordered one poached egg on mashed potato, the cheapest and most nutritious dish on the menu. It was out of this spirit of sacrifice and idealistic devotion to a great ideal that the JTA came into being and continued to function.

In addition to editing the service, I wrote innumerable articles for the Israelitische Wochenblatt Fuer Die Schweiz and for Di Tribuna in Copenhagen. As a matter of fact I started my journalistic activities as a young boy of 15, my first pieces appearing in Die Welt in Cologne, the Juedische Zeitung in Vienna, the Neue Freie Presse, etc. etc.

At the end of the war the Telegraaf, a well known Amsterdam daily, offered me the position of Palestine correspondent at a salary of 300 Dutch gulden monthly. I was one of the first correspondents to Germany, Czechoslovakia and Austria almost immediately after the Armistice. My articles and exclusive interviews appeared not only in the Telegraaf but also in the London Times, which maintained an exchange arrangement with the Telegraaf. I finally proceeded via Switzerland to Paris, where I was a member of the Committee of the Jewish Delegations during the Peace Conference. For the first time I met Louis Marshall, Judge Mack, Barondess, and other American Jewish leaders.

From Paris I went to London, and, having discontinued the office in the Hague, re-established it in London as a British Limited Corporation. For eight years Mr. Meer Grossman was my partner. To finance the Agency we sold shares to Weizmann, Neiditch, Slatopolsky, Cowen, and other prominent European Jews. No one bought shares with the expectancy of profit, but because he was convinced of JTA's usefulness to the Jewish Community.

At first we thought that the income from the Jewish press might make the Agency self-supporting and even profitable. But after a few years of hard work, we realized that this was impossible. Grossman and I shared an apartment in a London suburb. We would start reading the newspapers at 3 o'clock in the morning and then take a subway to the office before 7 o'clock. The fare before 6 A.M. was a half-penny, and after that hour was four or five pennies. For years each of us took a weekly salary of seven pounds.

In April 1921, I moved to the United States, and after five years and 3 months became a citizen. The choice of the United States as my permanent domicile was bound to profoundly affect the destiny of my life and the Agency. For a number of years London remained the clearing house of the Agency, all correspondents wiring stories to London, which were then relayed to all the other offices (offices had been established in Warsaw, Paris, Berlin and Jerusalem). But gradually New York became the ~~new~~ headquarters of the Agency, due to a number of factors: the United States had the strongest Jewish press, the greatest Jewish population, and more and more became our most important source of income.

My visions and horizons were broadened in the United States in a number of directions. I learned a good deal concerning journalistic methods and techniques. My most important discovery here was that of the independent news agency. The JTA had been independent de facto because of a certain set of circumstances and not out of clear recognition of a great principle. In Europe all important news agencies were government subsidized, government controlled or at least government influenced.

The independent news agency is America's gift to the world and to democracy. It is axiomatic to an American that democracy cannot prevail if the channels of news are under political control. To an American it is unthinkable that the government should exercise any control over a news agency -- except in times of war.

This was a ~~great~~ revelation to me. My original teacher in this direction was not a newspaperman but Louis Marshall, the greatest statesman American Jewry ever produced.

He felt strongly on this subject. I must confess it was some years before I finally "caught on." It was Louis Marshall who protected our Agency against any attempt to subject it to communal control -- without my being aware of it. The American Jewish Committee on two occasions appointed sub-committees to examine the work and structure of our Agency. Justice Cardozo was a member of one of these committees. It was David Bressler, a member of the sub-committee, who proposed the establishment of a communal board over the JTA. Louis Marshall, who was sitting in, rejected this idea.

However, Marshall was in favor of a Committee of Sponsors. At the very first meeting he suggested that the Committee should confine itself to helping the agency in raising funds, and should not interfere in its editorial work. His viewpoint was that the JTA should be supported on the ground of its usefulness to the community. The statement drawn up by the sub-committee emphasized that the JTA, to continue to be useful, must be "free and independent." In a strongly worded letter, Louis Marshall made a powerful plea for support of the JTA. It was due to him that Felix M. Warburg, Julius Rosenwald, Mortimer Schiff, etc., etc. gave generous support to the JTA. We stopped selling shares once we were convinced that the enterprise had little chance of becoming profitable.

Mr. Marshall felt that our main support should come from Welfare Funds and public spirited individuals. He was opposed to our receiving subsidies from ideological bodies. He did not want his own American Jewish Committee or the ZOA or any other ideological body to exercise any influence on the JTA.

In the course of years I had many talks with Louis Marshall. The following may be described as the main points of his views on the JTA's functions:

1. To Marshall, independence of the JTA meant the right to be factual and impartial, and freedom from any political pressure. He expected the JTA to conduct its work on a high level of responsibility and to avoid sensationalism.
2. While the community was not to exercise control, Marshall felt that there were natural organic checks and controls in existence because of the very nature

of JTA's activities. JTA was serving the Zionist Day, the Socialist Forward, the orthodox Morning Journal, Reform Jewish publications, etc. If it were to attempt to follow a "line," Marshall felt, JTA would lose some of its subscribing newspapers, organizations and contributors which would be suicidal.

3. Persons who give to the JDC, Palestine or the Federation do not go to Europe, Palestine or to the 92 institutions belonging to the Federation to find out how their money is being spent. However, in the case of the JTA, Marshall pointed out that he received our product daily and knew exactly what we were doing. If at any time he became dissatisfied, he could stop his contribution or his subscription. According to him, the JTA was being surveyed daily by the intelligent and critical eyes of editors, executives of organizations and interested lay leaders. It was under constant surveillance. Any aberrations or any attempt to sway from the clearly defined task of objectivity would have immediate repercussions.

The Agency received contributions not only from a considerable number of individuals, among them many outstanding leaders of the community here as well as in Canada, Europe, etc. As Welfare funds sprang up in the United States, JTA was among the first agencies to be included. The JTA also received contributions from the ICA as well as from the Jewish communities in Berlin, Vienna, Warsaw, etc. The contributors to the JTA were something of a "Jewish Who's Who" throughout the world.

The JTA issued annual reports in which it stressed that it was a private enterprise (see exhibit). At one time Judge Horace Stern and James H. Becker, on behalf of the AJC, issued an appeal for support of the JTA to 3,000 individuals throughout the United States. I do not recall any other case in which the American Jewish Committee made a direct appeal for another organization.

As long as Marshall lived, the independence of the JTA was never questioned. Such was Marshall's power. He was universally recognized by all segments of the Jewish population as the most intelligent, sincere and vigorous leader.

In the course of the years, the JTA's relations with the Executive of the Zionist World Organization (or Jewish Agency), and particularly with the Mapai

leaders, who were the dominant element, deteriorated. This was due in part to a profound difference in approach to the problem of the independence of a news agency. Almost all Europeans, having been conditioned to the system prevailing in their countries, do not feel as strongly on this question as most Americans do.

In addition a number of incidents had taken place. Mapai's wrath against the JTA reached its climax during the Arlosoroff trial. Mapai was naturally very emotional. Its greatest leader had been slain and the Revisionist Stavsky was on trial. Whenever a hot controversy occurs in Jewish life, JTA is "on the spot." The contending parties do not want impartiality from the JTA but partiality. When the JTA, for example, reported that Chief Rabbi Cook was organizing a defense fund for Stavsky, Mapai was resentful. At the end of the trial, when Stavsky was acquitted, Mapai issued a manifesto. The JTA correspondent (Julian Meltzer), cabled the manifesto. According to him, the last sentence read "We will still take revenge." I received a cable from either the Executive or one of the prominent Mapai leaders, I do not recall which, berating the JTA in violent terms for publishing this statement.

The maximum a news agency can do to safeguard its impartiality, if it has been violated by a correspondent, is to dismiss him. We dismissed Meltzer promptly. When I was in Israel recently, quite a few Mapais "recalled" that the JTA had not been impartial during the Arlosoroff trial, but none of them remembered that we had dismissed Meltzer.

Few people understand the peculiarities and difficulties inherent in a news service. Every news item is a compromise between accuracy and efficiency. To be completely accurate, so much research must be done, that in most cases the other correspondents would be bound to beat the conscientious correspondent with the news. On the other hand, great efficiency can rarely be combined with full accuracy. However, even this would not be so bad if all newspapers would be content with a service which strives for both accuracy and efficiency. The truth is that the richest newspapers usually prefer sensational news to accurate news. The more

sensational the newspaper, the more it disregards all tenets of responsibility, honesty and reliability. The more unscrupulous its search for scandal, no matter how many lives are tortured or destroyed, the bigger its circulation. The circulation of the quality newspaper is inevitably smaller than that of the sensational sheet. Scott, the great editor of the Manchester Guardian, had to published a sensational sheet, the Manchester Evening News, to cover the Guardian's deficit. This situation is one of the great paradoxes which rules the newspaper industry. Any news agency which abhors sensationalism and places the community interest above that of commercial consideration forfeits much of its income.

When I rejected the request of the Zionist Executive to place our news service to and from Palestine under Zionist control, Palcor, the Zionist-controlled news agency, was established. Its purpose was to run the JVA out of existence. In this extremity, I turned to Herbert Bayard Swope.

Mr. Swope had come into our picture years earlier. Felix Warburg, who with other members of his family, contributed \$30,000 annually to the JVA, asked the late Adolph Ochs, then publisher of the New York Times, to make a study of it. Ochs replied, "I am an old man and have my prejudices on Jewish matters." He suggested that Warburg consult Herbert Bayard Swope, pointing out that Swope was one of the great journalists and, being in no way involved in Jewish affairs, would give an unbiased evaluation.

That is how I met Swope for the first time. He studied our service for a period of three months, and when I saw him again, I found he entertained an negative attitude towards JVA. His main arguments were that the JVA was sectarian and that he had no use for a sectarian enterprise. He did not approve, for instance, of Catholic or Jewish war veterans. He also claimed that the JVA service was chiefly used by the Yiddish press and did not see why Warburg should support through JVA newspapers which he could not even read.

"Here is a community," I pointed out to Swope, "which is surrounded by enemies, spending many millions of dollars on defense, relief and Palestine. Do

they not require an authentic source of information for this multitude of activities?

It was this argument which finally won over Mr. Swope. He coined a new slogan for our Agency, "Intelligent policy is impossible without intelligent information." This slogan proved effective and won JTA many new friends. Mr. Swope urged Mr. Warburg to continue his support of the Agency.

When I informed Mr. Swope of our conflict with the Zionist Organization, he called the most outstanding Jewish personalities to a luncheon conference. He sent out 30 invitations and 26 men responded. It was a sensational event. At that meeting on October 15, 1935, it was decided to create a Board, the main purpose of which would be to aid the JTA in its fight for independence. (George Backer became President, Felix M. Warburg, Vice-President). It was decided to transform the JTA into a non-profit corporation (which eventually obtained tax exemption). I transferred the right to vote my shares to a committee of trustees consisting of George Backer, Jacob Blaustein and myself. My salary, which after 18 years, amounted to \$150 a week, was increased to \$200, and I was given a five year contract. The contract also provided for ⁸/life insurance policy of \$25,000. In event of my death, the shares would revert to the Agency. On the other hand, there was an option to purchase during my lifetime for \$50,000.

I paid little attention to the terms of the agreement. Having worked for almost two decades to build up the Agency, I felt secure. I expected no profits from the shares and never expected to invoke their power. It thus made no difference to me that they were not to be voted by me but by a committee of trustees in which I had full confidence. The shares were gathering dust in a filing cabinet. At no meeting of the Board or Executive Committee was there any reference made by me to the shares. All decisions were invariably taken by the Board.

When the agreement expired in 1941, no steps were taken by Blaustein or any other officer or myself to have it renewed -- not because of any objection to the contents of the agreement. Some years elapsed before I was aware that the agreement had expired. It had never been a relevant factor.

In the meantime another development of great import had taken place. The Associated Press, which disseminated JTA news to the American press, cancelled its agreement. With the ascendancy of Hitler to power, Jewish news gradually became "controversial." I have reason to believe that every time the AP carried a JTA report from Germany, their man in Berlin was called on the carpet by Goebbels' Department. In view of the rivalry which exists between AP and UP with regard to news sources, the AP dropped our service. We were in a serious predicament. We had lost our greatest outlet into the general press. Most of the support which our Agency received was not due to the fact that we served the Yiddish or Anglo-Jewish papers, but because we penetrated the American press. This was what counted.

It was at this time that Swope reminded me of his original objection to what he termed the narrow sectarian basis of JTA. He pointed out that the Jews were not Hitler's only target, that the Jews were in the same boat with the Czechs, the Dutch and others, and that the Jewish people had no business isolating themselves. If they wanted other nations to take an interest in their destiny, they had to indicate an interest in the destinies of other peoples. Moreover, it became increasingly difficult to send JTA correspondents to an ever expanding area in Europe. JTA correspondents had trouble being admitted even to neutral countries and there was an ever growing resistance on the part of the New York Times and other papers to print a Jewish byline.

Thus ONA was born. It started functioning July 15, 1940. Thanks to the active interest of Swope, it made rapid progress despite newsprint shortages and other obstacles. A considerable number of the most important newspapers in the United States took the service and eventually it spread to various Latin-American countries, Europe, etc. While ONA was reaching fewer newspaper than the AP, it was more effective in

other ways. The AP disseminated more or less brief items while OHA, in addition to news, published features and series of background articles, thus giving a more comprehensive service to newspapers. JIA served the Jewish press, Jewish organizations and interested individuals, but OHA tried to penetrate the general press throughout the world.

In Swope, who had assumed the chairmanship of OHA, the agency acquired a powerful protagonist of its independence, thus continuing the policy and tradition which Louis Marshall had established.

Few are familiar with the history of news agencies. It is a comparatively recent industry. The oldest agency is Reuter, which is little more than a hundred years old. European news services up to about fifteen years ago were the tools of their governments' imperialistic policies. As their governments did, they also divided the world into political spheres of interest. Reuter had the exclusive franchise to serve the papers in British territories, and neither Havas nor AP were allowed to disseminate news within the British domain, and the same held for other countries in whose territories Reuter could not operate. Whenever the British moved into any new territory in Africa or Asia, Reuter followed. It was Reuters task to make the natives see the world through British eyes.

About fifteen years ago these contracts were cancelled. From then on every agency could function in every part of the world. Reuter and Havas spent fortunes trying to penetrate the American press and failed. American newspapers indicated that they considered them not news services but propaganda agencies because they were government subsidized. The press here was not prepared to pay for propaganda and would not even take the services gratis.

This development had a profound effect on the European news services. In 1941, Reuter was reorganized, and now receives no subsidies from the British Government. It functions under a trusteeship agreement, the main purposes of which are to safeguard the integrity and independence of Reuter. The chairman of the board of trustees is appointed by the Lord Chief Justice of England. Reuter today is neither official nor

semi-official but a semi-public body. There is a tremendous difference between being semi-official and semi-public.

In France there is a law-project before the French Parliament according to which the French news agency (Agence France-Presse) will not receive in the future any subsidies from the government. It will be politically independent and receive a small proportion of the taxes. In this way, it will be supported by the people but not by the government of France and will not be in the position of having to take orders from the government. This formula fits our Agency admirably well.

Thus it is the United States which has acted as a pioneer and teacher to Europe with regard to one of the fundamental premises of a true democracy. There are many people in Europe and in Israel who believe that American can contribute only money. This is not true. By creating and constantly upholding the principle of the independent news agency, the United States has rendered one of the greatest services to the principle of democracy. It is no accident that the United States Ambassador James McDonald at the recent dinner of the Palestine Telegraphic Agency in Tel Aviv spoke up in categorical terms for the principal of the independent news agency. It is this principle which directed the thinking of Louis Marshall and today of Herbert Bayard Swope and his associates with regard to our own agency.

This principle is today in jeopardy. Within the Board of the JTA serious friction has developed, because one man is eager to impose upon it his personal will under the pretense of communal control. This man is Jacob Blaustein.

Events of the last four years prove one thing: the attempt to establish a communal board over a news agency must be declared a failure. Louis Marshall knew why he was opposed to the very idea. He knew that it was impossible to place on a board of a news agency men prominent or active in Jewish life without opening the door to politics. Jacob Blaustein desires a complete reversal of Marshall's position. He wants complete Jewish community control in the form of Jewish membership organizations over both the JTA and OHA. Marshall's position was genuinely American. Blaustein's position is fundamentally un-American.

COPY FOR YOUR INFORMATION

THE MENORAH JOURNAL

63 Fifth Avenue New York 3, N. Y.

August 2, 1949

The Editor,
National Jewish Post,
416 South Meridian Street,
Indianapolis, Indiana.

Dear Sir:

Last year, at a meeting of the Board of Directors of the Jewish Telegraphic Agency, Mr. Boris Smolar, editor-in-chief, presented a series of formal charges against Mr. Jacob Landau, managing director of the agency. It is no secret that Mr. Smolar was acting at the time for Mr. Jacob Blaustein, now president of the American Jewish Committee, who was then and still is seeking full control of JTA. The Jewish community which foots the very large bills for both JTA and the American Jewish Committee is entitled to know what those charges are and why no action was taken on them.

It would be enlightening to know which officer in JTA's complicated corporate setup Mr. Smolar was speaking for in his reply to your correspondent (NJP, July 29). Certainly not for himself, for as a working journalist of many years standing Mr. Smolar knows better than most people that the facts presented in my study of JTA are irrefutable.

I am fully confident that the investigation of JTA-ONA, started several months ago by the Council of Jewish Federations and Welfare Funds, will report substantially the same findings as those contained in my independent study.

Every single fact and every statement in my study was checked and double-checked before publication. Documentary proof for these and other facts -- which for lack of space could not be incorporated in my 30-page study in THE MENORAH JOURNAL -- is available in my files.

What I did not know or understand was presented first to Mr. Jacob Blaustein and, when he disclaimed responsibility, to Mr. George Backer, president of JTA-ONA, in the form of 20 questions. Mr. Backer's continued silence since those questions were submitted to him on May 6, 1949, shows that he does not dare to answer them. He cannot answer these questions without revealing the whole unsavory mess which he, Mr. Blaustein, Mr. Landau and others have made of JTA and for which they are individually and collectively responsible.

It is obvious now that JTA never had any intention of issuing the "documented refutation" which it promised the English-Jewish press. JTA's attempt to suppress news of THE MENORAH JOURNAL study by false promises and implied threats of legal action has failed, although the text of JTA's telegram to all English-Jewish weeklies, itself news, was carried only by the Jewish Press of Omaha, Nebraska.

Enough evidence of bias and suppression of news in JTA's coverage can be presented to fill a volume three times the size of THE MENORAH JOURNAL.

Enough evidence can be obtained of the misuse of public charity funds and of irresponsibility (to put it mildly) in the management of JTA to warrant the exclusion of that news agency from any share in tax-exempt public funds. Small wonder that JTA, though publicly supported as a tax-exempt communal agency, refuses to submit or publish audited reports of its own finances and those of each of its subsidiaries!

Mr. Smolar, as you point out, does not even attempt to answer my revelations on the grave financial side of JTA and its relations with tax-exempt welfare funds and philanthropic campaigns.

Past and present steps by the American Jewish Committee to influence and control the policy of JTA through an "interlocking directorate"-- as well as by grants of hard cash-- give the lie to any claims by JTA of objectivity and impartiality in news coverage.

It is now an open secret that the president of the American Jewish Committee, Mr. Blaustein, proposes to oust Mr. Landau and seize complete control of a "reorganized" JTA at the Board of Directors' meeting scheduled for this month.

The honor and good name of the American Jewish community call for nothing less than the removal from Jewish organizational life of Mr. Jacob Blaustein, Mr. George Backer, Mr. Jacob Landau, and all other officers of JTA-ONA responsible for this sorry mess. Their silence in the face of the indisputable facts contained in my study convicts them at the very least of evasion of their public responsibility. They should not be entrusted further with any control or management of public tax-exempt funds, whether through the American Jewish Committee or the Jewish Telegraphic Agency. They have forfeited public trust.

We need to establish a healthy, clean, responsible news agency of high journalistic standards which will be ethically Jewish in spirit and in deed, and which will serve the great American Jewish community competently and economically with the news it should have but rarely gets.

Sincerely yours,

(Signed) Allen Lesser

Managing Editor

AL:HW

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

August 17, 1949

MURRAY HILL 3-2641

Rabbi Abba Hillel Silver
The Temple
East 105th Street & Ansel Rd.,
Cleveland, Ohio

Dear Rabbi Silver:

At the meeting of the Board of Directors of the Jewish Telegraphic Agency, held August 15th, it was duly resolved to hold the next Board of Directors meeting on September 13th, at 4 PM.

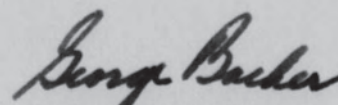
This more than ample notice is being given because we want to have the largest possible attendance at this meeting.

The meeting is called at the Hotel Berkshire, Room 204, for 4 PM, but it is hoped that the directors will hold themselves available for an extension of the meeting through dinner and the evening hours.

The usual practice of nominating alternate dates has not been followed in this instance because the date was set by the Board itself.

I hope you will make every effort to attend.

Sincerely,



George Backer
President

GB:RG:J

C O P Y

75-30 197th Street
Utopia Station, Flushing, N. Y.
August 27 1949

Mr. S. Ralph Lazrus, Treasurer
Jewish Telegraphic Agency, Inc.
106 East 41st Street
New York 17, N. Y.

My dear Mr. Lazrus:

On August 2nd, 1949, when you met me for the first time in my almost three and one-half years of service to JTA, you immediately charged me with having "intimidated employees" and "rifled files." I of course requested of you that the person or persons - if any - allegedly making such accusations be brought before you to confront me with the accusations in your presence, because, as I pointed out, such simple and natural procedure would easily prove your charges to be false. Yet you refused, as had Mrs. Landau previously, to grant my forthright request, or even to let me learn any of the details of the accusations. Instead, as you specifically promised me, I would have the opportunity to answer them "at the next Board meeting."

I took you at your word. But I now learn that such a meeting was actually held on August 15th, 1949; that you were present at it, and in fact were instrumental in calling it; and that you failed to present to it any evidence of my alleged offenses. Not only did you refrain from notifying me that such a meeting would be held, but instead, under date of August 4th, 1949, you wrote me that my services would be terminated "as of the date of the completion of your vacation period." As I have had no vacation period, I assume that you intend this curious phrase to refer to my enforced absence from the office, as ordered by you. In point of fact, my salary is not being credited to me beyond August 23rd, a fact which I must strongly protest.

I cannot bring myself to believe that the members of the Board of Directors of the Jewish Telegraphic Agency would permit themselves to become parties to an entirely unjustified, punitive, and vindictive action, taken in direct defiance of the Board's recorded promise to me that there would be no reprisals permitted against me for having obeyed the Board's summons to appear at its June 28th, 1949, meeting and to answer such questions as it saw fit to ask. I am therefore requesting the Board to dismiss the alleged accusations against me outright and order my retroactive reinstatement, or at the very least, to permit me the elementary right which you and Mrs. Landau denied me - namely, the right to appear before the Board in my defense after being confronted with the alleged evidence against me (and with the alleged witness or witnesses, if any).

Meanwhile, various employees of JTA and of ONA have reported to me that you and the Landaus are stating that I am guilty of the indicated offenses, and also that while working at JTA, I was supplying Mr. Blaustein and other alleged "enemies" of JTA with correspondence and information for some time prior and subsequent to the June 28th meeting. As these allegations are demonstrable falsehoods, absolutely without the slightest basis in fact, I must formally request you to desist immediately from indulging in the slander of imparting them to others. When I appear before the Board on September 13th, 1949, I shall ask that these malicious misstatements be labelled for what they are, and that I receive a retraction and apology.

Very respectfully yours,

(signed) Ingram Bander

August 29, 1949

Mr. Henry A. Rucker
Jewish Welfare Fund
Room 320, Chester-Twelfth Bldg.,
Cleveland, Ohio

Dear Mr. Rucker:

May I refer to your letter of July 26th addressed to Mr. Backer who has been vacationing and for this reason has not been able to answer your communication. I have recently returned from a rather extended trip to Israel.

I am enclosing a copy of a memorandum I compiled some time ago. You will note from this memorandum that the Agency was originally a private enterprise. Louis Marshall, Justice Brandeis, Justice Cardozo, etc., etc. all felt that the JTA should be a private enterprise and be supported only on the grounds of its usefulness to the community. During all those years the guiding principle was that it was not in the interest of the community to be responsible for a news service which frequently antagonizes governments and other important political factors; and it was undesirable for a news agency to be subject to control if it seeks to retain the confidence of the press. JTA resisted an attempt to place the service to and from Palestine under political control of the Zionist Executive. Thereupon Palcor was established. This forced me to appeal to Herbert Bayard Swope (who became interested in our work more than 20 years ago) to create a Board for JTA to help maintain its independence. I couldn't hope to fight this battle single-handed.

I am happy that I visited Israel. I found that the press as well as the political leaders appreciate the importance of our Agency. They understand and recognize that we fought for a fundamental principle. I told both the Jewish Agency and the Government of Israel that we desire no subsidies or any other privileges -- that we wish to retain our independent character.

I am enclosing a draft of the proposals I shall submit to the next meeting of our Structure Committee. A Jewish State has emerged and our Agency cannot ignore it. On the other hand, certain members of our Board, who also happen to be on the Council of Jewish Federations and Welfare Funds, advocate rather that a group in the United States should control not only JTA in New York but also all our foreign offices including our office in Israel, and that even the Board of the Agency in Israel should be appointed by JTA in the United States. It is inconceivable that Israel would agree that its incoming and outgoing news be controlled in the United States anymore than our community would agree that its news agency be controlled in Israel.

We are dealing with very important but rather delicate issues. After more than thirty-two years of hard work, my aims are twofold: first, I want to insure the permanence of our Agency; and second, its further growth.

The share issue is artificial and has been aggrandized beyond all reason. When the Board was established at the end of 1935, the JTA became a non-profit organization and I transferred my shares to a Committee of Trustees. The present Committee of Trustees are:

Herbert Bayard Swope
George Backer
Max Lincoln Schuster (of Simon & Schuster, publishers)
S. Ralph Lazrus
Julius Stulman

During all these years, the shares played no role. All decisions are made by the Board -- and the Board of Trustees only votes when it is called upon to do so. I am convinced that if you were to know the entire story -- who started this agitation and why -- you would realize how vicious this propaganda is.

In any case, after reading through the material I am enclosing, I am confident that you will not only appreciate the difficulty but the gravity of the problem. Whatever solution is found must stand up for at least the next three or four decades. Marshall knew why he was opposed to the establishment of a communal board -- which was initially proposed by a member of the American Jewish Committee -- which he prevented. He knew it would open the door to politics. After all, such a Board is composed of prominent men or men active in Jewish organizations. If one is unusually ambitious, he attempts to acquire control. This is exactly the situation which has caused grave dissension within the JTA board.

For many years, Welfare Funds have complained that the defense agencies are duplicating each other's program. Nevertheless, they have not resorted to such a harsh measure as withholding allocations. The emergence of the State of Israel imposes upon us new and vital tasks and the withholding of funds at this crucial moment is a terrific blow to our organization. I have been fortunate in attracting to the work of our Agency men of such calibre as Swope, Backer, Schuster, etc. They have done an admirable job, meriting the appreciation and gratitude of our community. It is due to them that our Agency has advanced from year to year. I cannot believe that you would want ~~me~~ to force a decision ~~under~~ financial pressure. It is not fair to those who are in charge of our activities. It is harmful to the work we are performing under trying circumstances -- nor is it beneficial to the community itself that such methods are employed against us. There might have been some justification ^{if} the shares were ever utilized to the detriment of the community. (encl.)

I appeal to you earnestly not to withhold the allocation any longer. You will not regret your patience. If this letter does not convince you, I urge that I be given an opportunity to address either your Board or your Allocation Committee to put the situation squarely before them.

Very sincerely yours,

Jacob Landau
Managing Director

JL:RG:J
encl.

THE JEWISH WELFARE FEDERATION
AND
THE JEWISH WELFARE FUND
OF CLEVELAND

SEPTEMBER 1, 1949

MR. JACOB LANDAU, MANAGING DIRECTOR
JEWISH TELEGRAPHIC AGENCY, INC.
106 EAST 41 STREET
NEW YORK 17, N.Y.

DEAR MR. LANDAU:

IN RESPONSE TO YOUR LETTER OF AUGUST 29, 1949, MAY WE POINT OUT THAT THE DECISION TO WITHHOLD FUNDS FROM YOUR ORGANIZATION WAS DIRECTED BY OUR BOARD OF TRUSTEES. THIS ACTION WAS BASED ON INFORMATION OBTAINED FROM A NUMBER OF SOURCES.

WE SHALL BE GLAD TO SUBMIT YOUR LETTER TO THE BUDGET COMMITTEE WHEN IT NEXT MEETS, AND THEY WILL CONSIDER THE MATTER AND REPORT THEIR FINDINGS TO THE BOARD OF TRUSTEES. WE SHALL INFORM YOU OF THE RESULT OF THIS CONSIDERATION AT THE EARLIEST POSSIBLE MOMENT.

SINCERELY YOURS,

HENRY A. ROCKER S/S
PRESIDENT

FROM: Jacob Landau
To: George Backer

Dr. Silver

RE: STRUCTURAL PROBLEMS OF THE JTA

The recent developments in the JTA have proven how right Louis Marshall was when he opposed the establishment of a communal board over the JTA. He realized that a board would open the door to politics and turn the JTA into an arena for political fights.

This is exactly what has happened. Jacob Blaustein obviously follows the maxim of "Rule or Ruin." There can be no doubt today that Louis Marshall was right that an agency should be a private enterprise, and should be supported only on the ground of its usefulness to the community. Nevertheless, we cannot push the clock back.

It is obvious that the new board must be homogeneous -- otherwise the agency will not be able to function effectively. The emergence of the State of Israel has created new and vital problems. The news service in this new state will never agree to being a branch office of an agency in a foreign country. The relationship between the Israel office and the New York Agency will have to be settled by contract. In London, Paris, Buenos Aires, etc., the choice will be whether to establish local boards or whether they will be represented on an international board of the Israel News Agency. The following principles should be kept in mind:

- (a) The problem is how to reconcile the principle of the freedom of the press with that of communal control;
- (b) Nothing should be done to weaken the confidence of the press in the Agency;
- (c) It is inadvisable for the community to assume responsibility for a news agency. The community should not be involved whenever the Agency is antagonizing governments or other important factors;
- (d) No one should be eligible to the Board in New York who is an officer of an ideological organization or who does not believe in the principle of an independent news agency. In view of the present experience, these elections should be careful and gradual.

In Israel no government employee or member of the Government or employee or member of the Jewish Agency Executive should be eligible to the Board to be created. Mr. Landau in his recent conferences in Israel made it clear that the JTA seeks no subsidy from either the government or the Agency, nor lower cable tariffs, nor any other privileges which would give it an advantage over any other news agency. The principle of an independent news agency has been widely acclaimed in Israel. Neither in New York nor in Israel should an organization be given the right to appoint members of the Board of Trustees or Board of Directors of the Agency.

The choice should be preferably of men and women who are known for moderate views and would be determined to defend the independence of the Agency -- placing the independence of the Agency above any party or other considerations.

PROPOSALS

It is suggested to continue the Board of Trustees or to establish a foundation which should vote or own Mr. Landau's shares in the New York JTA.

This Board should consist of at least 5 and not more than 25 members. They should be generally acceptable. They shall be chosen by the present Trustees of the JTA.

The main purpose of the Board of Trustees shall be to preserve the integrity and independence of the Agency.

The Board of Trustees shall elect the Board of Directors. The Board of Directors shall be professionals or men who are familiar with the work of the Agency.

They shall report to the Board of Trustees on the activities of the Agency.

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

MURRAY HILL 3-2641

SEPTEMBER 5, 1949

DR. ABBA HILLEL SILVER
THE TEMPLE
CLEVELAND, OHIO

DEAR DR. SILVER:

QUITE A FEW DRAMATIC DEVELOPMENTS HAVE TAKEN PLACE IN THE LIFE OF OUR AGENCY SINCE I LAST SAW YOU.

I WENT TO ISRAEL, WHERE I SPENT TWO MONTHS AND FOUND A MUCH MORE UNDERSTANDING ATTITUDE THAN I HAD ANTICIPATED TOWARD THE PRINCIPLE OF AN INDEPENDENT NEWS SERVICE, PARTICULARLY AMONG THE EDITORS OF ISRAEL'S PRESS.

DURING MY ABSENCE, BLAUSTEIN CALLED A MEETING OF OUR BOARD IN AN UNPRECEDENTED MANNER, BASING HIMSELF ON A PARAGRAPH IN OUR BYLAWS WHICH ALLOWS TWO DIRECTORS TO CALL A MEETING. HE CALLED THIS MEETING IN ~~THE~~ DEFIANCE OF GEORGE BACKER AND WHILE THE TREASURER AND MYSELF WERE ABROAD. NINE MEMBERS SHOWED UP, NOT ONE OF WHOM HAD EVER BEEN AN OFFICER. SOME OF THEM NEVER HAD APPEARED AT A BOARD MEETING BEFORE AND SOME WERE RECENT ACQUISITIONS. BLAUSTEIN CHARGED ME WITH HAVING SOLD OUT TO THE GOVERNMENT OF ISRAEL (WHICH, OF COURSE, IS UNTRUE). HE INVITED TO THE MEETING TWO SUBORDINATES OF MINE, MR. APPELMAN, OUR FIELD MAN, AND MR. BANDER, A CLERK, WITH WHOM BLAUSTEIN HAD ESTABLISHED CLANDESTINE CONTACT. THE RESOLUTIONS WHICH WERE ADOPTED AUTHORIZED BLAUSTEIN TO CABLE TO LOCKER THAT I HAD NO RIGHT TO CONCLUDE ANY AGREEMENTS (BLAUSTEIN HAD WITHOUT AUTHORIZATION ADDED "OR TO NEGOTIATE"). IT WAS FURTHER DECIDED THAT APPELMAN'S SIGNATURE SHOULD BE MANDATORY ON ALL CHECKS. THEY APPOINTED A COMMITTEE OF ONE (GEORGE ALPERT) TO FIND OUT WHETHER THE OPTION TO PURCHASE MY SHARES CAN BE EXERCISED. ANOTHER COMMITTEE WAS APPOINTED TO ARRANGE WITH THE COUNCIL OF FEDERATIONS AND WELFARE FUNDS A STUDY OF OUR AGENCY, TO DETERMINE WHETHER ONA SHOULD NOT BE ELIMINATED, ETC., ETC. OUR AUDITORS WERE REQUESTED TO SEND THE BALANCE SHEET FOR '48 DIRECTLY TO ALL MEMBERS OF THE BOARD.

THESE DECISIONS, IF CARRIED OUT, WOULD HAVE GIVEN BLAUSTEIN COMPLETE CONTROL. FOR THE LAST FEW YEARS HIS INFLUENCE IN THE EDITORIAL DEPARTMENT HAS BEEN DECISIVE, SINCE SMOLAR LOOKS TO HIM FOR GUIDANCE. BY MAKING APPELMAN'S SIGNATURE MANDATORY, HE COULD HAVE STOPPED ALL OUR BUSINESS ACTIVITIES AT ANY TIME.

ON MY RETURN, I INSISTED ON AN IMMEDIATE BOARD MEETING WHICH TOOK PLACE ON AUGUST 15TH. THE MEETING DECIDED TO SUSPEND THE IMPLEMENTATION OF ALL RESOLUTIONS ADOPTED AT THE BLAUSTEIN MEETING UNTIL THE NEXT MEETING ON TUESDAY, SEPTEMBER 13TH, AT 4 O'CLOCK IN THE AFTERNOON. IT WAS ALSO DECIDED THAT BLAUSTEIN SHOULD LET US HAVE THE MINUTES OF HIS MEETING. I CHARGED BLAUSTEIN WITH CHARACTER ASSASSINATION AND THE BOARD AGREED THAT A COURT OF HONOR SHOULD LOOK INTO BLAUSTEIN'S CHARGES AGAINST ME AND MY CHARGES AGAINST BLAUSTEIN.

BLAUSTEIN IS DISREGARDING THE DECISIONS OF THE BOARD, IS NOT GIVING US THE MINUTES, AND REJECTS THE COURT OF HONOR. HE WANTS A STUDY BY THE COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, ON THE BOARD OF WHICH HE, ^{and} ALBERT LIEBERMAN, (TREASURER OF THE AMERICAN JEWISH COMMITTEE AND MEMBER OF THE JTA BOARD) SIT.

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

MURRAY HILL 3-2641

DR. ABBA HILLEL SILVER

-2-

SEPTEMBER 5, 1949

HE DID EXACTLY THE SAME THING FIFTEEN MONTHS AGO, AT THE BOARD MEETING ON APRIL 27, 1948, WHEN HE MADE A LENGTHY STATEMENT CRAMMED FULL OF CHARGES AGAINST ME. IT TOOK ME PRACTICALLY A YEAR UNTIL I FINALLY OBTAINED A COPY OF THE MINUTES. THANKS TO BLAUSTEIN AND HARRY LURIA, WHO IS COOPERATING WITH HIM, QUITE A FEW WELFARE FUNDS, INCLUDING CLEVELAND, ARE WITHHOLDING GRANTS TO OUR AGENCY. THIS DEVELOPMENT, TOGETHER WITH THE LOSS OF \$75,000 FROM THE NATIONAL UJA AND A MUCH REDUCED INCOME FROM THE NEW YORK UJA, PLACE OUR AGENCY IN GRAVE JEOPARDY.

I UNDERSTAND THAT HENRY MONTOR HAS BEEN PULLING WIRES, HERE AND IN ISRAEL, AGAINST US. BECAUSE OF HIM WE ARE NOT GETTING THE \$75,000 FROM THE NTL UJA. HE CHARGES US WITH SIDING WITH YOU IN THE CONFLICT WITH HIM.

TO MY AMAZEMENT, EDWARD WARBURG, FOR THE FIRST TIME IN THE MANY YEARS OF HIS MEMBERSHIP ON OUR BOARD, TURNED UP AT THE BLAUSTEIN MEETING. I UNDERSTAND HE WAS INDUCED TO DO SO BY LEAVITT.

I AM FACING PRACTICALLY A UNITED "PHILANTHROPIC" FRONT. NO MATTER WHAT OTHER PEOPLE SAY, SUCH A FRONT, DESPITE ITS SUPPOSEDLY NON-POLITICAL CHARACTER, IS A GREAT POLITICAL FACTOR.

THE MAIN POINT IN THE ENTIRE CONTROVERSY IS "LANDAU'S SHARES" - SHARES IN A NON-PROFIT CORPORATION WHICH NEVER COULD GET ME ANY MATERIAL BENEFIT AND WHICH ARE VOTED BY A BOARD OF TRUSTEES. BLAUSTEIN KNOWS THAT I NEVER USED THE SHARES, THAT AS A MATTER OF FACT THEY WERE NEVER VOTED EVEN BY THE TRUSTEES. ALL DECISIONS HAVE BEEN TAKEN BY THE BOARD. I MADE IT CLEAR TO THE JEWISH AGENCY AND THE GOVERNMENT OF ISRAEL THAT WE DO NOT WANT TO BE SUBSIDIZED BY EITHER. I AM NOT WILLING TO ACCEPT \$50,000, AS BLAUSTEIN INSISTS, OR \$1,000,000 FOR MY SHARES. I AM PREPARED TO TURN THEM OVER TO A BOARD OF TRUSTEES INsofar AS THE AMERICAN SHARES ARE CONCERNED, AND THE SHARES OF OUR AGENCY IN ISRAEL TO A BOARD IN ISRAEL (AGAINST A PENSION AGREEMENT TO COME INTO FORCE WHENEVER I DECIDE TO RETIRE) PROVIDED THIS BOARD OF TRUSTEES WOULD BE CAREFULLY CHOSEN SO AS TO ENSURE THE INDEPENDENCE OF OUR AGENCY AND NOT TURN US INTO A PUBLICITY AGENCY FOR ONE OR MORE GROUPS.

IT IS OF THE UTMOST IMPORTANCE THAT YOU ATTEND OUR BOARD MEETING ON SEPTEMBER 13TH. THIS MEETING - AND I DO NOT EXAGGERATE - WILL BE OF THE MOST CRUCIAL IMPORTANCE. THE ENTIRE FUTURE OF THE JTA DEPENDS ON IT. I SINCERELY HOPE YOU MAY SEE YOUR WAY CLEAR TO ATTEND.

WITH KINDEST REGARDS.

VERY SINCERELY YOURS,

Jacob Landau
JACOB LANDAU

JL:F

P.S. I AM ENCLOSING COPY OF A LETTER I HAVE RECENTLY WRITTEN TO MR. HENRY ROCKER, AND HIS REPLY; ALSO MEMORANDUM ONE STRUCTURAL PROBLEMS.

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

Sept. 6, 1949

MURRAY HILL 3-2641

FORMAL NOTICE

Rabbi Abba Hillel Silver
The Temple
East 105th Street and Ansel Rd.,
Cleveland, Ohio

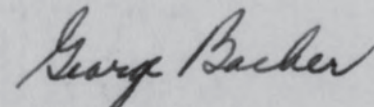
Dear Rabbi Silver:

Please take notice that pursuant to a resolution by the Board of Directors of the Jewish Telegraphic Agency, Inc., on August 15th, 1949, a meeting of the Board of Directors will be held Tuesday, Sept. 13th, 4 PM daylight saving time, at the Berkshire Hotel, Room 204, 21 East 52nd Street, New York City, for the purpose of:

1. Report of the Structure Committee.
2. Reviewing Minutes of June 28, 1949 meeting of Board of Directors.
3. Transacting such other business as may come before the meeting or any adjournment thereof.

You are cordially invited to attend.

Sincerely,



George Backer
President

GB:RG:J

P.S. Please be prepared to have the meeting extend thru dinner and after.

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

Sept. 6, 1949

MURRAY HILL 3-2641

Dr. Abba Hillel Silver
The Temple
East 105th St. & Ansel Rd.,
Cleveland, Ohio

Dear Dr. Silver:

I understand Landau has told you how crucial the Board meeting of September 13th will be.

I hope you find it possible to attend.

The meeting will take place at 4 o'clock in the afternoon at the Berkshire Hotel, Room 204.

With kindest regards,



Cordially yours,

George Backer

George Backer
President

GB:F

75-30 197th Street
Utopia Station, Flushing, N. Y.
September 7 1949

Rabbi Abba Hillel Silver
The Temple
East 105th Street and Ansel Road
Cleveland, Ohio

My dear Rabbi Silver:

It is my unpleasant duty to call to your attention Mr. Lazrus' reply (copy of which is enclosed) to my August 27th letter (copy of which I sent you recently).

I find it difficult to believe that Mr. Lazrus' rather cynical defiance of his Board of Directors is in fact to constitute the last word in the matter. Of course, it is not hard to understand why Mr. Lazrus should now be so eager to overlook his definite promise to me that I would appear "at the next Board meeting," but his reasons, I am afraid, must be characterized as consistent neither with the integrity nor with the communal purpose of the Jewish Telegraphic Agency.

I am therefore renewing my request to be heard by your Board, and I have every confidence in your fair-minded consideration of that request.

Of course, if the Board enforces, as I believe it should, its pledged guarantee of immunity against reprisals, and in consequence orders my reinstatement outright, perhaps my appearance at the September 13th meeting may not be necessary after all.

Very respectfully yours,

Ingram Bander

encl

C O P Y

JEWISH TELEGRAPHIC AGENCY, Inc.
106 East 41st Street • New York, N. Y.

August 30th, 1949

Mr. Ingram Bander
75-30 197th Street
Utopia Station
Flushing, L.I.
New York

Dear Mr. Bander:

In reply to your letter of August 27th, the office of the Jewish Telegraphic Agency is still being run by the officers and the Executive Director of the J. T. A. It is within their discretion to employ or terminate the employment of any individual with or without cause, as they see fit.

Let me assure you that I cannot see any possibility of any change in the policy adopted by the officers and the Executive Director regarding the termination of your employment. I do not believe you will be called to any board meeting and if you are called by any individual of the board, you will not be heard. My best suggestion to you is to find employment elsewhere.

Let me also assure you that your dismissal was in no way a "reprisal". It was based purely on your conduct within the office, which the officers could no longer tolerate. It had nothing whatsoever to do with your testimony on June 28th, or with the fact that you did testify.

Very truly yours,

(signed) S. RALPH LAZRUS
S. Ralph Lazrus, Treasurer

SRL/rgz

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

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

CTA083 SYA475

OFFICIAL OF TELEGRAPHED MESSAGE

SY.DOA039 NL PD=IRVINGTON ON HUDSON NY 10=

1949 SEP 10 PM 6 40

=DR ABBA HILLEL SILVER=

CLEVE=

*Temple**E 105 + Ansel Rd*AMERICAN
ARCHIVES

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self mtd

SINCERELY HOPE YOU WILL ATTEND JTA BOARD MEETING TUESDAY
SEPTEMBER 13TH 4 PM CAUCUS AT 3 PM BERKSHIRE HOTEL. ITS
MATTER OF LIFE OR DEATH FOR THE AGENCY AND MYSELF CANNOT
OVERSTRESS IMPORTANCE YOUR PRESENCE GRATEFUL THANKS=

:LANDAU=

JTA 13TH 4 PM CAUCUS 3 PM LANDAU DR ABBA HILLEL SILVER=.

JR1090

September 12, 1949

Mr. George Backer, President
Jewish Telegraphic Agency
106 East 41st Street
New York 17, New York

My dear Mr. Backer:

Thank you for your kind note. I should very much like to attend the meeting on the 13th. Unfortunately my own Temple Board meets that date - the first meeting of the season - and I must attend it.

As you know, I have been for years deeply interested in the work of the Jewish Telegraphic Agency and have admired the most able and devoted service of Mr. Landau in developing this important news service. I hope that nothing will be done to weaken the Agency or impair Mr. Landau's usefulness to the organization.

Very cordially yours,

ABBA HILLEL SILVER

AHS:er

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TS-CL013 NL PD DUPLICATE OF TELEPHONED TELEGRAM=

DR ABBA HILLEL SILVER=

CD NEWYORK NY SEP 14=

CLEVE (THE TEMPLE ANSEL RD AND 105TH)=

THANKS YOUR LETTER OUR STRUCTURE PLANS WAS ADOPTED AT
YESTERDAYS BOARD MEETING SEVERAL MEMBERS INCLUDING BLAUSTEIN
RESIGNED I APPRECIATE YOUR PROMISE TO URGE ROCKER TO RELEASE
THE \$5000 SORELY NEEDED REGARDS=

BACKER=

\$5000=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS
165 East 46th Street New York 19, N.Y.

September 21, 1949

M E M O

FROM: CJFWF

TO: EXECUTIVE OF MEMBER AGENCIES

The Board of Directors of the Jewish Telegraphic Agency held a meeting on September 13th. The major issues under discussion were the question of structure and reorganization and policies of agency administration - matters on which members of the Board have been in disagreement for some time.

Jacob Blaustein, Mrs. Edward G. Jacobs, Albert Lieberman, Dr. M. J. Karpf and Frank Weil have resigned from the Board and have issued the following statement:

"The undersigned have resigned from membership on the Board of Directors of the Jewish Telegraphic Agency." Because of our long dissatisfaction with the structure, administrative practices and policies of JTA and its affiliates, and our inability to persuade the present administration to take what we believe to be the necessary actions", we have no choice but to disassociate ourselves from any further responsibility for the agency and its affiliates.

"In our opinion, a thorough impartial study is needed of the management practices, the value of the services of JTA and its affiliates, and the relationships of JTA with its affiliates."

The JTA has submitted an abstract from the stenotypist's record covering part of the discussions which took place at the September 13th meeting, at which and following which these five members resigned. This material indicates that it was voted to appoint a committee of two to develop a plan discussed at the meeting to be made effective before the end of 1949 for changes in JTA structure. Changes were discussed which involved the appointment of a new Board to be chosen by the remaining members of the present JTA who did not resign; the calling in of all stock; the transfer of stock in the American JTA corporation owned by the Managing Director to the new Board without payment; the transfer of shares in country branches of JTA (Israel, England, France, etc) to local bodies in those communities; establishment of ONA as a separate organization which will directly handle its own financing apart from the JTA.

The specific resolution into which the actions voted ~~at~~ will be formulated is being prepared and as soon as this is received, we shall send a copy of our member agencies. In the meantime, we are attempting to secure fuller details regarding this and ~~and~~ relating actions and discussions. When this material is received, we plan to issue a complete report on this developments in the JTA.

C
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P
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COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS
165 West 46th Street

New York 19, N.Y.

September 21, 1949

MEMO:

FROM: CJFWF
TO: EXECUTIVES OF MEMBER AGENCIES

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COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.

National Office: 165 West 46 Street, New York 19, N.Y.

September 22, 1949

Mr. George Backer, President

Jewish Telegraphic Agency
106 East 41st Street
New York 17, New York

Dear George:

C
I am enclosing for your information a memorandum which we distributed yesterday to our member agencies. You will note that this report deals with the resignations of JTA Board members and quotes the material which you sent me yesterday on the action taken by the JTA Board.

O
In view of the complicated issues involved in the JTA situation, it seems to me that we must develop a comprehensive report so that our member agencies may be fully informed. I do not believe that the excerpts which you sent me of the discussions at the last Board meeting give an adequate picture of all the factors in the situation. I agree with you that we do not wish to intensify a controversy and we certainly have no desire to deal with a "clash of personalities." I am sure you will recognize, however, that the resignations attended as they were by a public statement have raised many questions and that our member agencies must be informed in as great detail as necessary to provide clarity and understanding.

P
Y
May I, therefore, request that we be allowed to study the full stenotype records of recent Board meetings. Our staff will be glad to study these records in your office since I appreciate that they are confidential. In accordance with our usual practice, we shall submit to you for clearance prior to distribution a draft of the report which we prepare and any questions of fact and interpretation which you may have concerning our statement will be subject to discussion.

We should like to proceed with our report as quickly as possible and I hope, therefore, that you can make the records available to us by the beginning of next week.

Cordially,

(signed) Harry
H.L. Lurie
Executive Director

hll;ep
enc.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.
165 West 46th St., New York 19, N.Y.

September 22, 1949

Mr. George Backer, President
Jewish Telegraphic Agency
106 East 41st Street
New York 17, N.Y.

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Cordially,

H. L. Lurie
Executive Director

C
O
P
Y

Sept. 26, 1949

MEMO:

To: GB
From: JL

Re: H. Lurie's letter of Sept. 22, 1949 and memo to
Executive of member agencies dated Sept. 21st.

The memo of Sept. 21st was not submitted to us prior to its release.

It plays up the resignations. Most organizations have an opposition group. There have been changes in the setup of the Board of the American Friends of the Hebrew University. There exists an opposition within the American Jewish Congress. I do not recall that the Council has lent itself as a channel for the distribution of statements by oppositional factions.

This is an unfriendly act.

The Council has injected itself into our internal affairs and we seem unable to have them cease their constant interference.

The Council from the very outset has identified itself with Blaustein, etc.

1) Their very first memo, June 1948, was conspicuously biased. We were termed a "commercial" enterprise in the very first sentence. The share issue was played up in such an exaggerated manner that welfare funds must have felt that they had been misled by us. The report was not submitted to us in advance.

It took five or six months until a corrected version was issued.

2) In March of this year, a report was issued by the CJFNF on our Agency. I received a letter from Mr. Gurin thanking me for my cooperation in compiling the report. I had never seen the report before it was circulated.

The report completely ignored our Progress Report for 1948-49 - and partly dealt again with the share issue instead of referring to the agreed memo on structure which was more comprehensive and accurate.

3) Mr. Lurie adopted Blaustein's theory that JEA's Board was not a "responsible" Board. He claimed our Board was not meeting often enough, that only a small number of directors attended, etc. The record of other organizations is worse than ours.

4) Without our knowledge and consent, Council officials conferred with our accountants.

Mr. Lurie took up questions such as the issuance of blank checks, bank resolutions with Arthur Goldsmith and not directly with the Administration of the Agency.

5) Lurie and Gurin accepted an invitation to appear at the Board meeting which was called by JB and his associates.

6) The CJFWF originally acted as secretariate of the Large Cities Budgeting Conference and sent their memos only to 9 cities. Now they broadcast their memos thru the entire country.

The last memo fails to state that 16 members were present, that the decisions re structure were taken unanimously. No decision was taken to "call in all stock." Nor does it state that from the outset Blaustein, Lieberman, Weil, Mrs. Jacobs had stated they would resign as soon as the structure issue had been resolved.

This communique will not encourage the welfare funds to release the withheld allocations. It indicates that JB intends to continue his fight using the CJFWF as one of his weapons.

7) It was stated at the Blaustein Board meeting by CJFWF officials that a subcommittee has been set up to deal with JTA. We were never informed of this. Nor do we know its composition.

Mr. Lurie, in his covering letter, says that the CJFWF has no desire to deal with "clash of personalities." When you used this phrase, you wanted the CJFWF to forget about the entire controversy. The CJFWF in compiling a memo based on our Minutes, will deal with every remark or suggestion made by JB or his associates as being objective and inspired by communal considerations. This is the Blaustein line while the truth is that he is conducting a personal vindictive campaign.

I do not know whether other organizations make their Minutes available to the CJFWF. As long as the Council distributes statements by the opposition, they should carry a statement issued by you.

You questioned, in your letter to Lurie, the inadvisability of a study of the Minutes, nevertheless, Lurie in his memo promises to issue a "complete" report without having secured your consent.

CJFWF seems to feel it can lay down the law to the JTA. It displays an attitude of arrogance which no self-respecting organization can accept.

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

Sept. 27, 1949

MURRAY HILL 3-2641

Dr. Abba Hillel Silver
The Temple
East 105th St. & Ansel Rd.,
Cleveland, Ohio

Dear Dr. Silver:

Backer and I appreciated your taking the pains to advise us of tomorrow's meeting.

Enclosed is a letter and memorandum to Backer provoked by Lurie's letter and release to the Welfare Funds.

With hearty thanks for your intervention and my best wishes to you and Mrs. Silver for a Happy New Year,



Sincerely,

Jacob Landau
Jacob Landau
Managing Director

JL:RG:J
encl.

P.S. Am attaching first part of my ^{dated} undated reply to JB which gives you something of the background. I hope you will find time to read it.

Sept. 26, 1949

Confidential

Mr. George Bacher
Berkshire Hotel
21 East 52nd Street
New York City

Dear Mr. Bacher:

In reading carefully Lurie's letter and memo, I feel that the CJFWF is playing ball with JB - and unless we adopt a firm attitude will ride roughshod over us. We will get more and more involved. If we don't protest now - it will be much more difficult to resist their pressure.

We could ask Lurie to circulate a statement by you. He distributed Blaustein's, etc. statement without consulting you or the Minutes. We could refuse to let him peruse the Minutes - or if we do, we should at least clarify the term "complete" report. Thus far the CJFWF has not indicated with a single word that Blaustein is conducting a personal vendetta. Last, but not least, is he willing to tell the welfare funds that in view of the decisions taken re structure, they should no longer withhold the allocations. Unless he gives this insurance we are going to suffer only further damage and gain nothing if we let him compile his version of the developments. Also, the question arises whether in view of the Blaustein statement we should not issue a new statement.

My recollection is that only after you wrote a stiff letter to CJFWF did we get the first memo substantially modified.

I would like to talk this matter over with you before we let them go ahead.

Very sincerely yours,

Jacob Landau
Managing Director

JL:RG:J

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

W. P. MARSHALL, PRESIDENT

1220

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

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CTB049

CT. NC665 NL PD=NEWYORK NY 27=

1949 SEP 27 PM 7 54

DR SILVER, THE TEMPLE=

EAST 105 AND ANSEL RD CLEVE=

WIRED ROCKER FOLLOWING: UNDERSTAND YOUR COMMITTEE MEETS TOMORROW, I REPEAT AND EMPHASIZE THAT DECISION ON NEW STRUCTURE WAS TAKEN UNANIMOUSLY AT BOARD MEETING SEPTEMBER THIRTEENTH, WITH LARGEST ATTENDANCE OF DIRECTORS OF ANY PRVIOUS MEETING. BLAUSTEIN ABSTAINED FROM VOTING HAVING RESIGNED PRIOR TO TAKING VOTE. THERE HAS BEEN UNFORTUNATELY FOR THE AGENCY A CONFLICT OF OPINION AS TO THE FUTURE STRUCTURE. TO INTENSIFY THIS CONTROVERSY AND TO CONTINUE THE CLASH OF PERSONALITIES WILL OENEFIT NEITHER AGENCY OR COMMUNITY. WE WANT TO DEVOTE OUR ENERGIES TO CONSTRUCTIVE WORK, BUILD A NEW STRONGER STRUCTURE AND BE OF UTMOST SERVICE TO OUR PEOPLE.

¶ JTA IS IN SERIOUS FINANCIAL STRAITS. NO MATTER WHAT GRIEVANCES EXISTED OR EXIST, I AM SURE YOUR COMMUNITY WANTS JTA TO CONTINUE ITS WORK. I SINCERELY HOPE YOU WILL AGREE TO REMIT YOUR GRANT WHICH SO SORELY NEEDED. WARM THANKS=

GEORGE BACKER=

JTA JTA=..

DAY LETTER

SEPTEMBER 27, 1949

MR. GEORGE BACKER
JEWISH TELEGRAPHIC AGENCY
106 EAST 41 STREET
NEW YORK, NEW YORK

LOCAL FEDERATION WILL ACT ON JTA ALLOCATION TOMORROW NOON.

IT HAS SOLICITED OPINION OF COUNCIL WELFARE FEDERATIONS.

SUGGEST THAT YOU SEND IMMEDIATELY ^{to Federation} IN TIME FOR MEETING YOUR
^
VERSION. REGARDS.

SILVER



Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

MURRAY HILL 3-2641

October 11, 1949

Dr. Abba Hillel Silver
The Temple
East 105th St. & Ansel Road
Cleveland, Ohio

Dear Dr. Silver:

May I thank you warmly for your intervention with the Welfare Fund? As you probably know they sent us half of the allocation (\$2500). We know we owe this to you.

I am enclosing copy of a statement which was sent out by the Council, and the draft of a reply which I would like to send out, if Mr. Backer agrees, not only to the Council but also to all the Welfare Funds. I am rather fearful of the damage the Memo must have caused. Blaustein, Weil, Lieberman, etc. are giving wide circulation to their statement. I am convinced that Blaustein and his associates are still determined to obtain control over our Agency.

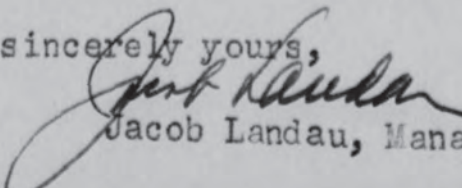
I believe that a very dangerous situation is shaping up in which the Council and Welfare Funds are trying to dominate all Jewish activities with no regard for even such a fundamental principle as the freedom of the press. The JTA and ONA are facing a united philanthropic front, not only the Welfare Funds and the AJC but also the JDC are injecting themselves into our activities. The JDC objects to ONA. I do not need to tell you that ONA is more important to Israel than JTA. It is a State that requires a general news service and not just Jewish news.

If the Council is not stopped in our matter, it will be encouraged to assert itself in goodness knows what other directions. It seems to me that our issue, that of an independent news Agency, is of such vital and general importance that it could split the AJC and the Welfare Funds wide open. This is not an issue which merely concerns JTA.

The question of course is to what extent we can get strong backing and leadership in this kind of fight. Right now it looks as though a few social workers have taken over the Jewish community.

Once more my heartiest thanks for your intervention.

Very sincerely yours,


Jacob Landau, Managing Director

JL/f
encs.

DRAFT

Mr. H.L. Lurie, Executive Director
Council of Jewish Federations and Welfare Funds
165 West 46th Street
New York 19, N.Y.

Dear Mr. Lurie:

On September 21st you addressed a memorandum to the executives of member agencies dealing with the developments at our Board meeting of September 13th, giving a one-sided biased version. This release was not submitted to us before it was sent out. This is not the first time you have circulated reports on JTA without previously submitting them to us, although that is the custom when other agencies are involved. This practice is hardly fair. JTA's case has been prejudiced by the distorted versions circulated by the Council.

Your memorandum of September 21st, emphasizing the resignation of some members of our Board and the controversial statement ignoring or minimizing the constructive step taken, was given distribution without inviting our reply for simultaneous release. Subordination of the unanimous action of the Board to a statement by disgruntling its Board members, can only be interpreted as bias. The circulation of statements of opposition groups, which have been unable to obtain a majority vote in their own organization, through the Council, negates fundamental democratic processes. There are few organizations dealing with vital activities in which there is not an opposition. If a defeated opposition can, through the Council, influence Welfare Funds and alienate financial support, no organization can any longer be sure of its autonomous status or of the possibility of regulating its internal affairs by democratic methods.

If partnership between Jewish Welfare Funds and national organizations implies the right of Welfare Fund representatives, who are members of the Board of any national organization, to address themselves to the Welfare Funds via the Council, the Welfare Funds or the Council can assume a dominating position, even if their representatives constitute a minority on the Board of the organization concerned.

The principle issue these past three years was the stock issue. You now subordinate this issue to the resignation of five members of the Board. There were twenty-two directors on the JTA Board, 16 of whom were present. By omitting these facts and the names of all present, the statement was misleading. Nor did the statement bring out the fact that when the controversy started two and a half years ago, those who had resigned, with the exception of Dr. Karpf, had indicated that they would resign as soon as this issue was settled. Nor does your memorandum state that the decision with regard to the new structure was adopted unanimously (Mr. Blaustein not voting because he had resigned before the vote was taken).

I do not believe that the interests of our community or of our Agency are served by the Council's adopting a partial attitude. We want to devote ourselves to constructive endeavors, but the Council is impeding us by intensifying the controversy within the JTA.

Sincerely yours,

George Becker
President

Compliments of

ONIA
OVERSEAS NEWS AGENCY

101 PARK AVENUE • NEW YORK 17, N. Y.

Report for

OCTOBER 18, 1949

THE STORY BEHIND THE SURVEY MISSION

A special report prepared for the Overseas News Agency

BY JON KIMCHE

LONDON--When the composition of the U.N. Survey Group for the Middle East - to give it its full title - was first announced I was still in Lausanne. The interest there was centered on the British appointment and on the implications behind it. The Israeli delegation had been told enough about its broader intention to withdraw its earlier opposition to British participation in the Survey.

Indeed almost from the beginning of the Lausanne talks the idea of the Survey hovered in the background as a kind of miracle man who would be called upon "to do the trick" when the right moment arrived. It was first worked out during the Beirut Conference between the Conciliation Commission and the Arab States towards the end of last March.

At this Conference Mr. Robert McGhee, the present Under-Secretary of the State Department responsible for Near Eastern Affairs,

and Mr. Mark Ethridge who was then the American member of the Conciliation Commission, worked out a fairly detailed plan for economic aid to all Middle Eastern States on condition that they undertook to settle the Arab refugees and put their own economic affairs in order.

Mr. Ethridge explained the plan to me as far back as last May. Only at that time, it was conceived that an "Agency" should be formed to start and supervise the execution of these works, and not begin with another Survey. In fact, when Mr. Ethridge came to Lausanne at the end of April, he expected that this "Development Agency" as he called it then, would be formed almost at once. He also explained that it would have an American Director and a British Deputy in view of Britain's supposed influence with the Arab states.

I was to learn later - early in September - that while Mr. Ethridge was expounding this proposal to me in Lausanne, Mr. McGhee had come to London and had a series of conversations with the Foreign Secretary and with Sir William Strang, the Permanent Under-Secretary of the Foreign Office.

Mr. McGhee's proposals greatly impressed both men. It was decided that the British Deputy Director should be nominated at once - even before the name of the American Director was known. Now came a highly significant step in the Survey's history. Instead of picking one of the many Middle East experts attached to the Foreign Office who have such a formidable and resounding record of failure to their credit - at least in recent years - Mr. Bevin's choice fell on a man outside the Foreign Office who was noted for his characteristic independence of outlook.

Sir Desmond Morton, who had been one of Mr. Churchill's Secretaries during the war, was recalled from his post on the Reparations Commissions in Brussels. Mr. Bevin promoted him to the acting rank of Ambassador Plenipotentiary and gave him wide powers to act for the Government on the proposed Development Agency.

Everything therefore seemed set fair at the end of April for this new chapter in the life of the Middle East. And then someone failed to turn the next page. Sir Desmond Morton had come to London and had started preparations for his job. But in Lausanne there was embarrassed hesitation by the Americans when I enquired about the supposed imminent appointment of the Development Agency. In London also the Foreign Office curiously inquired from the Americans about the fate of Mr. McGhee's proposals.

At the time, however, both the Foreign Office in Whitehall and the Conciliation Commission in Lausanne were left in ignorance about the most recent developments in Washington. May, June, July and most of August passed without any formal signs from the State Department either to London or Lausanne as to what was holding up progress.

Now we know. When at the end of April Mr. Ethridge reported from Lausanne that they were all set and waiting for the McGhee proposals, the State Department and the President suddenly had cold feet. There had been difficulties in Congress over other appropriations and it was considered unwise to spring another demand for cash at this stage.

Accordingly the President informed Mr. Ethridge in Lausanne that it was necessary first to have a political peace agreed upon between Arabs and Israel before he would give the green light for the McGhee proposals. It upset all calculations. The Arabs were emphatic that they could not agree to any resettlement of the Arab refugees until they knew what financial support was forthcoming. The Israelis also believed that a settlement was impossible without large-scale development plans and resettlement schemes financed by international sources.

Mr. Ethridge tried to work the President's formula. He failed and returned to the States in June. Then came Mr. Raymond Hare. He also tried and failed and returned to Washington in July. Then came Mr. Paul Porter, an able and aggressive negotiator. He too tried - hard; he too failed. He too went to Washington in August - but to persuade the President of the need to change his earlier ruling.

The President agreed but made some modifications in the earlier plan of Mr. McGhee. The proposals were watered down. The Development Agency was to become a Survey Mission and the money was to come from international funds rather than from Congress. The President proceeded to appoint Mr. Gordon Clapp of the Tennessee Valley Authority as Director after General Lucius Clay and Mr. Philip Reed of the General Electric Corporation had refused the appointment.

At the end of the first week in September, the respective British and American heads of the Survey Mission converged on Lausanne, followed closely by the French and the Turkish members. In view of

the suddenness of the President's decision and the peculiarities of the State Department's communication system none of the four members knew what were the revised terms of reference of the Survey. All they had been told was that the original McGhee scheme had been watered down but that Mr. Clapp would probably enlighten them when he arrived from Washington. But the general feeling was that the earlier life-blood had been sucked from the McGhee proposals and that Clapp's schemes would be cast in minor key and would disappoint the hopes of Arabs and Israelis alike.

It looked indeed as if this golden opportunity to introduce a new and constructive element into the Middle East situation would again be lost - as so many had been in the years gone by. But then the revised views of the British Government were put before the Commission and supported with marked energy and ability by the British member, Sir Desmond Morton.

This new British outlook produced an entirely new situation. It approached the fundamental problems with encouraging realism. The Arab states had to be impressed that the only solution for their refugees was resettlement and not return to Israel. It would be unwise for all concerned to agree to more than 100,000 Arabs living in Israel. This figure might be adjusted if the Gaza coastal strip was ceded by Egypt to Israel.

The Israelis for their part would also have to contribute their share for this added security to their state. They would have to pay a generous lump sum as compensation and should also consider the transfer of the Iraqi Jewish Community - estimated at about 200,000 - from

Iraq to Israel. This would relieve the Arab states of their largest Jewish minority in their midst.

Economic development would proceed on two levels - the immediate and the long term proposals. The schemes considered under these heads were the following:

Firstly, the settlement of the Arab refugees which would take about six years. The first stage of resettlement would place 150,000 in the Gezira district of Syria and 100,000 in the Jordan Kingdom and the Arab part of Palestine. This phase would take 2-3 years. This phase would also include the resettlement of those refugees who would be returning to Israel.

The second phase would consist mainly of the resettlement of another 120,000 refugees in the Euphrates Valley.

The third phase would bring another 200,000 refugees into the Khabur valley of Syria and possibly some 20,000 to Iraq.

The development work would therefore in the first instance be primarily directed towards these resettlement programs. The schemes for this need no further Survey. They have all been prepared in great detail by British and American firms. All that is necessary is the necessary machinery and the consent of the Government concerned.

On one point however the British made an important reservation. They did not agree with the proposal of the Hayes Commission for a Jordan Valley Authority which would leave the control of the waters of the Jordan entirely in Israeli hands. Instead the British urged an alternative plan which would leave control neither in the hands of

Israel or the Arabs but in that of some international authority.

However, the important thing is not so much the consideration of the detailed schemes as the realization by the British Government that action is the essential part of the Survey. The first reports from Beirut indicate that the Mission is indeed proposing to start with some smaller schemes almost at once and that once its report to the Conciliation Commission and the Assembly is approved at the end of this month, it can go ahead on the larger proposals.

It is thus the one important factor that everyone has always talked about but which has always been missing in the Middle East. Stripped of its trimmings, it is a Marshall Plan for the Middle East - and the Middle East needs it as urgently as Europe had need of the European Recovery Program.

Oddly enough opposition has come from two strangely assorted bedfellows: the old Middle East set at the Foreign Office, and the Russians. Russian opposition is understandable and needs no comment. But a word must be said about the Foreign Office reaction. It would seem that Sir Desmond Morton's appointment was not very popular among the "regulars." The reports of the new British policy coming from Lausanne were pooh-poohed and tortuously discredited by the Middle Easterners who evidently do not believe in the new approach reflected it seems by Morton and it seems also by Strang. The new policy thus will still have to fight for its life within the portals of the Foreign Office.

ment, during the first 12 months of the new state's existence, allocated 13,000,000 pounds for housing projects.

The Finance Minister stated that it will be necessary to give up plans for a world-wide Jewish loan for Israel this year in order to avoid interference with existing fund-raising campaigns. In conclusion, Mr. Kaplan expressed optimism at prospects for the country's economic recovery, which he said would come "during the transitory years." He voiced the hope that private investment capital would "flow into Israel when the national wealth paves the way for it."

Dobkin Calls on Zionists to Immigrate to Jewish State

Elishu Dobkin, immigration chief of the Jewish Agency, emphasized the danger of a "deadlock in immigration as a result of the depletion of reserves in the Middle East and following the closing of the migration gates of Hungary and Rumania." In an appeal directed to the 7,500,000 Jews living in English-speaking countries, Mr. Dobkin said the "hour has struck for every Zionist to ask himself whether he is now prepared to immigrate to Israel."

In recent weeks, he recalled, "we witnessed the controversy in the United States in which Premier Ben Gurion was charged with sabotaging the efforts of the United Jewish Appeal because of his daring to urge the immigration (to Israel) of American Jews." It is, therefore, Mr. Dobkin continued, "imperative" to demand implementation of the full principles of Zionism. Jews living outside Israel must be told, he concluded, that "whoever considers himself a Zionist must of duty come to Israel."

Levi Eshkol, Jewish Agency treasurer, stated that the settlement and agricultural programs alone of the Keren Hayesod involve an expenditure of 30,000,000 pounds (approximately \$84,000,000). Mr. Eshkol also said he was "privileged and grateful to announce that in recent days" thousands of immigrants in reception camps in Israel have "developed an eager tendency to settle on the land."

In a message to the parley, President Chaim Weizmann stressed that creation of the Jewish state required "Zionist high tension and Zionist volunteer contributions from the entire Jewish people, both here and abroad, for the speeding up of the ingathering from the dispersion, and for creation of conditions of absorption for masses" of immigrants. The Keren Hayesod, the Israel President's message continued, is the "only instrument for realization of the Zionist vision."

Ben Gurion's Remarks Not Aimed at Z.O.A., Daniel Frisch Declares

NEW YORK, Nov. 7. (JTA) -- Daniel Frisch, president of the Zionist Organization of America, asked to comment on Mr. Ben Gurion's speech, stated that "by no stretch of the imagination could the Israel Premier have had the Z.O.A. in mind." He said the Z.O.A. pursues a policy of mutual cooperation with the Israel Government, based on the premise of one not mixing in the internal affairs of the other.

FUNDS WILL NOT COME TO ISRAEL FROM ABROAD UNLESS GOVERNMENT IS MODIFIED, BEIGIN SAYS

TEL AVIV, Nov. 7. (JTA) -- "Gold and silver will no longer stream to Israel from the Diaspora countries if a radical modification of the country's regime" does not occur, Menachem Beigin, leader of the Herut Party, declared here last night at a dinner tendered in his honor on the occasion of his return from an extensive overseas trip. He said that Israel's trade balance deficit was 30,000,000 pounds (\$84,000,000) and said it was "beyond coverage."

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

MURRAY HILL 3-2641

November 30, 1949

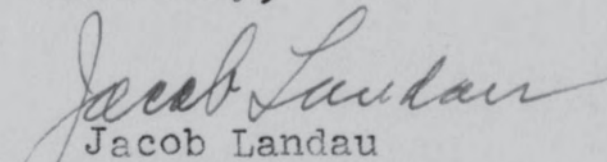
Rabbi Abba Hillel Silver
The Temple
105th St., and Ansel Road
Cleveland, Ohio

Dear Rabbi Silver:

You are invited to attend a meeting of the Board of Directors of the Jewish Telegraphic Agency, Inc., on Monday, December 5th, at 4 P.M., at the Bedford Hotel, 118 E. 40 St., for the purpose of considering and acting upon the proposed plan for the future structure of the Jewish Telegraphic Agency, Inc., prepared by Messrs. George Backer and George Alpert, and for such other business as may come before that meeting.

I trust you will attend.

Sincerely,


Jacob Landau
Secretary

JL/f

HARRY TORCZYNER

ATTORNEY AT LAW

521 FIFTH AVENUE

NEW YORK 17, N.Y.

VANDERBILT 6-6327

December 8, 1949

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

Re: J.T.A.

Dear Dr. Silver:

In accordance with your request, I wish to outline for you the present status of the J.T.A. crisis:

1. As you will remember, Jacob Landau had offered to turn over his shares in the J.T.A. (American operation) to a new Board.

This offer was made under the assumption that a flow of money from the welfare funds, which had been reduced to a mere trickle, would continue and be increased. However, payments have been stopped. At a meeting to be held on December 9th in Cincinnati, the welfare funds will act in regard to J.T.A. in taking into consideration the modus of reorganization of the Board.

2. The list which had been prepared for such new Board of twenty-five members was overloaded with elements from the progressive camp and their fellow-travellers, and contained the implicit threat that the welfare funds would exercise a direct control over the list, thereby imperiling the independence of J.T.A.

3. Dr. Nahum Goldman, who had a hand in preparing this list intimated that the Jewish Agency would be willing to give \$80,000 upon the condition that Landau would step down immediately as manager, that he would accept to be replaced by his brother-in-law Victor Bienstock, Rudolph Sonnenborn to become the Chairman of the Board.

4. Therefore, at the meeting of the present Board last Monday, December 5th, Landau made a statement that his offer had been made upon the assumption of further actual aid on the part of the welfare funds, and upon the assumption of the creation of an "independent" board. That if moneys in the amount of \$70,000 would not be forthcoming by December 20th and if an

HARRY TORCZYNER

"independent" board would not be appointed, his offer would have to be reconsidered.

5. Presently salaries have not been paid and the treasurer, Ralph Lazarus, and the Chairman of the Board, George Baker, are bringing pressure upon Landau to go ahead with the reorganization as originally planned in order to save the situation.

6. I have pointed out to Landau that he pursues a two-fold objective:

- (1) The protection of his personal interests with as maximum demand the retention of the management with a five year contract and a pension after the expiration of said period of five years.
- (2) The independence of the J.T.A.

I have also pointed out to Landau that he is too close to the picture and too vulnerable to fight such a battle directly. Also from the public relations point of view, the impression has been created, rightly or wrongly, that he had committed himself to the turning over of his share in the American operation at least, and that therefore this turning over of the shares should take place in such a manner as would

- (a) reflect a gesture in the public interest;
- (b) protect his own interests;
- (c) insure the creation of a board which would actually be independent.

In order to achieve this objective and after consulting with Dr. Neuman, I recommended:

- (1) That Landau should turn over his share to three or five people, who would represent the public interest.
- (2) That Landau and J.T.A. would make choice of counsel, who would work out with this small group the reorganization of J.T.A. and Landau's personal problem.

This small group would also draft the list of the board members. The names suggested for the small group are:

1. Dr. A. H. Silver.
2. Frank Goldman.

HARRY TORCZYNER

3. Max Lincoln Shuster.
4. Edward Norman.
5. Ch. Greenberg. (?)
6. Mortimer May.

My own preference would be a very small committee consisting of yourself, Frank Goldman and Max Lincoln Schuster, because such a committee would reflect all trends of opinion and at the same time have the necessary prestige.

The fact that there is another Board meeting on Tuesday, December 13, 1949, stresses the urgent need of a decision. Please let me have your reaction at your earliest convenience.

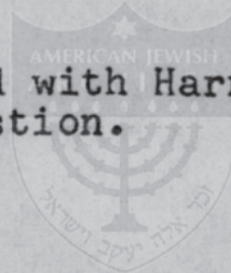
With warmest personal regards, I am

Cordially as ever,

Harry Torcyn

HT/KC

P.S. I have consulted with Harry Shapiro and Gerold Frank on some aspects of the question.



CINCINNATI OHIO DEC 11

GEORGE BACKER PRESIDENT
JEWISH TELEGRAPHIC AGENCY

LARGE CITY BUDGETING CONFERENCE REACHED FOLLOWING DECISION QUOTE
IT IS RECOMMENDED THAT THE COMMUNITIES CONSIDER RELEASING TO THE JTA
A PORTION OF THE WITHELD FUNDS AS A SEVERANCE PAYMENT FOR PAST JTA
SERVICES. THE QUESTION OF WHETHER FUTURE CONTRIBUTIONS SHOULD BE MADE
TO THE REORGANIZED AMERICA JTA CAN BE CONSIDERED ONLY AFTER THERE HAS
BEEN AN OPPORTUNITY TO STUDY AND EVALUATE THE EXPERIENCE AND SERVICES
OF THE NEW AGENCY UNQUOTE

C
O
P
Y



ARNOLD GURIN
837A

December 12, 1949

Mr. Jacob Landau
Jewish Telegraphic Agency
106 East 41st Street
New York 17, New York

My dear Friend:

In connection with the decision of the United Nations on the internationalization of Jerusalem, you may wish to publish the following statement of mine:

The United Nations could not implement its partition resolution of 1947. The Jews of Palestine had to implement it with their blood against the Arab states who defied the U.N. and waged war upon Israel.

Now the U.N. is proposing to set up an international regime for Jerusalem against the wishes both of the government of Israel and the one Arab government which actually has its forces in Jerusalem and intends to stay there.

How does the U.N. propose to implement its decision? What moral authority can there be behind a decision which totally disregards the expressed wishes of all the inhabitants of the area which it has proposed to internationalize?

I am persuaded that the U.N. will before long realize that a mistake has been made and will proceed to reconsider its action. This will not be a new experience for the U.N. in connection with its handling of everything connected with the Palestine problem.

Friends of the U.N. hope that reconsideration will come speedily before resistance to any attempts to impose a universally unwelcome regime develops. Such attempts are doomed to failure from the very start, and will only serve to exacerbate a situation already very grave and very tense.

With all good wishes, I remain

Most cordially yours,

ABBA HILLEL SILVER

AHS:er

CINCINNATI OHIO DEC 13

GEO BACKER
PRES JEWISH TELEGRAPHIC AGENCY

HARRY GREENSTEIN ADVISES APPARANT MISUNDERSTANDING ON YOUR PART OF
ACTION BY LARGE CITY GROUP THEY DID NOT ENDORSE JTA REORGANIZATION
PLAN ESPECIALLY REGARDING DIVORCEMENT OF AFFILIATES AND RELATED
AGENCIES THEY ARE NOT PREPARED TO RELEASE ALL WITHHELD FUNDS.
RECOMMENDATION WAS FOR RELEASE OF PORTION OF FUNDS AS FINAL SEVERANCE
PAYMENT FOR PAST SERVICES WITHOUT ASSUMING FURTHER FINANCIAL RESPONSIBILITY
FUL MINUTES OF MEETING BEING PREPARED AND WILL BE MAILED TO YOU

ARNOLD GURIN
1126A

C
O
P
Y

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

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

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TS-CL063 DL PD=WUX NEWYORK NY 13 1045A=

=ABBA HILLER SILVER, THE TEMPLE=

=EAST 105 ST & ANSEL RD=

1949 DEC 13 AM 11 14

WRHS
AMERICAN JEWISH ARCHIVES
=LARGE CITY BUDGETING CONFERENCE DECIDED RECOMMEND THAT COMMUNITIES RELEASE PORTION OF WITHHELD FUNDS. WOULD APPRECIATE YOUR URGING FUND RELEASE \$2500 TODAY AS SITUATION UNTENABLE WITH STAFF IN CONTINUOUS GRIEVANCE SESSION UNWILLING WORK UNTIL PAYMENT BACK SALARIES BY FRIDAY GUARANTEED. UNLESS SUBSTANTIAL AMOUNT RECEIVED THIS WEEK BREAKDOWN INEVITABLE=

=LANDAU=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET
NEW YORK 17, N. Y.

Dec. 16, 1949

MURRAY HILL 3-2641

Rabbi A.H. Silver
The Temple
E. 105th St. & Ansel Rd.,
Cleveland, Ohio

Dear Rabbi Silver:

Mr. Landau asked me to forward to you copies
of the attached wires.



Very truly yours,

Rhoda Gould

Rhoda Gould

RG:JL:J
encl.

PHILIP I. DELFIN

COUNSELOR AT LAW

350 BROADWAY

NEW YORK 13, N.Y.

WALKER 5-5948

December 21 1949

Rabbi Abba Hillel Silver
The Temple
E. 105th St. and Ansel Rd.
Cleveland, Ohio

My dear Rabbi Silver:

On June 28th, 1949, my client, Mr. Ingram Bander, was called from his desk at the Jewish Telegraphic Agency, Inc., which he served as Administrative Assistant, Office and Personnel Manager, and Purchasing Officer, to appear before a meeting of the Board of Directors which was inquiring into the management of the Agency under Mr. and Mrs. Jacob Landau. Before questions were asked of my client by the Board concerning that management, he was assured by the Board, on the record, that he had its protection against any reprisals which Mr. or Mrs. Landau might seek to take against him for answering the Board's questions.

During the entire duration of my client's appearance before the Board, he confined himself exclusively to answering such questions as were asked of him by Board members, and made no other statement except to clarify the fact that he was appearing out of a sense of duty to the Board, and at its request.

Nevertheless, in direct reprisal for having responded to the Board's summons, Mr. Bander was ordered out of the JTA office on August 2nd, 1949, by Mr. S. Ralph Lazrus, Treasurer, without any notice whatsoever, and within the next few days he received a letter of dismissal from Mr. Lazrus. The latter has since stated that he took the action of ordering Mr. Bander from the office in accordance with a decision of the Executive Committee meeting held at Mr. Landau's home the previous evening, attended by Mr. and Mrs. Jacob Landau, and that he took the dismissal action on his own initiative.

Mr. Lazrus, at the time he ordered my client to leave the office, promised him that "evidence" against him would be presented "to the next Board meeting," and that he would have an opportunity to answer such "evidence" there. In fact, two such meetings were subsequently held, on August 15th, 1949, and September 13th, 1949. At neither of these meetings was my client's request to appear honored. At the second of these meetings, in fact, Messrs. Landau and Lazrus bitterly opposed a motion that a Board committee be appointed to inquire into the "evidence" against my client, nor were the details of such "evidence" at any time presented to the Board despite my client's repeated insistence that this be done.

Thus my client, after almost three and one-half years of faithful service to the Agency, found himself dismissed without any severance pay-

PHILIP I. DELFIN

COUNSELOR AT LAW

350 BROADWAY

NEW YORK 13, N.Y.

WALKER 5-5948

Rabbi Abba Hillel Silver - Page Two - 12/21/49

ment, under circumstances which caused him extreme humiliation and mental anguish, and with "accusations" against him which he has been denied the opportunity to refute. His livelihood, both present and future, has been most seriously endangered by the fact that the reasons given for his dismissal by Messrs. Landau and Lazrus and their fellow officers defamed his character and have prevented his obtaining employment. Indeed, the JTA officers have even sought to prevent the New York State Division of Placement and Unemployment Insurance from paying my client the minimum subsistence benefits available to unemployed persons under State law.

It is obvious that the Board of Directors has been remiss in failing to protect my client against the reprisal taken against him by the Landau management. It is my duty to my client to inform the Board of Directors of the Jewish Telegraphic Agency, Inc., that he reserves every legal right to protect his interests in this matter, if the Board fails to pursue its clear obligation to restore him retroactively to the position which he filled with outstanding honor and competence until he had the misfortune to be called before the Board as a witness in its investigation of the Landaus.

Before taking any further steps in order to protect my client's interests, I shall await your anticipated reply.

Very truly yours,

Philip I. Delfin
PHILIP I. DELFIN

PID/ia

December 22, 1949

JTA ---- Budget for 1950

Expenses

Salaries\$ 104,000.

Cost of News Service:

Cables	\$ 13,000.	
Features	9,000.	
Reproduction	900.	
Newspapers	1,300.	
Teletype	4,100.	
Postage	12,000.	
Feature Syndicate	1,800.	42,100.

Overhead Expenses

Accounting	1,300.	
Bank Charges	500.	
Interest	1,000.	
Admin.Cables	1,200.	
Employees' Benefit	2,000.	
Editorial Expenses	2,000.	
Fares	1,000.	
Gen. Expenses	2,000.	
Insurance	1,000.	
Mailing Dept.....	6,500.	
Office Supplies	1,300.	
Admin. Postage	1,300.	
Fundraising	7,300.	
Rent,Light,Storage	6,500.	
Telephone	3,000.	
Trav. Exp.....	7,500.	
Soc. Security	2,200.	47,600.

Total Expenses\$ 193,700.

Income:

News Service	50,000.
Subscriptions	27,000.
Service Fee	34,000.
Transmission Press Dig....	3,200.

Total Income\$ 114,200.

Loss from Operations \$ 79,500.

PROPOSED BUDGET FOR OVERSEAS NEWS AGENCY, INC.
AND PRESS FEATURES, INC.

EXPENDITURES:

Salaries - Office staff and correspondents.....\$ 104,400.

Cost of Service:

Correspondents Expenses.....\$ 10,000.
Newspapers & Periodicals....." 1,500.
Postage....." 3,000.
Production Costs....." 10,000.
Royalties....." 30,000.

Total Cost of Service.....\$ 54,500.

Overhead Expenses:

Accounting.....\$ 1,000.
Bank Charges....." 150.
Cables - Administrative....." 500.
Depreciation....." 1,000.
Editorial....." 250.
Employees Benefits....." 1,200.
Fares & Other Transportation....." 250.
General Expenses....." 500.
Insurance....." 600.
Legal....." 500.
Mailing Dept. Supplies....." 1,200.
Office Supplies....." 1,200.
Postage - Administrative....." 1,300.
Promotion & Publicity....." 250.
Rent, Light etc....." 3,400.
Telephone....." 1,800.
Traveling....." 3,000.
Taxes....." 3,000.

Total Overhead....." 21,100.

Total Expenditures.....\$ 180,000.

INCOME:

From News & Features Service in U.S.A.....\$120,000.

Estimated Income from Abroad....." 60,000.

Total Income.....\$ 180,000.

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Friday, December 23, 1949

JTA Daily News Bulletin

Published by the JEWISH TELEGRAPHIC AGENCY - 106 East 41st Street, New York 17, N.Y.

JEWISH AGENCY CLOSES YEAR WITH \$30,000,000 DEFICIT; EXECUTIVE SESSION TO STUDY PROBLEM

NEW YORK, Dec. 22. (JTA) -- The Jewish Agency will close its books at the end of 1949 with a deficit of \$30,000,000, Dr. Nahum Goldmann, chairman of the American section of the Agency, revealed here today at a press conference. He said the problem of covering this deficit will be one of the major questions to be discussed at the forthcoming session of the Jewish Agency executive which opens in Jerusalem on January 12.

Dr. Goldmann, who will proceed to Israel within a few days to attend the Agency executive meeting, said that the money raised by the United Jewish Appeal in 1949 was only 10 percent below the total raised during the preceding year. He attributed this decrease not to any increasing apathy toward the causes supported by the U.J.A., nor to any deterioration in Zionist morale, but to the fact that the Silver-Morgenthau dispute resulted in a three-months delay in the launching of the U.J.A. drive.

As far as Israel is concerned, the U.J.A. campaign of 1949 had a less happy side as a result of the increased allocations which local Jewish federations and welfare funds deducted for their local needs, Dr. Goldmann stated. He claimed that some federations and welfare funds allocated for local purposes as much as 50 percent of the amounts raised by their campaigns.

Dr. Goldmann estimated that between 130,000 and 150,000 Jewish immigrants will enter Israel in 1950. This number, he said, will be increased in the event that agreement is reached with any of the Arab governments on permitting the emigration of Israel-bound Jews from their countries. He added that little further immigration is expected from the DP camps in Europe. The Jews remaining there, he stated, would likely emigrate to other countries. The Jewish Agency is closing its offices in these camps, he revealed.

The session of the Jewish Agency executive, Dr. Goldmann reported, will also devote much of its deliberations to the problem of the future of Zionism and the need for remolding the program of the Zionist movement. The relationship between the Jewish Agency and the Government of Israel will occupy a special place in the discussions, he emphasized.

United Palestine Appeal Board Reconstituted; Communities Represented

NEW YORK, Dec. 22. (JTA) -- Reconstruction of the United Palestine Appeal board of directors to include representatives from 24 major communities and eight regions throughout the U.S. was announced today by Judge Morris Rothenberg, U.P.A. acting national chairman. The U.P.A. will now be directed by a board of 48 Jewish community representatives and 72 delegates of its constituent bodies--the Palestine Foundation Fund and the Jewish National Fund--totalling 120.

Judge Rothenberg reported that cities with a Jewish population of 20,000 or more selected one representative each, except for Chicago, Philadelphia and Los Angeles, to be represented by two members each. New York City has ten representatives on the board. For communities having less than 20,000 Jewish population, their representation has been secured through a regional system in which eight regions will have a total of 12 representatives. The formula for determining representation was submitted by the Council for Jewish Federations and Welfare Funds and approved by the board. The first meeting of the reorganized board is planned for January 21.

December 25, 1949

Mr. Philip Bernstein
Council of Jewish Federations & Welfare Funds
165 West 46th Street
New York 19, New York

My dear Phil:

In the JTA Bulletin of Friday, December 23rd, I came upon the following paragraph:

"Dr. Goldmann, who will proceed to Israel within a few days to attend the Agency Executive meeting, said that the money raised by the United Jewish Appeal in 1949 was only 10 percent below the total raised during the preceding year. He attributed this decrease not to any increasing apathy toward the causes supported by the UJA, nor to any deterioration in Zionist morale, but to the fact that the Silver-Morgenthau dispute resulted in a three-month delay in the launching of the UJA drive."

I am interested to know whether the figures are actually correct as given. (1) How much money was actually raised by the Jewish communities of the United States in their various Welfare Fund drives in 1949, and how much in 1948? (2) How much was raised by the UJA in 1949 in cash and pledges on account of the 1949 campaign, and how much was raised in 1948 on account of the 1948 campaign?

When you get these figures, I would appreciate very much if you would telephone me here at The Temple, Randolph 0822.

With love to Florence and the children, I remain

Most cordially yours,

ABBA HILLEL SILVER

AHS:er

December 28, 1949

Jewish Telegraphic Agency
106 East 41st Street
New York, New York

Gentlemen:

In your issue of Friday, December 23rd, you reported that Dr. Nahum Goldmann, Chairman of the American Section of the Jewish Agency, addressing a press conference on the eve of his departure for Israel to attend the Agency Executive meeting, said that "the money raised by the UJA in 1949 was only 10% below the total raised during the preceding year".

I am sure that Dr. Goldmann would not wish to carry with him fictitious figures to Israel, where he might have to do some tall explaining for the role which he played in the so-called Silver-Morgenthau dispute, for the failure of the 1949 campaign and perhaps also for the decline in the Zionist political position in Washington.

If Dr. Goldmann referred to the monies raised for all purposes by the welfare funds in the United States, the best available figures are that in 1948 some \$205,000,000 were raised, and in 1949, some \$165,000,000. There was a drop there not of 10% but of approximately 20%. If he referred to the monies raised by the UJA, then the best available figures are that in 1948 \$114,000,000 were raised, and the best estimates for 1949 of cash and pledges on account of the 1949 campaign were about \$100,000,000 - a drop of about 30%.

Whether this serious drop in the totals raised by American Jews and in the amounts allocated to the UJA are to be attributed exclusively to the delay in organizing the 1949 UJA drive, as Dr. Goldmann suggests, is, of course, a matter of personal judgment, but surely the figures should be given as accurately as possible.

Very sincerely yours,

AHS:er

ABBA HILLEL SILVER

CLASS OF SERVICE

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WESTERN UNION

JOSEPH L. EGAN
PRESIDENT

1220

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1949 DEC 30 PM 5 45

RABBI ABBA HILLEL SILVER,

THE TEMPLE EAST 105 ST & ANSEL RD=

PLEASE TAKE NOTICE THAT A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE JEWISH TELEGRAPHIC AGENCY, INC. WILL BE HELD THURSDAY JANUARY 5TH AT 4PM AT THE BEDFORD HOTEL 118 EAST 40TH STREET, NEW YORK CITY, FOR THE PURPOSE OF

1. CONSIDERING PROBLEMS OF STRUCTURE
2. ARRANGEMENTS WITH MR. JACOB LANDAU
3. TRANSACTING SUCH OTHER BUSINESS AS MAY COME BEFORE THE MEETING=

JACOB LANDAU SECRETARY=



TELEGRAM

JANUARY 3, 1949

PHILIP BERNSTEIN
COUNCIL OF JEWISH FEDERATIONS & WELFARE FUNDS
165 WEST 46TH STREET
NEW YORK, NEW YORK

HAVE YOU HAD CONFERENCE WITH MR. LANDAU. SUGGEST IT NOT BE DELAYED
SINCE MEETING OF BOARD HAS BEEN CALLED FOR THURSDAY.

ABBA HILLEL SILVER



**PUT IT
HERE**

**WESTERN
UNION**

- FOR ACTION.
- FOR SAVINGS
- FOR PERMANENT RECORD

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1201

(53)

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1950 JAN 4 AM 11 53

RABBI A H SILVER=

THE TEMPLE EAST 195 ST AT ANSEL RD=

MEETING WITH LANDAU TODAY REGARDS=

PHILIP BERNSTEIN=

WRHS

AMERICAN JEWISH
ARCHIVES



[1950]

PHILIP BERNSTEIN

PERSONAL

January 5, 1949

Dear Rabbi:

I met with Mr. Landau yesterday, together with Harry Shapiro, Harry Lurie and Arnold Gurin (our Budget Research Director who has been working intensively on this situation). Mr. Landau wanted the content of the conversation off the record, and the following is the general result of the discussion.

Yesterday's conversation may have had no value, since it apparently is too late to make any changes in plans, although it is impossible to tell what will be the outcome of the JTA Board meeting scheduled for today.

We tried to make clear that all that the welfare funds had asked was a change from the private stock ownership arrangement, to which Landau had immediately and publicly agreed in June 1948, and a study of JTA's operations and services. The welfare funds certainly had not suggested separating ONA and JTA, nor JTA from its foreign affiliates, nor any specific procedure for reorganizing JTA, pending the outcome of the study. It is also clear that the welfare funds are not primarily responsible for JTA's financial plight -- at most another \$25,000 might have been secured from them, while JTA's debt is reported to be \$180,000.

It quite apparently is still a game of playing one group against another -- first by the threat that the anti-Zionists were trying to take over the organization, then that the welfare funds in league with the anti-Zionists were making that attempt, then that the Zionists or one faction of Zionists were doing it with a plea to welfare funds to prevent it -- so that the complete circle has been made. And at the core seems to be a reluctance to give up the stock, at least until a satisfactory pension arrangement with an adequate guarantee has been worked out, and a lack of trust in any group as yet to work out that arrangement.

I'm afraid that what has happened is not a matter of reason or logic or forthrightness -- and what will happen is therefore probably equally unpredictable.

It was a great pleasure to see you again. With kindest regards.

Cordially,

Phil

Rabbi A. H. Silver
The Temple
E. 105th St. at Ansel Rd.
Cleveland, Ohio

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

January 16, 1950

MURRAY HILL 3-2641

Rabbi Abba Hillel Silver
The Temple
Cleveland, Ohio

Dear Rabbi Silver:

In March of this year I shall commence my 26th year of service in the JTA in New York - a service which has given a reputable standing to the organization and has been acknowledged by Jewish leaders of all groups.

I was, therefore, amazed to receive from Mr. Landau a letter, dated January 10, 1950, notifying me that my "agreement" with the JTA is terminated as of April 16, 1950. (A copy of Mr. Landau's letter is enclosed herewith.)

I wish to point out that my position in the JTA - as Mr. Landau is well aware - is a lifetime position, in accordance with the usage adhered to by the entire Jewish press, as established by the Jewish Writers Union.

If by using the date of "April 16" Mr. Landau means to refer to his letter to me dated April 16, 1945 in which my rights as Editor-in-Chief were outlined, I call attention to a resolution of the Board conveyed to me by Mr. Backer on November 26, 1947 confirming my position as Editor-in-Chief and Mr. Landau's position as Managing Director.

Mr. Landau writes in his letter that the Board at its meeting on January 5th resolved to terminate all employment agreements. However, the same meeting of the Board, in fact, gave Mr. Landau a contract of employment as Managing Director with a provision for a pension whenever his employment is terminated.

I do not believe that the Board, in whatever decision it made, intended to affect my interests without hearing me, especially since under an existing resolution of the Board I am to be invited to be present at its meetings when matters affecting the editorial department are discussed. Furthermore, this resolution - as conveyed to me by Mr. Backer in his letter of November 26, 1947 - specifically states that "sufficiently in advance of Board meetings" I am to be informed. I have never been informed of the Board meeting to which Mr. Landau's letter refers.

Under the circumstances I naturally do not acquiesce to Mr. Landau's letter.

I fail to understand why the Board did not act in the same fair spirit towards me as it did with regard to Mr. Landau. I hope that the Board at its forthcoming meeting will take cognizance of the fact that of the 30 years of the existence of the JTA I am the only member of the organization, aside from Mr. Landau, who not only stayed with the organization for more than 25 years but who has built it up editorially to what it is today.

I would appreciate an opportunity to appear before the Board to state my special position.

Sincerely yours,

Boris Surolan

B.S.

*I hope you
can see your way
to act in the situation.*

March 14, 1950

Mr. Mordecai Danzis, Editor
The Jewish Day
183 East Broadway
New York, N.Y.

Dear Mr. Danzis:

As Chairman of the Large City Budgeting Conference, I am impelled to comment on your articles of March 1st and February 21st dealing with the Jewish Telegraphic Agency, and containing various statements as to the actions of Jewish welfare funds and the Large City Budgeting Conference in that situation.

Your articles contain many inaccurate statements which are contrary to the actual facts. These facts were and are easily available either from the individual welfare funds or through the office of the Council of Jewish Federations and Welfare Funds, which serves as a secretariat for the Large City Budgeting Conference. In the interests of responsible journalism and clarification of public opinion, I should like to summarize some of the major facts very briefly. More detailed information as well as full documentation are available, if you desire to have them.

The Large City Budgeting Conference is a voluntary association of Jewish welfare funds in eleven of the largest cities in the United States. It has no budgetary power whatsoever. It is made up of the presidents, budget chairmen and executives of the welfare funds participating in it, who have received authorization for their functions from their respective communal organizations. Its purpose is to meet with various national agencies who receive allocations from the welfare funds in order to obtain complete and detailed information from them and to discuss with them through their top level leadership their programs, budgets, and communal policies. The information thus obtained is made available to the affiliated welfare funds who individually determine their allocations.

The Jewish Telegraphic Agency is only one of several agencies which have been studied through the mechanism of the Large City Budgeting Conference. Others include the American Jewish Committee, Anti-Defamation League, Jewish Labor Committee, American Jewish Congress and the National Jewish Welfare Board. It may be of interest to you to know that the discussions between the Large City Budgeting Conference and the community relations agencies have resulted in an agreement to establish jointly with the National Community Relations Advisory Council a basic scientific evaluative study in the field of community relations in order to determine the soundness of the present Jewish programs in this field. I think you will understand the importance of this achievement since many individuals and groups in Jewish life have long considered it desirable to conduct a comprehensive study which would help to determine the efficacy of the defense work now being done by Jewish agencies.

It happened that the Large City Budgeting Conference was organized at a time when the Jewish Telegraphic Agency was involved in an internal controversy within its own Board (June 1948). This controversy centered around the fact that the JTA, although receiving public funds, had the structure of a privately-owned enterprise. The Large City Budgeting Conference acquainted itself with this situation and had a lengthy meeting with the top officials of the Jewish Telegraphic Agency. These officials explained at that time that the JTA Board had set up a Committee on Structure which was examining the problem and which would complete its study and make a recommendation by the Fall of 1948.

The Large City Budgeting Conference did not take any position on the merits of the JTA's internal controversy. Neither did the LCBC at any time try to influence the JTA as to the specific type of communally responsible structure, Board personnel, etc., that it should have. The welfare funds did indicate that it is their responsibility as trustees of public funds to make sure that an agency receiving communal funds is properly organized and properly administered for the benefit of the American Jewish community. With this in mind, they suggested that an objective study be made of all the JTA enterprises in order to evaluate the services which they were rendering to the American Jewish community and the responsibility of the community for support of those enterprises.

The internal situation within the JTA continued to deteriorate. The JTA Committee on Structure did not evolve a plan within the time period which had been expected, and the Board of Directors of the JTA held no meeting whatsoever between April 1948 and June 1949.

The welfare funds were thus faced with a situation where a public institution receiving their support was not being governed by an operating Board of Directors and was not making any progress toward establishing a publicly responsible management. That being the case, the welfare funds who were acquainted with the situation decided individually that they could not properly transmit funds to the JTA until the questions of structure were solved and a Board of Directors was functioning.

This situation continued until the meeting of the JTA Board on September 13, 1949. It is important to note that the Board decided unanimously at that meeting that the private ownership of stock in the JTA should be discontinued and the stock transmitted to the Board so that there would be no private ownership. This in itself indicates the validity of the concept that private ownership is incompatible with the principles of a public institution publicly supported. However, the plan which was adopted, in principle, on September 13th was not actually carried into effect and as far as we know, has not been carried out even to this date. In addition, the plan adopted in principle by the Board on September 13th involves not only the question of transferring the individually held stock, but many other actions which change the character of the JTA from a world-wide Jewish news service to a network of independent news agencies in various countries. This, in effect, gives the JTA the character of a new organization.

Throughout this period, there have been lengthy meetings between officials of JTA and officers of the welfare funds affiliated with the Large City Budgeting Conference. Meetings of this type were held in June 1948, June 1949, November 1949 and December 1949.

At the last meeting in December 1949 in Cincinnati, Mr. George Backer, President of the JTA, made an urgent plea that the communities which had been withholding their 1949 grants now make those funds available in order to help ease the financial crisis of the JTA. He outlined the reorganization plan (which has still not been carried out) and suggested to the welfare funds that they would have ample time to study the reorganized JTA enterprises and to make up their minds as to whether these reorganized agencies were of the type which could be properly supported by the welfare funds. He urged, however, that the funds which had been allocated to the JTA in the past now be made available.

The final recommendation of the Large City Budgeting Conference carried out, in essence, the recommendation which JTA's own President had made. The recommendation was that the welfare funds consider a final grant to the old JTA and make no commitment for the future until they would have an opportunity to study the reorganized Agency, after reorganization would actually have taken place.

This recommendation was thoroughly discussed by the Boards of the respective welfare funds in the communities and the actions which they had allocated in 1949; others released only a portion of these funds on the basis that they were paying for the actual service they had received from the JTA during 1949, but did not feel that they could properly make a contribution over and beyond a service fee for that period since in their judgment the JTA had not been functioning as a properly constituted communal agency; still others, released no funds at all on the ground that they did not believe JTA meets proper standards of communal management.

It is important to emphasize that at no time did the welfare funds make any recommendation whatsoever as to who should be on the Board of Directors of the JTA, nor what its policies of news service should be. They were concerned exclusively with the question as to whether the JTA was properly constituted as a communal agency since it was receiving communal funds.

It should also be emphasized that the welfare fund leaders reiterated time and again that they are interested in preserving the JTA since they need a news service and are willing to help in the financing of such a service. The welfare funds are now waiting for the JTA to accomplish its reorganization in the hope that it does meet the basic standards of a public institution and will, therefore, merit favorable consideration for support in the future. It is, however, up to the JTA to accomplish its reorganization before this can be done. We have waited patiently since June 1948 for this reorganization to be effected.

I am sure that, in all fairness, you will want to make this letter available to your readers, so that they may be fully informed of all the facts.

I await your early reply.

Sincerely,

BENJAMIN ULIN, Chairman
Large City Budgeting Conference
162 Washington Street
Boston, Massachusetts



May 5, 1950

Mr. Benjamin Ulin, Chairman
Large City Budgeting Conference
162 Washington Street
Boston, Mass.

Dear Mr. Ulin:

Your letter of March 14th misses the main point. Most of your observations deal with the technical or formal aspects of the JTA situation but do not touch the core of the issue. The real issue is that the independence of JTA is in jeopardy.

The JTA, the only world-wide Jewish news service, represents a daily link between the Jewish communities throughout the world, and in its three decades of existence has proven to be a great moral and spiritual force arousing the consciousness of our people, intensifying their responsiveness toward every meritorious Jewish cause. For this reason, it has been termed the "eyes and ears of the Jewish people" or as Einstein termed it "a symbol of Jewish solidarity," or according to Israel Zangwill the "nervous system of the Jewish people."

As Editor of The Day and familiar with the service of the JTA for more than a quarter of a century, I want to testify to the ability with which the JTA's world-wide network of offices and correspondents have been built up by Mr. Landau. There is not a country in Europe or in the Middle East or in this hemisphere which he has not visited in the pursuit of the interests of the JTA.

Whether the JTA did or did not have a board meeting during a period of 12 months, what its corporative structure is, are not as essential questions as whether it was or is useful to the Jewish people. Its usefulness has not and cannot be questioned. To endanger the existence of such a vital activity because of the questions which you enumerate proves to me the point I made: our community today lacks lay leadership. We have given much too much power to social workers who are accustomed to the philanthropic pattern and are not capable of dealing effectively with an international political activity such as a news agency.

I have no doubt that you made your statements in good faith but it is obvious that you are misled by the Council officials, who from the beginning have misstated the case, shown open bias and joined in the "Get Landau" movement which Jacob Blaustein inaugurated.

I wonder whether you are aware that three years ago at the board meeting held April 2, 1947, Mr. Landau suffered a heart attack when it became clear to him that Blaustein was determined to oust him. He had taken his lifelong identification with JTA for granted. After months of grave illness, from the very first day he stepped out of his sick-bed, he has been made the target of a campaign of character assassination as vicious as it was persistent on the part of Blaustein and the Council officials. I do not understand why, if after three decades certain structural problems had to be tackled, Landau could not have been given a sabbatical year or at least six months of rest before these matters were worked out. The entire campaign directed against Landau was as inhuman as it was unnecessary.

The JTA was established 33 years ago before a single welfare fund existed. It was supported not only by individuals but by welfare funds for many years prior to 1936, when it was transformed into a non-profit corporation. Until 1936 JTA was a private enterprise, owned by Mr. Landau. It issued annual reports, copy of one of which I am enclosing. You will find that the JTA clearly stated in these reports that it was a private enterprise and claimed communal support for one reason: its usefulness to the Jewish community.

Can you explain to me why the welfare funds should have supported the JTA even before it became a non-profit organization and why suddenly it is no longer eligible for such support after decades of useful service to our people?

Because of its structure? Its structure since 1936 was more definitely communal than before that date. Prior to 1948 the Council never wrote to the JTA raising the question of its structure. Why the sudden flurry? Can you seriously maintain that all of this excitement was due to objective considerations and not to the hue and cry raised by Blaustein?

What has been done and is still being done to the JTA will be remembered for many years. The JTA issue will yet haunt those who are responsible for the unbelievably harsh measures applied against an important agency. A grave injustice has been committed, I must emphasize, not only against the JTA but against its founder, Jacob Landau, who from the outset led the Agency against terrific odds and to whose ability and devotion the many remarkable achievements of the Agency are due.

We must be on our guard to prevent a cesspool in our midst from which slanderous tales and threats constantly emanate. Jacob Blaustein is guilty of unethical conduct. His vindictiveness and malice know no bounds. An all-time low in standards has been the consequence of Blaustein's unscrupulous methods. Even the McCarthy touch was not missing from Blaustein's insinuations. Instead of you and other leaders stopping him, he has been allowed to pursue his maxim, "Rule or ruin!" Landau challenged Blaustein to a court of honor. The board meeting of August 15, 1959 backed up this request. Blaustein sidestepped this.

Engaging in fault-finding expeditions, lawyers and accountants, Council officials scanned all records and financial statements in order to build up a case. The hounding of Landau was performed in a ruthless, relentless spirit. We have indeed built up a Frankenstein and the power we have given to the Council officials and the welfare funds is terrifying.

A situation has been revealed which must shock every fair-minded person. We are governed today by social workers, who have built great charity trusts, powerful machines, which today threaten to control all Jewish activities. The slogan "partnership between the local welfare funds and the national organizations" may sound innocuous to many. What has happened to JTA should be a warning of the danger of this plan. As I pointed out in my article, even if only one or two representatives of the Council or the Welfare Funds are on a board of 40 or 50 and are voted down by all the others, but have the possibility of circularizing the welfare funds through the Council, they can alienate financial support and thus defeat majority rule. This means that democratic processes in Jewish life will be completely negated.

The JTA situation has been distorted to such an extent that it is hardly recognizable. From your letter one would gather that the JTA was run as a privately owned enterprise. I do not agree. I read the minutes of all the board meetings and could not find a single instance where Landau tried to impose his will on the board or even mentioned his shares. Since 1935 all decisions without exception were taken by the Board and not by Landau nor the trustees who were authorized to vote his stock. An entirely artificial issue has been blown up beyond reason.

Louis Marshall, as you probably know, was opposed to the idea of establishing a communal board over the JTA. He believed that a communal board composed of representative Jews was suitable for a hospital, an orphans home, etc. The members of the boards of such institutions would not discuss their ideologies at board meetings. He felt it was different with regard to a news agency. A representative board, he felt, meant a board composed of outstanding personalities belonging to the various parties, each of whom would pull JTA in a different direction. Marshall's prediction has come true. Marshall had other cogent arguments. He pointed out that he would be opposed to the American community or Government controlling AP or UP and did not want to be less liberal as a Jew than he was an American. Marshall explained that independence in the case of JTA merely meant the right to be factual. Marshall believed that JTA, though not officially controlled, was nevertheless subject to organic checks and controls. It served newspapers, organizations and individuals of all orientations. If the JTA adopted a propagandistic line, it would lose some of its newspapers, individual subscribers and contributors. It would be suicidal. As a matter of fact he pointed out the JTA was more effectively controlled than any

other activity since it was daily scrutinized by critical and intelligent Jewish eyes, those of editors, rabbis, professionals, interested laymen, etc., and if JTA made a mistake there would be protests. Marshall's attitude was intelligent. I have thus far not heard a single argument which would convince me that the position taken by the Council officials and the welfare funds is wiser and preferable. A subcommittee of the American Jewish Committee, of which Justice Cardozo was a member, fully endorsed Marshall's view upon completion of its study of JTA.

What is your definition of a communal activity? Do you classify as communal only such activities as are fully in accord with a certain pattern - even if some of these organizations duplicate each other to a very great extent, as is the case, for example, with regard to our defense agencies. Would you hesitate to term an activity "communal," if it is really useful to the community but whose form or organization is not exactly the same as that of a hospital or orphan home? The JTA enjoys tax exemption and is in the eyes of the government not a commercial but a communal activity. Why must our communities be more papal than the Pope? Governments and parliaments do not hesitate to support even a commercial enterprise, such as steamship or air lines, if they are useful or necessary to the country.

The story of how Council officials injected themselves into the internal affairs of the JTA and sided with the opposition is not a pretty one. The record shows that the highest Council official acted as stooge for Blaustein. He and other officials gathered information from clandestine sources. Council officials came to a board meeting called by the opposition and made statements which have proved to be inaccurate. They misrepresented the JTA case from the outset. In the very first memorandum they sent out, they termed the JTA a "commercial enterprise," which it never was. Not every share corporation is a commercial enterprise. For example, the ICA founded by Baron de Hirsch is a share corporation but no one would term the ICA a commercial enterprise.

You are mistaken that the reorganization of the JTA has not been carried out. It has. You have been given the wrong interpretation of the decision of the meeting of Sept. 13, 1949. It was Mr. Landau who offered to relinquish his shares without compensation, despite the fact that the original contract called for compensation. He thought this would result in the welfare funds immediate payment of withheld funds. His was not a free decision. He acted under duress.

As you know, the Council issued a memorandum to the welfare funds side-tracking the change in structure but playing up a statement of the opposition and bringing up new issues. The consequence of this memo was that additional welfare funds began to withhold funds.

The Council officials are continuing their poisoning of wells. Recently the Council again issued a report on JTA. Again, as it has constantly done during the last three years, this report was not submitted first to the JTA, contrary to custom with all other organizations. This report again contains grave misstatements of material facts. Even the figures it cites are wrong. The report emphasizes that no funds will be released until the board is fully established and until after a thorough "investigation" is made by the Council. How is JTA to exist in the meantime? They are indifferent to JTA's fate. Their will must be done. It is an incredible situation.

After the partiality which Council officials have shown, it is unreasonable to submit JTA to an investigation under the auspices of those same officials. Why do they want an investigation? Scanning the Jewish press the world over should suffice as proof that JTA is effective. The JTA today has a board of 10 members. Will it be eligible for welfare fund support if it has a board of 15 or 25? Are you really serious in believing that board meetings mean much in the life of a news agency? No committee or board has ever run a news agency. It is a professional activity and it is the competence of its staff which determines the success or failure of a news service.

In my study of the record, I noted that even when Blaustein was Chairman of the Board of JTA, it also happened that for a year or longer no board meeting took place. Has the Council studied the record of all organizations? How often their boards meet and how many members attend meetings? Has the JTA been singled out for this kind of between board meetings. It had the highest kind of leadership. Herbert Bayard Swope, George Backer, Max Lincoln Schuster are names which would enhance the prestige of any organization. Swope and Backer were in daily touch with the activities of the Agency. Swope is one of the most prominent men in American life. Landau aimed at getting men of the highest caliber into the Agency and got them. It is unfortunate that even Swope and Backer were smeared by Blaustein. There is a way of nauseating people out of public activity.

The board meeting which was attended by Council officials was called by Blaustein in the absence of not only Landau but of the treasurer, S. Ralph Lazrus, and over the protest of the president, George Backer, for the sole purpose of smearing Mr. Landau in his absence. Two of Landau's subordinates were called in to testify against him. Malicious insinuations were spread throughout the country.

All this was done against the head of an agency which for decades fought injustices when committed against our people, whether individuals or communities. Council officials did not hesitate to be a party to what any decent person must deem to be a vile and contemptible performance staged by Blaustein, who is disgracing the chair formerly held by Louis Marshall.

I am not impressed by your argument that the Large City Budgeting Conference has no budgetary power whatever. The fact is that all large welfare funds without giving the JTA a hearing decided to withdraw its support to the JTA. I am sure you do not want to attach undue importance to the strictly formal aspects of such a development. Nor is it fair to compare the study which is made in the field of community relations with that of the JTA. The Council officials have not shown any particular bias against the defense agencies. Quite the contrary. For many years there has been much waste and duplication with regard to the activities of these defense agencies and thus far only half or inadequate measures have been taken to correct this. Future historians will have to record that while not a single welfare fund has cut its allocation to the AJC because of "Commentary," despite the thorough, brilliant and devastating criticism of the late Rabbi Milton Steinberg, the JTA, whose usefulness has not been disputed, is being pushed to the brink of financial disaster. Nor have I heard that the Council is suggesting a study as to whether "Commentary" should be continued or not. I understand that the editor of "Commentary" is given a free hand, yet when it comes to JTA an entirely different policy is advocated.

I know that one of the points held against the JTA is that it did not complete its reorganization within a few months.

Why all this pressure and why the dreadful hurry about the JTA reorganization? JTA is not the only organization which was profoundly affected by the emergence of the State of Israel. The Jewish Agency for Palestine, as you know only too well, is coping with exactly the same problem of how to adjust itself to the new State. Would you consider it feasible for the welfare funds to refuse support until the Jewish Agency is fully reorganized? Would not the welfare funds feel that it is entirely up to the Jewish Agency as to how it is going to adjust itself to the new situation? Why apply a different policy toward JTA?

JTA has a record of many years of responsible conduct and should be trusted to adopt the proper measures.

It would be much more understandable if the welfare funds had watched jealously over JTA's independence. Which group or combination of groups will finally dominate JTA is immaterial to the argument. Our people are spending many millions for defense, relief and for Israel. It is in the best interests of our community that we are served by a news agency whose objectivity is in no wise marred by fear of reprisals. Blaustein has for years been threatening Landau and the JTA board that unless his will is done, he would address himself to the welfare funds, boasting of his influence with them. His bullying tactics have been successful because of the complacent attitude of the welfare funds. He has resorted to low intrigue and undermined staff morale of the Agency by pitting the editor against the managing director. He spread falsehoods. The JTA has been drawn into a whirlpool of petty politics from which there still seems no

hope of emerging. It is a miracle that it still exists. The unfair treatment which has been meted out to the Agency and to Landau cry to the heavens. If within our own midst we permit such grave injustices and allow ourselves to be misled by callous officials, the consequences for the community are bound to be dire. There can be no doubt that the JTA and Landau have gotten the rottenest deal which has ever been cooked up in our community.

In view of the steps taken by the Council officials, you cannot seriously maintain that the LCBC took no position on the merits of the JTA internal controversy, and that the LCBC never tried to influence the JTA as to the specific type of communal responsible structure, board personnel, etc. it should have. In refuting this assertion, I wish to quote the following sentence written by Harry Lurie, Oct. 28, 1948, to George Backer which speaks for itself.

"It is suggested that we might proceed to obtain from our member agencies a list of persons from among whom the board of trustees would be selected."

Will you explain on what grounds you claim that the JTA's management was not "publicly responsible?"

No evidence can be produced that the funds given to the JTA were not "properly administered for the benefit of the American Jewish community." It is rather amazing how much the JTA did with the modest support it received. JTA and its affiliates maintained 20 offices and a number of correspondents throughout the world, gave a daily service by wire not only to Israel, Europe, but to Latin America, South Africa, etc. They reached daily many millions of readers. There is not a shred of evidence that JTA did not at all times process "a publicly responsible management." Its board was composed of outstanding Jewish leaders, its management displayed more than usual ability and devotion to its difficult task.

I have already dealt with the question of why a board meeting was not held between April 1948 and June 1949. Two sub-committees had been established to deal with the issues Blaustein had raised. In the meantime Mr. Landau had gone to Israel in April 1949 to study the question of adjusting the structure of the JTA to the State of Israel. Before leaving, Landau urged Backer to call a Board meeting. Backer was loath to do so because none of the subcommittees were read to report. Thanks to Blaustein, Board meetings had become acrimonious and nightmarish affairs. Blaustein insisted on calling a Board meeting June 28th though he knew that Landau would return 4 weeks later.

It is noteworthy that out of the 10 men present at that Board meeting, 7 were members of the American Jewish Committee. At least one had never attended previous meetings. Blaustein felt very much at home at that meeting and could put over on those present his distorted version of the developments in the JTA.

By spreading innuendoes, combining insinuations with the concealment of material facts, he succeeded in creating an aura of suspicion and distrust. Have you and the other participants of the LCBC been presented with the text of the contract which was concluded early in 1936 by the Board of the JTA with Landau? It is a short document. Reading it you would have easily discovered that the true intention of that document was to assure Landau lifetime employment. The contract provided for a 5-year employment with an option for additional five years. (Ten years is the maximum allowed by the New York law.) It further provided that if Landau's relationship with the Agency were severed, the shares would have to be returned to him. The Agency agreed to pay the premiums on life insurance policies for \$25,000 and at Landau's death the shares were to become the property of the JTA. On the other hand, if the shares were to be acquired during his life-time, \$50,000 would have to be paid. Can you give me a convincing argument in what way the Jewish community would have suffered if the shares of Landau had been acquired at his death? Can one single instance be cited in which Landau used or caused to be used the shares of any kind of personal or impersonal benefit? It is obvious that the board had no intention of severing its relationship with Landau or of paying \$50,000. This provision was inserted only in case Landau committed something so dreadful that it would be in the interests of the Agency to dispense with his services. Blaustein started his agitation that Landau's shares must be purchased not because he was prompted by communal considerations. Ousting Landau was his real aim. Landau could not be ousted as long as he held on to the shares. If Blaustein had not started the campaign against Landau, no one would have dreamed up the idea that the shares issue had more than theoretical importance. All the developments with regard to the Landau case have raised justifiable grave doubts as to the competence and sense of fairness of the Council officials.

Let me show how the Council officials distort the JTA situation.

In your letter you state that the "plan adopted by the JTA board on September 13th involved actions which changed the character of the JTA from a world-wide Jewish news service to a network of independent news agencies in various countries" and that "this, in effect, gives the JTA the character of a new organization."

Nothing is farther from the facts. May I suggest that you read the report on the LCBC conference held December 10-11, 1949, in Cincinnati? In this report prepared by the Council a written statement received by the CJFWF on December 7th is quoted which plainly states that all JTA offices outside the United States will become subsidiaries of the Israel News Agency and that the relationship between the American JTA and the INA will be settled by contract. Blaustein insisted that Landau's shares not only in New York but in all foreign offices including Israel be owned by New York and that New York should appoint the boards abroad including Israel. Backer termed Blaustein's proposal "colonialism." Even Blaustein's friends voted against Blaustein.

It is quite clear from the text of this document that there is no intention to change the JTA into a "network of independent news agencies in various countries." By offering this distorted version the Council officials are making the attempt to forcing Blaustein's will on JTA thus reversing an unanimous decision of the JTA board.

During a controversy any number of statements are made extemporaneously which cannot be considered as fully representative of the viewpoint of the parties concerned. This is one of the reasons that I charge the Council officials with deliberate misrepresentation. Instead of supplying you with the copy of the letter and quoting from it in their recent March report, they insist on picking from the mass of controversial material such points as tend to create further confusion and suspicion to make you and others feel that the JTA is off on some wild, irresponsible tangents. In a somewhat milder form they repeat the same misstatement in the March Budget Report.

Is this mistake accidental or intentional? This question is justified in view of other developments which indicate extreme bias on the part of Council officials. By giving the impression that the JTA system is to be broken up into any number of parts, their harsh "recommendation" might make some sense to some people. No resolution of the JTA Board can be cited indicating such an intention. By not submitting the March report to the JTA, the Council officials are once more guilty of grave misrepresentation. Thus the support of the welfare funds has been withdrawn on an entirely unwarranted premise. Even the decision to have two autonomous offices cannot be immediately translated into reality. Shall the JTA now wait for years before the welfare funds renew their support?

One point in your letter baffles me. It seems that the welfare funds take the position that it is the purpose of the JTA to render services to the welfare funds. The service to the welfare funds is incidental. The main purpose of the JTA is to reach the press throughout the world.

If as you state, the welfare funds are interested in preserving the JTA, they would render a service to our people and to Israel by resuming their support and desisting from a policy which has played havoc with a great institution and has gravely endangered its future.

You are too well known as a fair-minded man to try to explain away the incomprehensible and unfair attitudes which the Council officials have displayed. I am confident that you do not approve of the memo the Council saw fit to circulate immediately after the Sept. 13th board meeting. And particularly of the fact that this memo and other reports were not shown beforehand to the JTA.

Has anyone brought out the fact that while JTA and its affiliates spent \$815,000 in 1948, their income was more than \$375,000 from the press? During the war, Landau organized a foreign language division, turning out a service in 13 languages to foreign newspapers in the United States, building up an income of \$60,000. Despite all the difficulties with which it is surrounded, JTA and its affiliates income from 1947 to 1948 was increased by \$100,000. This seems to me more important an indication of whether the Agency has been run with ability and efficiency than the petty points brought up by Blaustein and Council officials.

In the interests of our community I present the following demands:

1) The LCBC must be disbanded. As I pointed out before, this Conference represents de facto national budgeting.

2) Certain safeguards must be established for the protection of agencies which rely on the welfare funds. Before support is withdrawn from an organization, a hearing must be given to the organization concerned. The welfare funds were established to do away with a multitude of drives. This and nothing else was and still is their purpose. An agency which for many years has been included in the welfare funds, faces a problem of finding its way again to the hearts or brains of the individual giver. Informing JTA in Dec. 1949, as some welfare funds did, that JTA would only receive 30% or less of the 1949 grant was extremely unfair.

3) The Council officials must be restrained from injecting themselves into the internal affairs of any organization. They have no right to influence the choice of members of any board or to insist on change of management, etc.

4) No report by the Council should be circulated before it has been submitted to the organization concerned. In the case of JTA this "customary procedure" has been repeatedly ignored.

5) Council officials should not ally themselves with the opposition in any organization and participate in meetings called by the opposition to ensure their abstaining from partisan and propagandistic activities.

6) Mr. Blaustein must be prevailed upon to accept Mr. Landau's challenge and submit to a court of honor. No matter what position of wealth and influence Blaustein occupies in our community, he cannot with impunity indulge in character assassination. Not only his personal prestige but that of the American Jewish Committee will be irreparably damaged if he continues to reject Landau's challenge. A community that tolerates unethical conduct and grave injustice, no matter by whom meted out, is guilty of amorality. In Landau's case Blaustein has attempted to defame the founder of a great institution. He merits more contempt than any "hit and run" driver because of the added aggravating circumstance that he cannot plead inadvertence or accident.

Unless the welfare funds heed these demands, they are bound to lose the confidence of the community. The prestige of the Council has been seriously impaired. If it continues on its present road it will render itself useless to the community if not actually harmful.

The New York Herald Tribune of April 26th carries an editorial which contains the following paragraph:

"Only when the basic supply of information and analysis is retained in private hands--with all the variety, freedom, controversy and inspiration which that permits--is democracy workable or even possible."

In my opinion the great leaders our community once had, such as Louis Marshall, and the editorial of the Herald Tribune have the right conception of the functions of a news agency. Our social workers, including the president of the American Jewish Committee, have a good deal to learn from them.

Sincerely,

Mordecai Danzis



Feb. 1, 1950

JEWISH TELEGRAPHIC AGENCY

A MEMORANDUM BY JAMES SCHEUER

In the past few years one of the members of the Board of ONA-JTA and one or two dissatisfied employees of ONA-JTA have made some very serious charges in connection with the management and operation of the agency. There have been some indirect suggestions of actual dishonesty on the part of the operating heads of the agency and outright charges of nepotism, maladministration, and that the Landaus, because of their nominal ownership of JTA stock, were conspiring to set up a family dynasty to control the agency.

a) Stock ownership.--This writer has read the minutes of director's meetings for several years back. The record shows that repeatedly Landau has definitely stated that he has no intention of ever taking advantage of his control of the stock of JTA. He has affirmed his intention, since the expiration of the trust instrument under which the stock was deposited for a decade, of redepositing his stock in such an instrument or of making any other disposition of the stock which the Board of Directors might suggest. The record further indicates that ever since the JTA was organized in 1917, Mr. Landau has at no time, in any instance whatever, taken advantage of his control over JTA by virtue of his stock ownership. Accordingly, the attempts of those who have continued to the present day to criticize Mr. Landau for his stock ownership and control over JTA in the face of his repeated statements renouncing any intention to use such control, and in the face of a twenty year record which proves that he has in fact never exploited his power of control, indicates that such persons if they are acting with knowledge of the above must be making this accusation in bad faith. The pending reorganization of JTA will,

cf. course, eliminate this individual proprietorship, which, although theoretical, has been made into a continuing irritant of JTA.

b). Dishonesty.--While there have been indirect hints of dishonesty, an investigation by the Board of Directors on June 28, 1948 failed to prove any instance of such dishonesty. The clear readiness with which both the dissatisfied employees who appeared before the Board and the members of the Board who sponsored them, would have come forward with tangible evidence of dishonesty, if there had, in fact, been any, indicates that there is no substance whatever to this charge. The repeated investigations by accountants and attorneys of the entire span of ONA-JTA operations would certainly have brought such malfeasance to light if it had existed.

c). The charges of nepotism and maladministration have also been made of the Landaus. These charges can best be understood when ONA-JTA is viewed as an outgrowth of several decades of turbulent history, desperate efforts at survival, and a feeling on the part of those who were responsible for the continued existence of ONA-JTA that, as each crisis loomed, any steps which were expedient and which might give ONA-JTA a breathing spell, even if somewhat irregular, were justified by the pressure of emergency. While it is easy, from the vantage point of hindsight, to criticize some of the irregularities which have occurred in ONA-JTA administration, the continued survival of ONA-JTA, in the face of desperate financial straits and other extraordinarily difficult situations, is probably due as much to the feelings of desperate urgency on the part of those who have led the agency and their belief in the importance of surmounting each obstacle as it came up, even if at the risk of minor irregularity, as to any other one factor.

(1) Nepotism.--JTA was organized in Europe during the first World War. For some years the founder, Jacob Landau, worked without compensation. He finally, in 1920, began drawing a salary of \$35.00 a week. In the period after 1921 his wife, an attorney, was of constant assistance to him and throughout the years has taken an increasing part in sharing his responsibilities, particularly during the recent period of his illness. Victor Bienstock, Mrs. Landau's brother, joined JTA after having become a first rate newspaperman with the New York World & Herald Tribune. In 1948, Mr. Landau's daughter married Mark Strage, then a correspondent of the ONA. In addition, Landau in one or two other instances, had a relative working in the New York and London offices in minor secretarial positions. Accordingly, it is the truth that the Landau family has had 4 to 6 representatives in ONA-JTA, three of them in high positions. However, it was largely due to the illness of her husband that Mrs. Landau was forced to assume greater responsibility. Bienstock came to ONA with a record of experience and competence in news work from an excellent paper. Strage was already working for ONA when he married Landau's daughter. The association of each of Landau's relatives with ONA-JTA seems logical when viewed in the context of time and events. The impending reorganization of ONA-JTA will eliminate whatever basis for criticism there may be in this connection.

(2) Maladministration.--It may very well be that due to the chaotic pre-war and war conditions under which JTA struggled in the world-wide arena, and the post-war struggle of birth and survival of ONA, and the preoccupation of the directors with the larger problems of continued survival, that ONA-JTA in the course of the years suffered from more

than usual irregularities, haphazard administration, and unconventional financial expedients. The Landaus would probably be the first to state that neither of them could qualify as professors of business administration. It is interesting to analyze the criticism made by the director involved in the controversy with the Landaus regarding errors of judgement Landau has made in the past several decades of running ONA-JTA. These charges amount to the suggestion that Landau would have made several real errors of judgment had not this director and others interfered and restrained him. The fact that Landau after 25 years of ONA-JTA administration can be criticized on major policy decisions only on the grounds that he might have made errors had he not been restrained seems a substantial vindication of the scores of major policy decisions and the hundreds of day-to-day operating decisions he has made through the decades. The astonishing fact is that, despite the unsettled conditions in which ONA has operated since its beginning in 1940, despite the financial straits of ONA-JTA throughout its entire period of operation, and despite the bitter quarreling within the top levels of the group for many months past, ONA-JTA has achieved the record of accomplishment that it has. At present, ONA alone has a yearly operating income of better than a quarter of a million dollars. JTA, with a \$125,000 annual income, serves the entire Jewish world press with news of Jewish community activities and of interest to Jewish groups throughout the world. It has successfully dwarfed the efforts of Palcor, an official news agency subsidized by the Jewish Agency, to invade the field and has upheld the cause of free, non-partisan independent news dissemination unfettered by governmental control, which it has conscientiously done since its beginning. ONA today serves nearly 500 papers in the United States,

Canada, Latin America, Europe, the Near East, and the Far East. ONA personnel feel that there was never a time when there was such a real need and demand for an independent, non-partisan, feature news agency providing readers throughout the world with interpretive information and understanding of the days events, rather than an unending disgorging of undigested and unrelated facts, which is the product of the conventional spot news agencies. They are convinced that a reconstituted ONA, freed of the organizational difficulties which have plagued it, and with its leaders free to devote their entire time and energy to the newspaper job at hand, could expand and within a very short period establish itself as a financially independent going concern.

JTA officials feel along the same lines that their job of serving the Jewish press throughout the world is a unique and constructive one and that they too, if freed from the destructive forces presently at work within the agencies, could prosper.

Feb. 13, 1950

MEMO

The attached is the result of a study made by James Scheuer, an attorney, of the Minutes of all Board meetings since and including that of April 2, 1947, Mr. Blaustein's two reports, Mr. Landau's reply and other pertinent data.



Overseas News Agency, Inc.

101 PARK AVENUE
NEW YORK 17, N. Y.

MURRAY HILL 3-2997

February 16, 1950

Rabbi Abba Hillel Silver
The Temple
Ansel Road & E. 105th St.,
Cleveland, Ohio

Dear Rabbi Silver:

In the adverse situation I am facing, I would like to make an effort to safeguard ONA. In the short period of its existence, ONA has made tremendous strides, has more than 400 newspapers throughout the world and an income of more than a quarter of a million dollars. The economies we have made will make it possible for ONA to be self-supporting this year.

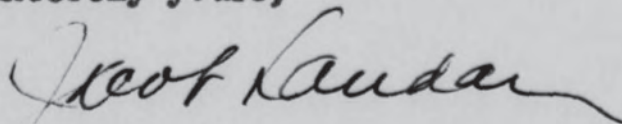
But there is an indebtedness of approximately \$75,000 which hangs like a millstone around our necks. If we can find half of this, the other half will be absorbed by income.

Mr. Joseph Weinstein has indicated to me that he would be influenced by your opinion of our work. Would you be willing to write a few words to him or, what would be more effective, telephone him?

His address is c/o May Department Store, Fulton St. & Hanover Place, Brpoklyn, N.Y. Telephone: Maine 4-7400.

You would render us a tremendous service by doing this. Professor Einstein has intimated to me that he is ready to entertain a few people one afternoon soon in order to prevail upon them to give us some real support. Between you and Professor Einstein perhaps we will succeed at least in making ONA's independence and future safe.

Very sincerely yours,



Jacob Landau
Managing Director

JL/f

February 16, 1950

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Jacob Landau
Managing Director

JL/f

C
O
P
Y

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

MURRAY HILL 3-2641

February 24, 1950

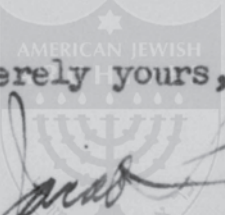
Rabbi Abba Hillel Silver
The Temple
Ansel Road & E. 105th St.,
Cleveland, Ohio

Dear Rabbi Silver:

I am enclosing copy of a letter I wrote to you
ten days ago. As I have not heard from you, I wonder
whether you received it.

JL/f

WRHS
Sincerely yours,


Jacob Landau
Managing Director

JEWISH TELEGRAPHIC AGENCY
106 East 41st Street
New York 17, N.Y.

April 18, 1950

The Board of Directors of the Jewish Telegraphic Agency, Inc., has made the following announcement on the reorganization of the Agency:

The Jewish Telegraphic Agency, Inc., has become a public trust.

The Agency has operated since its inception in 1917 as a public service of the Jewish community. It was reorganized in 1935 as a non-profit, communal enterprise from which no stockholder could draw profits. Its public nature was recognized by the tax-exemption status given the corporation and by the generous support of the Jewish community. The present reorganization measures are designed to perpetuate and ensure the communal nature of this Agency.

As in the past, the sole aim of JTA will continue to be to supply the most objective, veracious and reliable reporting of facts and to provide authoritative basic data on developments concerning Jewish communities throughout the world for the information and guidance of the Jewish and non-Jewish communities.

The Agency will seek to attain a standard of reporting conforming to the highest ethical standards enunciated in the United Nations code and in recent important press studies. It will enlist the services of top men in the newspaper profession to study its activities and determine how best the JTA objectives can be attained.

The Jewish Telegraphic Agency has already taken the following measures of structural reorganization aimed to make it a public trust and to strengthen its position:

1. All outstanding common shares in the Jewish Telegraphic Agency, Inc., have been turned in to the Treasury of the JTA by Mr. Jacob Landau, its founder and Managing Director for thirty-three years. Individual shares are being issued to each member of the new Board of Directors and a total of twenty-five such shares will be issued with the completion of the Board. Members of the Board will hold these shares as a public trust. No other common shares of the Jewish Telegraphic Agency, Inc., remain outstanding.

2. A new Board of Directors of Jewish Telegraphic Agency, Inc., is now in formation. Those now already serving are: Rudolf G. Sonnenborn, President; Adolf C. Robison, Vice-President; Jacob Landau, Secretary; and George Alpert, Boston; A. Goodman, Miami; Benjamin A. Javits, New York; Professor H.M. Kallen, New York; S.H. Scheuer, New York; Philip Slomovitz, Detroit; Robert Szold, New York; and Rabbi S. Wohl, Cincinnati.

This Board, when completed, will be composed of twenty-five representative American Jewish men and women whose positions in the community will permit them to speak with authority and who will be able to give time and thought to the direction and operations of the Agency.

3. The foreign affiliates of the Jewish Telegraphic Agency, Inc., will be regrouped around the Palestine Telegraphic Agency which will have an International Board of Directors. Local councils will be set up in each country where an affiliate is located, for direct supervision of its activities and liaison with the International Board in Israel.

On the establishment of the International Board in Israel, all shares held in the affiliates by Jewish Telegraphic Agency, Inc., and Jacob Landau will be turned over to the Board of the Palestine Telegraphic Agency. Pending such transfer, these shares will be held in trusteeship.

4. Complete separation of the Jewish Telegraphic Agency, Inc., and the Overseas News Agency, Inc., has been effected as of January 15, 1950. Under the terms of the separation, the Overseas News Agency will pay to the Jewish Telegraphic Agency fifty percent of its profits until the sum of \$100,000 has been paid.

There is now no contractual relationship for the supply or interchange of news or services between the Jewish Telegraphic Agency and the Overseas News Agency except that the Palestine Telegraphic Agency in Israel sells the ONA service to the press on a commission basis.

5. The Jewish Telegraphic Agency, Inc., will continue to expand and develop its own world-wide news coverage to provide the maximum flow of necessary information to and from the United States. During 1950 it will extend its news coverage of the American Jewish scene so as to provide more information on American Jewish activities, primarily for the American Jewish community.

The Agency will also seek to expand and develop its own direct outlets in the American general press for distribution of constructive Jewish news.

Mr. Henry L. Zucker, Executive Director
Jewish Welfare Federation of Cleveland
Room 320, Chester-Twelfth Bldg.,
Cleveland, Ohio

Dear Mr. Zucker:

In the temporary absence abroad of Mr. Rudolf G. Sonneborn, President of the Jewish Telegraphic Agency, I beg to submit herewith our formal application for a 1950 grant from the Cleveland Jewish Welfare Federation of \$10,000.

As you have been informed, the Jewish Telegraphic Agency has gone through a structural and general reorganization, the general details of which are outlined in the attached statement issued by our Board. As reorganized, the JTA will operate on a considerably reduced budget within the framework of which we believe we can provide a comprehensive and effective news service. I enclose herewith also copies of our statement of expenditures and income for 1949 and our estimated budget for 1950, as well as a memorandum describing the JTA's operations.

We hope to complete the membership of our Board, on a national basis, within the next few months, so that the directorate, which will serve as trustees of the Agency and supervisors of its activities, will be fully representative of the American Jewish community.

We are asking for a larger allocation for the JTA in 1950 than any previously granted to the Agency by your federation because of the imperative need of putting JTA's financial house in order so that, with the reorganization of its structure and operations, it will be able to do the most effective and constructive job.

From the attached statement of expenditures for 1949 and the budget for 1950, you will note that JTA has effected drastic economies in its operations. The budget for this year calls for expenditures of \$299,852, or a reduction of \$185,000 from 1949. As you are aware, JTA income is composed of receipts from the sale of news and features and grants from Welfare Funds and other bodies for the general services of JTA. The JTA will have a discrepancy in 1950 of \$195,652 between expenditures and commercial income.

Should you consider it advisable or necessary, we should be pleased to have a representative of the Board visit Cleveland to supply any further information you may require about the reorganization or to clarify any questions that may remain in the minds of your Board of Trustees.

We sincerely believe that the Jewish community has a tremendous need for an honest, objective, independent news and information service and we are convinced that, with the present reorganization, we have established a solid basis for the perpetuation of the JTA along those lines. I trust that you will find the reorganized JTA fully worthy of your confidence and support, and that you will make as generous an allocation to the Agency now as is possible.

Sincerely yours,

Adolf C. Robison
Vice President

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

May 8, 1950

MURRAY HILL 3-2641

Dr. Abba Hillel Silver
The Temple
East 105th St. & Ansel Rd.,
Cleveland, Ohio

Dear Dr. Silver:

The major steps in the reorganization of the Jewish Telegraphic Agency have now been taken and they provide, I believe, a solid basis for the perpetuation of the Agency as an effective communal instrument.

Jacob Landau has turned in to the Treasury all the outstanding shares in the JTA and only 25 now remain outstanding, one to be held by each of the 25 directors, as a public trust, for the tenure of his office. A new Board is in formation. The JTA has been divorced from its affiliates and the JTA offices abroad are being regrouped under an international board located in Tel Aviv.

We have issued a formal statement on the reorganization, a copy of which is enclosed, and we are now seeking the restoration of the welfare fund support which was cut off pending JTA's reorganization.

The Cleveland Jewish Welfare Fund formerly supported JTA to the extent of \$5,000 a year. Last year, when the question of JTA's reorganization became an issue, the Federation's Board of Trustees decided that the reorganized JTA would have to be considered as a new applicant for Cleveland support.

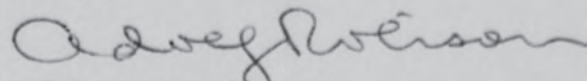
I have made that formal application for the JTA (a copy of which is enclosed) and I am asking you now for your support of it when it comes up for consideration by the Board.

I know you agree that there is a vital need for the JTA and the work it performs here, in Israel and elsewhere throughout the world. We can make it an even more effective instrument of the Jewish cause. We want to build up its service from and to Israel so that it serves as a bridge between the two countries, and we want to build up its coverage of the American Jewish scene.

I know, too, that you believe the JTA merits and is entitled to full communal support and I am confident that we will have your aid in Cleveland when the question is raised.

With best regards,

Sincerely,



Adolf C. Robison
Vice President

ACR:f
encs.

July 14, 1950

CONFIDENTIAL

MEMO

The beginnings of a serious cleavage are visible on the American-Jewish horizon. It is the cleavage between the survivalists and the assimilationists.

This cleavage is not news but because of the emergence of the State of Israel it is assuming more dangerous proportions than ever, first, because of the emergence of a Jewish State assimilation will proceed apace -- provided anti-Semitism does not rise to new threatening heights. As long as there was no Jewish state no self-respecting Jew felt free to desert a persecuted minority. Now he feels he has the right of choice...

Koestler's recent statement on this subject is symptomatic.

It is safe to predict that only if action is taken now will it be effective. Time is working in favor of the assimilationists.

Today, the overwhelming majority of American Jewry is still strongly Israel-minded. Today, various educational activities are still being carried on.

An immediate effort is required to rally all survivalist forces: all Zionist organizations including Hadassah, Mizrachi, Poale Zion, Revisionists, etc., all groups interested in Jewish education, the B'nai B'rith, orthodox Jewish organizations, American Jewish Congress, etc., etc.

The assimilationists have entrenched themselves in one sphere which gives them decisive influence if not domination: the welfare funds.

Neither the Zionists nor those who are interested in educational activities nor the orthodox Jews are adequately represented on the welfare fund boards. The welfare executives with few exceptions are neither religious nor nationalist Jews.

To say the least they are more or less indifferent towards the State of Israel and Jewish education. They are primarily local and philanthropy-minded. They are more interested in building more local charitable institutions than in giving Israel a real chance at least during the first decade of its existence or in Jewish education.

Theodor Herzl coined the slogan: "Conquer the Jewish communities!" This slogan has enhanced in meaning today. If the present trend is not reversed, Israel, Zionism and Jewish education will steadily go downhill.

The following steps are suggested:

The calling of a national conference of all groups interested in survivalism.

Regional and local chapters must be set up.

The introduction of democratic methods of electing welfare fund boards must be insisted on. The Larger Cities Budgeting Conference must be disbanded. LCBC is national budgeting in disguise and violates the decision against national budgeting taken by a Convention of the Welfare Funds some years ago.

The Institute of the World Jewish Congress should be broadened and transformed into a center of information for welfare funds. In all welfare funds the survivalists should insist that the advice of this institution be solicited and the monopolistic and one-sided position of the Council of Jewish Federations and Welfare Funds be reduced in importance.

The issue will attract nationwide attention. If wisely and vigorously conducted, it will be won and the survivalist forces will be strengthened.

* * *

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET

NEW YORK 17, N. Y.

MURRAY HILL 3-2641

July 26, 1950

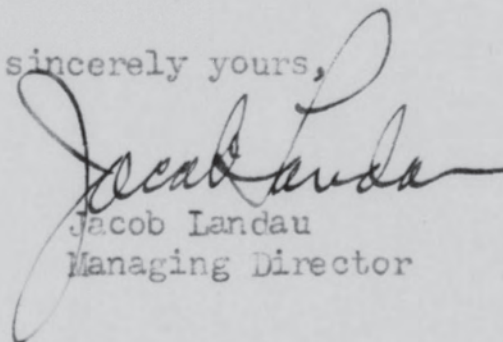
Rabbi Abba Hillel Silver
The Temple
East 105th Street & Ansel Road
Cleveland, Ohio

Dear Rabbi Silver:

I was very much interested in your article in the Day and your remarks about the "Commentary". You state "the magazine is financed by a national Jewish organization". If it were financed at least from membership fees of the American Jewish Committee the situation would be less undesirable. But the Committee is getting its money from welfare funds and in New York from the UJA.

I take this opportunity to enclose a memorandum and would appreciate your reaction to it.

Very sincerely yours,


Jacob Landau
Managing Director

JL/f
enc.

Jewish Telegraphic Agency, Inc.

106 EAST 41ST STREET
NEW YORK 17, N. Y.

MURRAY HILL 3-2641

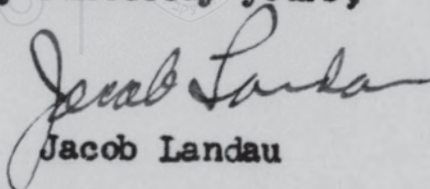
August 29, 1950

Rabbi Abba Hillel Silver
The Temple
East 105th St. & Ansel Road
Cleveland, Ohio

Dear Rabbi Silver:

I am enclosing some material for your
information.

Very sincerely yours,


Jacob Landau

JL/f
enc.

Have We Built a Frankenstein?

by Mordecai Danzis, Editor, "The Day"

The independence and the very existence of an important national organization is in jeopardy today - primarily due to centralization of fund-raising and the power exercised by executives of the Council of Jewish Federations and Welfare Funds and Welfare Funds.

The organization we are referring to is the Jewish Telegraphic Agency, the only world-wide Jewish news service.

For three years a controversy has been raging within and around the JTA, centering on the structure of the JTA. The question is how community control and the principle of a free press can be reconciled.

It is not the objective here to go into the merits of this question. Here we deal with the attitude adopted by the CJFWF and the Welfare Funds towards the JTA in connection with this controversy and its significance for the future of democratic processes in the Jewish community.

The issue was originally raised by a JTA board member, Jacob Blaustein of Baltimore, president of the American Jewish Committee and influential member of the board of the CJFWF. Blaustein had for many years been the chairman of the JTA Board, had fully approved of the JTA structure, but reversed himself when it was pointed out to him that it was incompatible for the chairman of the executive committee of the AJC to be the chairman of an impartial Jewish news agency.

At the initiative of the Baltimore group, the nine largest welfare funds met for the first time in June, 1948, in New York and constituted themselves as the Large Cities Budgeting Conference. The JTA was on the agenda.

Again we do not wish to deal with the resolutions adopted at this conference - but merely with the procedure adopted by the funds.

Early in 1949 Baltimore was the first fund which decided to withhold part of their allocation to the JTA. They were soon followed by other welfare funds. The highest Council officials attended a meeting of the JTA Board called by the opposition. They made - as in previous memoranda released by the CJFWF - inaccurate statements indicating prejudice and an eagerness to be allies of Blaustein in a campaign of vilification and character assassination which he conducted against the JTA administration and particularly Jacob Landau.

At a meeting of the Board of the JTA held Sept. 13, 1949, unanimous decisions were adopted - settling the structure problem. The crisis seemed resolved.

A few days later, the CJFWF sent a memo to all welfare funds taking scant cognizance of the decisions concerning structure but prominently featuring a statement made by Blaustein and his associates, who were projecting new issues.

Landau had promised to give up his shares without compensation, because he hoped thus to put an end to the strife and see the welfare funds release monies to the JTA. Because of the CJFWF memo none of the welfare funds released the funds. The financial situation of the JTA became most precarious. At the meeting of the Large

Cities Budgeting Conference at Cincinnati, in January, it was first decided to release no funds at all to the JTA, but finally a "recommendation" was adopted to release 30% of the allocation as "severance pay." Some of the welfare funds had already cut their grants by 50%. 30% therefore represented in a number of important cities only 15% of what JTA had received in 1948.

With the exception of two cities (Cleveland and Philadelphia), which paid the 1949 grant in full, the Funds abided by the "recommendation." Two Funds went beyond the recommendation. Detroit abstained from making any payment and Newark, which had reduced the 1949 grant by two-thirds (from \$3,000 in '48 to \$1000 for '49) paid only \$250 - thus paying less than 9% of their '48 grant.

The Agency pointed out in vain that it had sent 10 daily and six weekly bulletins to Newark at the request of the Fund - and that their expenditures for stamps, envelopes, paper, ink, mailing, etc., amounted to more than \$250.

The Agency asked Newark for a hearing. This request was turned down.

The fact is that none of the Welfare Funds gave the JTA a hearing before they adopted their drastic decisions to withhold funds or give "severance pay."

The attitude of the Welfare Funds to the JTA has significance far beyond its effect on JTA.

1) The Welfare Funds claim "autonomy." They feel it is up to them to make final decisions on allocations. All welfare funds, without exception, accepted the idea of "severance pay" with only some differences in the degree of severity. Cleveland and Philadelphia were more generous, Newark and Detroit less generous than the rest.

2) Although National Budgeting was rejected by the Convention of CJFWF some years ago, the Large Cities Budgeting Conference constitutes de facto national budgeting. These cities supply 75% of the funds usually given. The smaller funds usually follow their example.

3) Too much power is vested in the hands of a few executives. The American system of government avoiding arbitrariness and injustices by a multitude of checks - is non-existent in the Jewish community. In some communities, as for example in Newark, the power of the Welfare Fund executive is not even potentially restricted by public opinion. The local weekly is owned by the welfare fund and under the direct supervision of the welfare fund executive.

4) All democratic processes are negated if one or two board members of any national organization happen also to be on the board of CJFWF or Welfare Funds. They may, if they are defeated by the majority as in the JTA, circularize through the CJFWF and the Funds and thus alienate support. Not the majority, no matter how strong, but these one or two men will invariably dominate the situation.

The Large Cities Budgeting Conference ought to be discontinued.

No welfare fund should adopt a drastic decision threatening the existence of an organization without giving that organization the right of appealing to the board of the Welfare Fund. It should not be refused a hearing.

It is obvious that the JTA has been unfairly dealt with. To offer an agency "severance pay" at the end of the year, which is 15% of the previous grant, is unfair in the extreme. The relation-

ship between national agencies and welfare funds must be based on mutual trust. No agency can overnight readjust itself to a severely reduced budget. The JTA could offer none of its employees 15% of their '49 salary. They have to pay 3 weeks salary for every year of employment. Nor can an agency immediately organize a fund-raising effort. It requires time and money.

The JTA case proves the danger of centralized fund-raising. As conditions exist at present, the most valuable new ideas may be nipped in the bud. Even independent fund-raising is no longer permitted without consent of the welfare funds. We have raised a Frankenstein. The Charity Trust has come to stay.

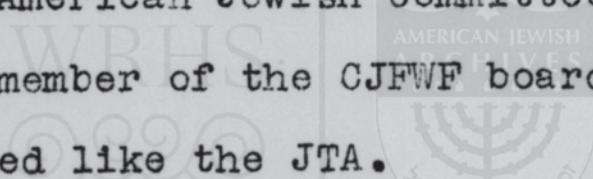
The structure of the CJFWF and the welfare funds may have to be revised, if they are not to develop into an unrestrained dictatorship by a few executives. The welfare funds were established to do away with the multitude of drives. They were not intended to assume control of all Jewish activities. Safeguards against this danger, or reality, are urgently necessary. The idea of "partnership" between the local funds and the national organizations must be resisted. We see from the JTA case what dangers lurk behind this apparently innocuous phrase.

The CJFWF and welfare fund officials would be wise to limit their ambitions if they do not want to arouse strong public sentiment against the very institution of the CJFWF and the welfare funds. Their function is to serve but not to control or dictate to the Jewish community.

In recent months the Commentary has been criticized by Jews throughout the length and breadth of the country. Rabbi Milton Steinberg delivered a sermon in which he expressed the conviction

that the Commentary was not useful but rather harmful to the community and even Jewish defense efforts. His speech proved a sensation. He was commended for his courage and the thoroughness with which he marshalled his arguments. His address had a profound effect - except on CJFWF and welfare fund officials. The Commentary cost the community \$160,000 in 1948 - JTA received in '48 from all welfare funds \$148,000. Commentary has a maximum 15,000 subscribers. JTA, through a worldwide net of offices, reaches millions of Jews daily. During the entire controversy the usefulness of JTA has not been questioned.

The welfare funds are not withholding the allocations to the AJC until Commentary is eliminated. The reason is obvious: It is published by the American Jewish Committee - and its president is Jacob Blaustein, member of the CJFWF board. Commentary is safe. It will not be treated like the JTA.



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W.F. 12

JTA*Daily News Bulletin*

Published by the JEWISH TELEGRAPHIC AGENCY - 106 East 41st Street, New York 17, N.Y.

ISRAEL GOVERNMENT ACTS TO EASE ECONOMIC SITUATION; WILL LAUNCH NATIONAL LOTTERY

JERUSALEM, Oct. 1. (JTA) -- An official announcement issued last night by the Premier's office here said that the Israel Government--following consultations with local and foreign economic experts--has decided to expand agricultural production, as "vital to improvement of Israel's economic situation;" to increase exports' and to lift the ban on capital import in the form of goods.

The official announcement, indicating that the government is prepared to relax many economic restrictions in order to ease the present difficult situation, said the government will propose in parliament a bill calling for the floating of a popular loan, backed by gold, and will also--through a specially-created association of municipalities--promote a national lottery. Further, tourism will be encouraged through the opening of special tourist shops where goods--including rationed merchandise--will be sold to visitors from abroad.

Another concession which the government made--and which has been sought by proponents of free enterprise--is the sale of urban government land to private buyers undertaking building programs, or paying in foreign currency. More effective tax-collection methods will be introduced, the communique said, and the government will undertake "certain measures abroad" to mobilize capital.

Mass Immigration and Absorption Will Not Be Hindered

The announcement stressed that "no changes are intended" which would hinder mass immigration and absorption, although "these impose heavy responsibilities on the state and its citizens." The announcement added: "The government does not promise an easy salvation. The state's difficulties emanate from defense needs, ingathering of the exiles and conquering of the desert--programs unparalleled by any other country. Those difficulties cannot be removed easily or soon. We also want to combat soon the lack of foreign currency."

Ingathering of the exiles, the announcement emphasized, increases the Yishuv and its needs more rapidly and on a larger scale than does expanded production. Nevertheless, it was stressed, the number of Jews living in immigrant reception camps is decreasing and there is now almost full employment throughout the country. The government is enlarging its agricultural and industrial output, is increasing its exports and is conducting most development schemes with "great results," the announcement said.

It was recalled in the statement that the Israel parliament had approved the government's "basic economic" policy and the "government will continue to act in accordance" with this policy. From time to time, however, it was added, the government will "review--in the light of constantly-changing conditions--the adjustment and implementation to new needs."

The announcement also said that immigrants and investors will be permitted to bring in goods under government control. Public bodies operating in Israel will be required to hand in their income from overseas campaigns in foreign currency, while organizations with established institutions--such as Hadassah--will be permitted to bring in goods for their institutions, subject to government approval.

EGYPTIAN REACTION TO INDIA'S RECOGNITION OF ISRAEL CREATES SURPRISE IN NEW DELHI

NEW DELHI, Oct. 1. (JTA) -- Surprise has been expressed in diplomatic quarters here over Cairo's unfavorable reaction to the Indian Government's recognition of the state of Israel.

Some quarters maintain that India will be in a better position to mediate between Israel and the Arab states, should the occasion arise, because it has recognized the Jewish state. It is also pointed out that India is sympathetic to the plight of the Palestine Arab refugees and is expected to use its influence in the United Nations in their behalf.

The Indian press greeted India's recognition of Israel as a wise move. Praise for the action has come from newspapers in such cities as New Delhi, Calcutta and Madras. Most editorials express the same opinion: recognition of Israel was a realistic move. The editorials are also almost unanimous in pointing out that the government was wise in delaying recognition for two years so as not to offend the Moslem population of this country.

YOUTH ALIYAH HOSTEL WILL BE ERECTED NEAR HAIFA IN MEMORY OF GENERAL WINGATE

HAIFA, Oct. 1. (JTA) -- An imposing memorial to the late Gen. Orde Wingate, who as commander of British and Jewish forces in Palestine during the pre-war Arab rebellion endeared himself to the Jewish community, will be reared on Mt. Carmel overlooking the fortress of Athlit. Gen. Wingate was killed in India in 1943 in a plane crash while commanding special Allied units operating behind enemy lines.

The memorial will take the form of a Youth Aliyah hostel and is being built with subscriptions from British Jews who have already raised more than 50,000 pounds (\$140,000) for it. The hostel will be located near the Nir Etzion settlement which has a number of former residents of the Etzion settlement which was destroyed by the Arabs in the fighting in 1948. The hostel will be Orthodox. It will bear the name Yemin Orde.

At ceremonies marking the laying of the cornerstone of the memorial, speakers eulogized Gen. Wingate and his firm friendship for the Jewish people. Among those present were Mrs. Lorna Wingate, his widow, officials of the British Legation, members of the British Youth Aliyah Committee and outstanding Israel personalities. Mrs. Wingate replied to the tributes to her husband.

REMAINS OF ISRAELI WHO DIED IN ATTEMPT TO BLOW UP KAUKAJI HEADQUARTERS ARE FOUND

TEL AVIV, Oct. 1. (JTA) -- A gallant but futile act of bravery by a young Jew during the Arab invasion of the country in 1948 was recalled today when it was announced that the remains of Abraham Cohen had been found in a cave near Nablus by an Israel Army chaplain.

When Fauzi el-Kaukaji, self-styled commander of the Arab Liberation Army invaded Palestine in 1948, Cohen loaded a truck with explosives and set off on a suicidal attempt to blow up Kaukaji's headquarters. He was betrayed by his guide, tried by Kaukaji's military court and immediately executed.

REPORTS REACHING JERUSALEM SAY DR. SILVER WILL HEAD ISRAEL BOND CAMPAIGN IN U.S.

JERUSALEM, Oct. 1. (JTA) -- Reports reaching here today said that Dr. Abba Hillel Silver will head the projected Israel loan campaign in the United States, in accordance with a decision taken at the recent extraordinary conference of American Jewish leaders here with Premier David Ben Gurion.

SOUTH AMERICAN ZIONIST PARLEY CLOSES; WIDER YOUTH EDUCATION, CHALUTZIUT SOUGHT

BUENOS AIRES, Oct. 2. (JTA) -- The South American Zionist Conference concluded here today after approving resolutions calling for "major assistance to youth education and Chalutzit" and recommending initiation of a study of united fund-raising campaigns here.

The conference, attended by delegates from seven countries, also urged the introduction of sanctions against "those denying campaign contributions." The delegates also supported creation of an Israel Institute here under the auspices of the Israel legation and Jewish Agency. Finally, the delegates called for centralization of the Agency's functions throughout Latin America.

Earlier, addressing the meeting, Zerubavel, left-wing member of the Jewish Agency executive, declared: "We do not want foreign investments which would exploit and sweat our workers." Zerubavel also attacked the "clerical" Jews and criticized Premier David Ben Gurion. His remarks were frequently interrupted and Eliahu Dobkin, Jewish Agency leader, countered with a statement that Israel "wants and needs private capital" and demanded that the Russian "satellites let the Jews go to Israel."

U.S. CAN BEST AID ISRAEL BY HELPING BRING PEACE IN PALESTINE, LOUIS LIPSKY SAYS

NEW YORK, Oct. 2. (JTA) -- "The best service the United States Government can render Israel in its present struggle would be to bring about a just peace between the parties concerned and cease to allow itself to be used by the aggressors to force Israel into compromising positions in the political field," Louis Lipsky, chairman of the American Zionist Council, today told a press conference.

Mr. Lipsky, who has just returned from Israel where he attended the extraordinary economic conference, declared: "It is an affront to the Charter of the United Nations that the great effort of redemption and recovery which is going on in Israel should have to be conducted under the shadow of threat and aggression of United Nations members, and that Israel's economic stability and progress should be retarded by the pressing need to expand a large part of its inadequate financial resources on military defenses and military preparedness.

"The interrelation of the economic and political aspects of the Israeli problem must be taken into consideration. Unquestionably, it is to the advantage of the Arab states to prolong Israel's economic difficulties and to use them as a political weapon. Only an economically sound Israel will compel such respect by Arab countries and impel them to sit down with Israel for direct peace talks."

SENATOR PEPPER MEETS WITH BEN GURION; SAYS HE WILL BACK U.S. MILITARY AID TO ISRAEL

NEW YORK, Oct. 2. (JTA) -- A New York Times dispatch from Tel Aviv today quoted U.S. Senator Claude Pepper--who is visiting Israel as a member of a Congressional committee--as stating, following a meeting with Premier David Ben Gurion, that he would recommend U.S. military and any other aid required by the Jewish state.

REPORTS THAT DR. SILVER WILL HEAD ISRAEL BOND DRIVE IN U.S. ARE TERMED UNFOUNDED

NEW YORK, Oct. 2. (JTA) -- Informed quarters in New York described today as entirely without foundation week-end reports quoted in Jerusalem dispatches that Dr. Abba Hillel Silver will head the projected Israel loan campaign in the United States. The reports were quoted by the Jewish Telegraphic Agency yesterday.