



## Abba Hillel Silver Collection Digitization Project

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### **MS-4787: Abba Hillel Silver Papers, 1902-1989.**

Series I: General Correspondence, 1914-1969, undated.

Sub-series A: Alphabetical, 1914-1965, undated.

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United Jewish Appeal, United Palestine Appeal, Keren Hayesod,  
1938-1939.



June, 1938

KEREN HAYESOD ACTIVITY ON BEHALF OF INDUSTRY

During the years 1921-1937 the Keren Hayesod participated with large sums in the development of Palestine industry.

From the time of its establishment, the Keren Hayesod invested a total of LP. 490,542 on account of urban settlement, trade, industry, and sundry investments.

LP. 422,210 were expended on the following industrial enterprises alone:-

Investments in the Palestine Electric Corp.	LP. 100,000
" " " Potash Co.	13,288
Budgets for trade and industry	143,854
Investments in stocks	15,193
Loans to industry	149,875

Increased efforts on behalf of Jewish industry were started especially during the last few years in connection with the grave economic situation. One of the serious problems confronting our industry is that of credit.

1. Credit

The Jewish Agency (Keren Hayesod) took various steps in this matter in order to relieve and help industry to the fullest possible extent. It is self-evident that due to the limited means at the disposal of the Agency, it could not come to the aid of all the factory owners in need of loans, who totalled quite a goodly number. It was therefore necessary to investigate to whom to grant credit in one branch or another, and to pick out those whose enterprises were of greater economic and national value, or those whose condition was such that credit would save them from temporary difficulties.



a) Thanks to the participation and help of the Jewish Agency, a Fund for the Amelioration of Industry, with a capital of LP. 25,000, was created about half a year ago with the means of the Keren Hayesod. This fund grants long-term loans to industry (from 8-10 years) at 5% interest. The Jewish Agency participates in this fund to the extent of LP. 10,000. However, the balance of the sum which was contributed by the Anglo-Palestine Bank (LP. 12,500) and the Industrial Bank (LP. 2,500) was also secured only because of the Agency's participation of LP. 10,000, from which sum the possible losses are to be defrayed first.

The loans from this fund were granted to factories having a local and national value, either from the standpoint of their being the only ones in a particular branch of industry, or due to the pioneering role played by them in our young industry, or due to the fact that they have to compete with foreign goods. A special committee for the amelioration of industry, composed of representatives of the Jewish Agency, the Anglo-Palestine Bank and the Industrial Bank, deals with this matter, examines the enterprises and decides on the granting of loans.

By means of these loans, scores of enterprises were enabled to improve their condition and to ameliorate and strengthen their positions. The wages paid by all the enterprises which receive these loans amount to LP. 41,000 annually.

Before this fund was created, the security fund of the Jewish Agency functioned to the extent of 20% which made possible a special credit policy for the benefit of industry through the Anglo-Palestine Bank. On the basis of this security offered by the Jewish Agency and which served to defray the losses, the bank granted loans for a period of from three to five years. Were it not for the Agency's security, there would have been absolutely no possibility of receiving these loans. The sum invested by the Agency in this security fund amounted to LP. 10,000.



b) Besides the above-mentioned fund for the amelioration of industry, there is a fund for small loans, which grants loans to industrialists who from a business point of view are unable to obtain loans due to lack of sufficient security. The Jewish Agency (Keren Hayesod) participates in this fund of LP. 3,000 with the amount of LP. 2,300. These loans enable owners of small and medium-sized business enterprises to hold on, and to carry on work despite the difficult conditions.

c) Besides this, the Jewish Agency (Keren Hayesod) made possible the granting of Lombardian credit, i.e. mortgaging the stock, machinery, or the raw materials in the warehouse. Thanks to the security offered by the Jewish Agency, these loans were granted, firstly, to industrialists who were unable to continue work due to their over-stocked warehouses, which prevented them from purchasing new materials and from paying wages, and secondly, to industrialists who could not continue work due to the fact that goods from abroad could no longer be obtained on credit, etc. These loans enabled them to continue work, to pay wages, and to purchase raw materials.

d) During the first year of the disturbances, many of the Jewish industrialists of Jaffa were forced to leave the city and to transfer their business establishments to Tel Aviv. For this purpose the Jewish Agency established a fund for the transfer of industrial enterprises from Jaffa to Tel Aviv. At that time LP. 750 of the Agency funds (Keren Hayesod) were distributed, enabling Jewish industrialists to transfer their enterprises from Jaffa to Tel Aviv.

## **2. The Foreign Trade Institute**

This institute was established by the Jewish Agency (Keren Hayesod) together with the Anglo-Palestine Bank and the Association of Industrialists.



Its budget, during the first period of its activity, is covered entirely by the Jewish Agency. At present the institute is functioning in countries of the Near East (Syria, Egypt, Iran, Iraq, Turkey, Cyprus) and South Africa. Special agents have been appointed in all these countries for the sale of the products of Palestine industry. Up through March 1938, orders from the above-mentioned countries for various kinds of goods, totalling approximately LP. 8,000, have been received by this institute. The institute functions on behalf of industrialists who are unable to reach foreign markets themselves, since they lack the means to carry on propaganda on their own account and to employ special agents. The institute works in the interests of all the industries interested in exporting their goods abroad. Most of the following services are offered by the institute without any advance payment, such as detailed information regarding market conditions, the selection of proper agents and cooperation with them, the placement of goods in consignment warehouses, financial information and arrangements with clients, and information regarding conditions of transportation and customs. As long as there are no definite results from these activities, the institute does not demand any payment from the factory.

### 3. Technical Guidance Bureau

This bureau, which is part of the Department of Trade and Industry of the Jewish Agency, was created for the purpose of providing technical and economic guidance to industrial enterprises, study of the enterprises and advice as to how to ameliorate and improve them, making industrial plans, and examining the enterprises for the committee on the amelioration of industry for the purpose of granting loans. For this purpose the bureau invites special experts to examine the various branches of industry.



#### 4. Customs

The customs problem is an important one for Palestine industry. In the Agency there is a special committee on customs matters for the purpose of clarifying customs problems in accordance with the needs of the country. A special permanent official employed by the Agency deals with this matter. He is in constant touch with the industrialists and the Department of Customs of the Government. He arranges customs matters for various industrialists, draws up applications and memoranda to the Government regarding these matters, and studies all the questions connected with the customs problem in Palestine. Great significance must be attached to this activity on behalf of our industry, which struggles so hard to compete with foreign goods dumped into Palestine.

#### 5. Palestine products

The organization and expansion of the local market for our industry is an important factor in the development of Palestine industry. The central bureau for Palestine products with its local branches directs the propaganda work for Palestine products, and the increasing use of them. The central bureau and its affiliated branches are active in all the large settlements in Palestine in various ways, such as the organization of the various types of business men by means of agreements or contracts for the purpose of the sale of articles made in Palestine, the organization of wide-spread propaganda among the consumers to make full use of Palestine products, and to purchase from dealers who have signed the agreement, etc. The Jewish Agency has supplied the central bureau for Palestine products with the necessary budget to carry on its activities. This year the Jewish Agency (Department of Trade and Industry) allotted the bureau a total of LP. 1,500.



#### 6. Supply of goods to Government services

Among the activities in connection with the sale of Palestine products in the local market, the problem of the supply of goods to the Palestine Government occupies a prominent place. The Palestine Government is a large and perhaps the largest consumer in the country. The Jewish Agency carries on continuous negotiations with the Government as regards the supply of goods to the Government services. Last year the Jewish Agency appointed a special official to investigate the conditions and demands on the part of the Government ordering the goods, and also to instruct the industrialists accordingly, so that they might be able to make the goods fit the needs of the Government.

#### 7. Exhibitions

The Jewish Agency (Keren Hayesod) allotted special sums for the support of exhibitions of Palestine products in various countries abroad. These exhibitions are of special value to our industry, since they are an important factor of propaganda for our goods.

During the months of May and June 1938, two special exhibitions of Palestine products were organized with Keren Hayesod means in South Africa and Argentina, which will doubtless bring about trade connections between these countries and Palestine industry.

#### 8. Census of industry

In order to obtain a clear picture of the conditions prevalent in all the various branches of industry, the amount of production in the branches, the amount of private capital, number of workers employed, the question of raw materials, export, etc. the Jewish Agency recently took a census of industry (together with the census of crafts and trades). The results of this census enable us to obtain a clear picture of the scope of industry in Palestine, and to study ways and means of developing and improving it.



9. Immigration of artisans

The Department of Trade and Industry of the Jewish Agency deals with the organization of the immigration of artisans for industrial enterprises in Palestine. From every schedule the Agency sets aside a certain number of immigration certificates for such artisans, so as to enable various industrial enterprises to bring experts from abroad, who are needed for the management and development of the enterprises.

10. Association of Industrialists

The Jewish Agency helps the association of industrialists by means of fixed grants to develop activities beneficial to Jewish industry in Palestine.

11. The Economic Research Institute of the Jewish Agency

This institute, which makes a systematic study of the economic life of Palestine and examines the possibilities for its development, devotes special attention to industrial affairs. It makes a scientific investigation of the conditions influencing production, and the possibilities for development in the various branches of industry. It supplies important data for the improvement of conditions and for making the enterprises function in accordance with more rational principles.

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[August, 1938]

COPY

KEREN HAYESOD

Mr. H. Montor  
United Palestine Appeal,  
111 Fifth Avenue, Room 703,  
New York, N.Y.

Dear Montor:

Please find herewith a statement dated July 3rd concerning the use of the Mifal Bitzaron funds from America. The title given to this statement, which was handed to me by the treasury of the Jewish Agency, is not correct. The statement does not concern all the Mifal Bitzaron funds from America but only those which the Jewish Agency received from the Keren Kayemeth. So far as the share of the Keren Hayesod in the Mifal Bitzaron funds is concerned, this share is included in the general statements of expenditure prepared by the Jewish Agency or by us for the Jewish Agency. These general statements do not include monies received from the Keren Kayemeth. Therefore I asked for a special statement which shows what funds the Keren Kayemeth has received out of the Mifal Bitzaron from America and transferred to the Jewish Agency and for what purposes they were used. If you compare the amount of £51,360 with the amount of payments by the United Palestine Appeal to the Keren Kayemeth for the Mifal Bitzaron you will know how much of these remittances is still available at the Keren Kayemeth. You know that the Jewish Agency always has to press very hard in order to induce the Keren Kayemeth to part with monies received from America for the Mifal Bitzaron, because they maintain that as far as possible these monies should be used for land purchase only.

Sincerely yours,

(signed) L. HERRMANN



# PALESTINE FOUNDATION FUND

(KEREN HAYESOD — קרן היסוד)

FINANCIAL INSTRUMENT OF THE JEWISH AGENCY FOR PALESTINE

111 FIFTH AVENUE  
NEW YORK CITY

TELEPHONE ALGONQUIN 4-2640

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CHARLES RESS

### EXECUTIVE DIRECTOR

ROBERT SILVERMAN

August 5, 1938

TO THE MEMBERS OF THE ADMINISTRATIVE COMMITTEE  
OF THE PALESTINE FOUNDATION FUND (KEREN HAYESOD) INC.

Dear Friend;

A meeting of the Administrative Committee of the Palestine Foundation Fund (Keren Hayesod) Inc. will be held on Tuesday, August 9, 1938 at 4:00 P.M. at the office of the Keren Hayesod, Room 720A, 111 Fifth Avenue, New York City.

The meeting is to consider methods of cooperation with Palestine Exhibits, and a proposed bank loan in connection therewith.

Sincerely yours,

*Charles Ress*

Charles Ress.  
Secretary

CR.SB



MINUTES OF THE MEETING OF THE PALESTINE FOUNDATION FUND (KEREN  
HAYESOD) HELD ON AUGUST 9th, 1938.

A meeting of the Administrative Committee of the Palestine Foundation Fund (Keren Hayesod) was held on Tuesday, August 9, 1938 at 4:00 P.M. at the office of the Keren Hayesod, 111 Fifth Avenue, New York.

PRESENT: Mr. Louis Lipsky, in the Chair; Sol Cohen, David Freiburger, Isaac Hamlin, Abraham Krumbein, Charles Ress, Albert D. Schanzer, Robert Silverman, Morris Weinberg, David Wertheim and, by invitation, Meyer W. Weisgal. Dr. Abba Hillel Silver and Mr. Maurice J. Karpf communicated their inability to attend the meeting.

PALESTINE EXHIBITS: The Chairman explained that the meeting had been called primarily for the purpose of discussing the matter of the Palestine Pavilion. He recalled that at previous meetings of the committee the matter had been discussed and that the members were therefore familiar with it. The idea had been inaugurated by a group headed by Mr. Nathan Straus and participated in by representatives of the United Palestine Appeal, the Zionist Organization of America, Jewish National Fund, Palestine Economic Committee. It was generally agreed that a Palestine exhibit could be of such vital importance to us and to Palestine that these organizations should be ready to assume responsibility for it, and be prepared to meet the cost entailed.

After a number of meetings of this Committee, there seemed to be a feeling that the organizations themselves would not or could not assume the responsibility for the costs involved, and another form of fund-raising was sought. There evolved the membership card plan, which is a membership subscription. It does not include admission to the Fair grounds, but does include admission to the Palestine Pavilion. Many organizations undertook to sell membership cards, it being understood that the groups which disposed of these cards would receive a certain proportion of the income, for its own purposes,



the remainder to go to the Palestine Pavilion construction project.

Plans for the building were begun, in cooperation with Palestine. Mr. Elchanani came to America, on behalf of the Jewish Agency, to view the grounds. The architects were engaged, and the work went forward on the theory that the financing would be taken care of largely through membership subscriptions. Progress was being made until the beginning of the summer when it was realized that the expectant income would not be received during the summer months. But the work on the pavilion had to proceed, contracts had to be made, and expenditures must be incurred in August, September and October, when the cash income would not suffice. A way would have to be found to obtain credit to finance the enterprise over the slack period.

This matter was first brought to the attention of a well-attended meeting of the Zionist Organization of America Executive Committee on July 12, at which it was decided to cable to the Jewish Agency for Palestine, placing the details before it. That day the following cable was dispatched to Mr. Eleazar Kaplan, Treasurer of the Jewish Agency:

"UNDERSTAND OFFICERS MEMBERS EXECUTIVE ZOA AND HEADS CONSTITUENT ORGANIZATIONS IN SPECIAL SESSION YESTERDAY UNANIMOUSLY DECIDED URGE EXECUTIVE SECURE AUTHORITY FROM KERYESOD TO USE ITS CREDIT FACILITIES IN AMERICA TO BORROW UP TO SEVENTY FIVE THOUSAND DOLLARS TO MAKE POSSIBLE BUILDING PALESTINE PAVILION WORLDS FAIR WITHOUT IN ANY WAY AFFECTING REGULAR MONEY REMITTANCES TO KERYESOD UNDERSIGNED HAVE EVERY REASONABLE ASSURANCE THAT THROUGH SALE MEMBERSHIP CERTIFICATES FOR PAVILION ORDERS ALREADY EXCEEDING TWO HUNDRED THOUSAND DOLLARS KERYESOD WILL NOT BE CALLED TO PAY ANY PART OF THIS MONEY IN ADDITION THIS INDEMNIFICATION EXPECT SUFFICIENT INDIVIDUAL UNDERWRITERS FURTHER REDUCING KERYESOD POSSIBLE LIABILITY EARNESTLY URGE YOU SEND THIS AUTHORITY IMMEDIATELY BECAUSE PAVILION CONSTRUCTION MUST BEGIN NOT LATER AUGUST FIRST UNLESS THIS CREDIT MADE AVAILABLE NOW ENTIRE PROJECT DANGER ABANDONMENT STOP CONVINCED PAVILION GREATEST BENEFIT KERYESOD NATIONAL INSTITUTIONS PALESTINE AND RESULT INCREASED AMERICAN FINANCIAL SUPPORT PALESTINE UNDOUBTEDLY CONSTITUTE GREATEST SINGLE PIECE ZIONIST PROPAGANDA HERE PLEASE CABLE APPROVAL WITHOUT DELAY.

(SIGNED) GOLDMAN WISE LIPSKY ROTHENBERG SZOLD GOLDSTEIN LEWIS LEWISOHN WEINBERG MRS. MOSES EPSTEIN MARGULIES GOLDBERG ISRAEL" RESS SHERMAN STONE.



On July 16 a reply was received from Eleazar Kaplan reading as follows:

"YOURS TWELFTH REALIZE IMPORTANCE PROPOSAL BUT VIEW POLITICAL ECONOMIC SITUATION SECURITY REQUIREMENTS EXECUTIVE ETFUNDS CANNOT RENOUNCE OR RISK SMALLEST AMOUNT STOP MUST KNOW WHETHER OTHER PARTIES PREPARED REINSURE EXECUTIVE ETFUNDS BY OFFERING FIRST GUARANTEE PLEDGING THEIR RESOURCES STOP PERHAPS PRACTICAL SUGGESTION ZOA PLEDGING FIFTY THOUSAND DOLLARS UPA PAYMENT FOR SERVICES BALANCE TO BE COVERED BY GUARANTEES HADASSAH AND OTHERS IT BEING UNDERSTOOD THAT UNDER NO CIRCUMSTANCES WOULD UPA INCREASE SERVICE PAYMENT STOP PLEASE CABLE FULL INFORMATION FOR EXECUTIVE MEETING STOP DOES KAYEMETH SHARE ALL COMMITMENTS WITH KERJESSOD."

In the meantime efforts were being made to obtain the required credits. The banks were approached to make a loan to the Keren Hayesod in the sum of \$75,000. As against this loan, the Zionist Organization of America declared its willingness to agree to indemnify the Keren Hayesod to the extent of \$25,000 and to pledge as security that amount of its subvention from the United Palestine Appeal. Mr. Harold Jacobi had given written assurances that he would indemnify the Keren Hayesod to the extent of \$10,000 from the proceeds of "Night of Stars". He also pledged a personal indemnification of \$5,000. Mr. George Backer made a similar pledge. Rabbi Solomon Goldman gave a written assurance that two or three people in Chicago would indemnify the Keren Hayesod for a total of \$7,500. This would leave a total of \$22,500 as the Keren Hayesod risk.

Accordingly, a cable was sent to Eleazar Kaplan, on July 18, as follows:

"IMPORTANT YOU CONSIDER IMMEDIATE DECISION REGARDING PALESTINE PAVILION WHICH WE BELIEVE GREATEST IMPORTANCE UPA CAMPAIGN 1939-40 STOP ENTIRE EXPENSE PAVILION WILL BE MET THROUGH POPULAR SUBSCRIPTIONS NOW GOING ON STOP PRELIMINARY CANVASS PROSPECTS INDICATE SUCCESS BUT FINANCIAL CREDIT IS NOW REQUIRED MAKE BUILDING CONTRACTS AND ESSENTIAL PREPARATIONS STOP FLOW OF INCOME FROM SUBSCRIPTIONS BEGINS NOVEMBER THEREFORE PROPOSAL IS OBTAIN \$75,000 CREDIT AT BANK IN NAME AMERICAN KERJESSOD WHICH WILL NOT INTERRUPT CASH REMITTANCES TO KERJESSOD FROM UPA UNTIL EIGHT MONTHS FROM DATE IF AT ALL STOP IF YOU CONSENT USE THIS CREDIT ZIONIST ORGANIZATION AMERICA WILL INDEMNIFY YOU UP TO \$25,000 AS AGAINST ITS UPA



ALLOTMENT WITHOUT INCREASING ITS SERVICE CHARGE WHICH NOW STANDS AT \$54,000 STOP NIGHT OF STARS THIS FALL THROUGH HAROLD JACOBI WILL INDEMNIFY YOU FURTHER \$10,000 JACOBI BACKER GOLDMAN PERSONALLY UNDERWRITING ADDITIONAL \$17,500 LEAVING BALANCE KERJESSOD CREDIT \$22,500 STOP DURING MONTHS SEPTEMBER OCTOBER NOVEMBER WILL SECURE FURTHER INDEMNIFICATIONS TO COVER ENTIRE \$75,000 STOP SUBJECT TO THESE CONDITIONS URGE EXECUTIVE GIVE ITS CONSENT STOP IF YOU THINK KERENKAYEMETH PARTICIPATION ESSENTIAL URGE EXECUTIVE USE ITS INFLUENCE IN JERUSALEM AWAITING CABLE

GOLDMAN WISE LIPSKY"

Having received no reply, the following cable was dispatched on  
July 25:

"IMPERATIVE WE RECEIVE IMMEDIATELY AFFIRMATIVE REPLY OUR CABLE JULY EIGHTEENTH.

GOLDMAN WISE LIPSKY."

We received the following telegram from the Keren Hayesod on July 29:

"AUTHORIZE AMERICAN KERJESSODS CREDIT FOR PAVILION 75,000 UNDER CONDITIONS CABLE GOLDMAN WISE LIPSKY TO KAPLAN EIGHTEENTH PROVIDED AMERICAN KAYEMETH MAKES ITS RESPECTIVE SHARE EQUALLY EVENTUAL DEFICITS AS KERJESSOD CANNOT BEAR RISK ALONE STOP UNDERTAKINGS KAYEMETH ALSO ZOA AND PERSONAL UNDERWRITERS MUST BE INCLUDED IN AGREEMENTS WITH SILVER AS UPA CHAIRMAN CABLE. KERJESSOD."

On August 5 the following cable was sent to Jerusalem:

"INVIEW URGENT NECESSITY IMMEDIATE SIGNING BUILDING CONTRACT PALESTINE PAVILION AND KEREN KAYEMETH DELAYED PARTICIPATION STOP THAT UNDERWRITINGS ARE AT HAND AMOUNTING TO OVER 52,500 DOLLARS AS SECURITY FOR CREDIT OF 75,000 DOLLARS AND FURTHER UNDERWRITINGS WILL BE PROVIDED STOP THAT WITH ONE SINGLE EXCEPTION ALL REPRESENTATIVE MEMBERS ZOA EXECUTIVE INCLUDING GOLDMAN ISRAEL GOLDSTEIN MORRIS ROTHENBERG ALSO HAROLD JACOBI AND ISRAEL BRODIE URGE KERJESSOD APPROVAL PROPOSED CREDIT STOP CALLING SPECIAL MEETING AMERICAN KERJESSOD BOARD TUESDAY AUGUST NINTH TO TAKE SUCH ACTION AS MAY BE REQUIRED PROTECT GENERAL ZIONIST RESPONSIBILITY FOR PALESTINE PAVILION GOOD NAME ENTIRE ZIONIST MOVEMENT AND CAMPAIGN PROSPECTS 1939 STOP THEREFORE STRONGLY URGE KERJESSOD CABLE AUTHORIZATION UNCONDITIONED BY IMMEDIATE KEREN KAYEMETH PARTICIPATION WHICH CAN BE SECURED LATER.  
LIPSKY WISE"

This brought the following reply on August 7:

"YOURS THIRD UNAUTHORIZED BY EXECUTIVE ACCEPT PROPOSITION UNLESS KAYEMETH UNDERTAKES UNRESERVEDLY SHARE EQUAL RISK STOP PLEASE CONVEY THIS RESOLUTION EXECUTIVE KERJESSOD TO ALL CONCERNED. KERJESSOD"

Mr. Lipsky called attention to the fact that a letter had also been received from Dr. Abba Hillel Silver, addressed to the Keren Hayesod, reading as follows:



"Mr. Charles Ress  
Secretary, Palestine Foundation Fund  
New York City

Dear Mr. Ress:

I have received your notice of a meeting of the Administrative Committee of the Palestine Foundation Fund to be held next Tuesday and of the purpose of this meeting. I regret that I shall be unable to attend. Please apprise the meeting of my opposition to any bank loan for the Palestine Exhibits to be made or underwritten by the Keren Hayesod. In several communications to the officers of the UPA and to Dr. Goldstein I have given the reasons why I am of the opinion that such a loan should be made or underwritten by individuals and why our public funds should not be jeopardized - however small the risk may at first appear.

Very cordially yours,  
(signed) Abba Hillel Silver "

It is necessary to say that Dr. Silver, as Chairman of the United Palestine Appeal, sent a cable to this same effect to Palestine. He also wrote a letter to Dr. Goldstein embodying the reasons for his position in the matter and stating that he believed the credits should be assured by individuals and not through organizations.

The Chairman was in a position to report further that Dr. Goldstein had informed him this morning that the Jewish National Fund could be counted upon to share the responsibility for the uncovered \$22,500. Mr. Lipsky pointed out, however, that this would not meet the requirements of Jerusalem. Following Mr. Lipsky's statement, Mr. Ress said that the action taken by the Finance Committee of the Jewish National Fund, if concurred in by its Administrative Committee would not comply with the demands of the Keren Hayesod in Palestine since, according to that action the Keren Hayesod would be assuming a greater contingent liability than the Jewish National Fund, and urged that the Jewish National Fund be asked again to assume equal responsibility.

It was pointed out that the delay arising from the discussion back and forth might result in serious consequences for Palestine Exhibits, which must be enabled to proceed with its work if the pavilion is to be ready by April, 1939.



Mr. Ress asked, in view of the exchange of cables between America and Palestine, what was the limit of power of the Keren Hayesod Administrative Committee, and whether any resolutions could be passed without subjecting them to the final approval of Palestine. Some members of the committee were of the opinion that this was a purely local matter, which should be decided between the two organizations in America.

It was pointed out that the Jewish National Fund was in a position to benefit more from the exhibit than almost any other American organization, and that it should be persuaded to meet its 50% share of the responsibility for the loan. In all matters affecting income the Jewish National Fund insisted on a 50-50 consideration, and it seemed unfair that it should seek all the advantages in this respect, and be unwilling to meet its share of the expense incurred in connection with strengthening the movement and the fund-raising campaign.

Mr. Ress suggested that a resolution be passed authorizing the loan on the condition that we obtain from the Jewish National Fund in America an assurance of an assumption of equal responsibility. In order to facilitate the matter he suggested a second resolution, authorizing the loan, subject to securing a change in attitude from Palestine modifying the limitations that have been placed upon the Keren Hayesod in America, at least to the extent of accepting Dr. Goldstein's suggestion that the Jewish National Fund assume responsibility limited to half of the amount not covered by the several indemnity agreements mentioned. He suggested that since the Keren Hayesod is bound by the exchange of cables, both resolutions be passed, so that in the event the Jewish National Fund refuses to cooperate beyond its share of the \$22,500, the second resolution could be put into effect.

Mr. Lipsky thereupon suggested that the following procedure be



approved by the meeting:

1. That the officers of the Keren Hayesod be authorized to make a loan of \$75,000 on behalf of the Palestine Exhibits, it being understood
2. That there be secured in writing an indemnification of the Keren Hayesod on the part of the Zionist Organization of America, to the amount of \$25,000, secured by an assignment to the Keren Hayesod to the extent of \$25,000, on account of the sum payable to the Zionist Organization of America by the United Palestine Appeal as an annual service charge;
3. That there be secured an indemnification from the "Night of Stars" enterprise for 1938 through Mr. Harold Jacobi for \$10,000;
4. That there be secured the individual personal indemnifications as reported from Mr. Backer, Mr. Jacobi and Dr. Goldman for an amount aggregating and not less than \$17,500, and
5. That the American Keren Kayemeth shall assume an equal responsibility in this whole transaction with the American Keren Hayesod, but in no event a responsibility less than \$11,250, being one half of the amount not covered by indemnity agreements.

The procedure as outlined by Mr. Lipsky was approved.

In the discussion which followed Mr. Thau asked what assurance could be given that the Keren Hayesod would not be involved in further expense in connection with the pavilion at a later date. He said he understood that this was to be a \$300,000 project, and very often the original estimate in a building project is not adhered to.

On the invitation of the Chairman, Mr. Meyer Weisgal replied that if legal assurance were asked for, he could not give it. However, he believed that one would have to be altogether pessimistic and without faith in Zionists and Jews to fear that the needed funds would not be forthcoming. As was already reported, a plan had been completed for a membership subscription plan,



in which the Zionists and other Jewish bodies would be enrolled. There would be double advantage in this plan: first, the \$300,000 required for the pavilion would be raised; second, the Zionist and other Jewish organizations which raised money through this subscription plan would retain for themselves about 40%. It was expected that there would be additional income from general admissions to the Palestine Pavilion, and concessions. All computations had been made on the basis of a one year Fair, although it was generally conceded that the Fair would run for at least two years. Thus, the bulk of the cost would be assigned to the first year, and the income during the second year would not be burdened with more than the administration expenses \$50,000, making a total of \$300,000. Palestine Exhibits has sought and secured the expert guidance of builders like Mr. Chanin and others, and every effort will be made to keep costs down to a minimum, while at the same time trying to raise the largest possible sum. The Chairman of the Executive of the Exhibits is Dr. Israel Goldstein; a controller appointed on the recommendation of Mr. Jacobi is in charge. The architect is Lee Simonson. Mr. Jacobi, Mr. Backer, Mr. Brodie, and Mr. Lipsky are personally concerned in administration of budget matters.

Mr. Ress wished to place on record the fact that in discussing the loan with the bank, a request had been made that the Keren Hayesod agree that no further loans be made, for any purpose, until after the payment of this loan. The bank official was informed that no such undertaking could be entered into, in view of the nature of our activity, and also in view of the size of the amount which is being loaned by the Keren Hayesod. It was agreed, however, that the Keren Hayesod make no further loan for Palestine Exhibits until after this \$75,000 loan had been paid in full.

In reply to the question regarding the rate of interest, it was



reported that this matter had not yet been discussed, but the committee was assured that the best possible terms would be sought. The Chairman appointed a committee consisting of Messrs. Charles Röss, Morris Weinberg and Sigmund Thau to complete negotiations for the loan which Mr. Röss reported the National City Bank had agreed to make, subject to working out certain details as to amortization, interest, etc.

The following formal resolutions were adopted unanimously to enable the officers to make the loan, when and if all of the conditions outlined at the meeting should be carried out:

"RESOLVED, that Palestine Foundation Fund (Keren Hayesod) Inc. shall borrow the sum of \$75,000 from The National City Bank of New York, to be repaid with interest, at such rate as may be agreed upon between the corporation and The National City Bank of New York, over the period of one year in such manner and upon such terms as the officers designated to transact the said business may deem advisable;

RESOLVED, further, that any two of the following officers, jointly, to wit: The Chairman of the Board of Directors, a Treasurer and the Secretary, are hereby designated and authorized, for and in behalf of this corporation, to transact any and all business in connection with the loan authorized at this meeting and to pledge and to otherwise hypothecate any property of the corporation in connection therewith, and to sign, for and on behalf of this corporation, any and all notes or other instruments, indemnity or other agreements, obligations, assignments, endorsements, hypothecations, pledges, receipts and/or other documents as to the officers signing the same seem to be necessary or desirable;

RESOLVED, further, that said Bank may rely upon the authority conferred by these resolutions until the receipt by it of a certified copy of a resolution of this Administrative Committee revoking or modifying the same. "

KEREN HAYESOD CONFERENCE IN ANTWERP: Mr. Lipsky reported that there was to be an international conference of the Keren Hayesod in Antwerp, beginning September 3. It was expected that Dr. Solomon Goldman would leave Palestine in time to enable him to attend the conference. In addition, at



the request of Rabbi Abba Hillel Silver, as Chairman of the United Palestine Appeal, Mr. Montor had undertaken to attend the conference.

An invitation had also been received by the Chairman, Mr. Lipsky, from Jerusalem to attend the Conference, who asked the Committee for its views with respect to the necessity of his attending. He felt that the Keren Hayesod was well represented.

Mr. Ress expressed the opinion that the Keren Hayesod should be further represented by Mr. Lipsky. He therefore moved that Mr. Lipsky be urged to attend the conference in Antwerp, on September 3, if possible, and that the cost be met by the Keren Hayesod.

The motion was seconded by Mr. Hamlin and carried.

HACHSCHARAH: Mr. Ress called attention of the committee to the fact that the original Hachscharah sub-committee was no longer functioning. However, he had been approached by representatives of both groups - the Hechalutz and the Hashomer Hazair - for additional funds. Their work was being seriously hindered by lack of funds and he urged that the officers be authorized to request the Keren Hayesod at Jerusalem for permission to make an additional appropriation of \$5,000 for both organizations.

Mr. Freiburger believed that consideration should be given to whether these funds could not be better employed in Poland or elsewhere in Europe. Mr. Ress stated that the former sub-committee's investigation had convinced him that the Hachscharah work of these two groups had considerable value and that they deserve assistance.

After further discussion it was moved, seconded and carried that the officers be authorized to seek permission to make a contribution of \$5,000 for the farms of Hechalutz and Hashomer Hazair and that a committee of five be appointed by the chair, to study the matter further, with power to allocate the funds, if authorized to expend them



by the Keren Hayesod at Jerusalem in such manner and to such extent as the committee deemed advisable.

There being no further business, the meeting adjourned.

Respectfully submitted

CHARLES RESS

Secretary





K E R E N   H A Y E S O D

REPORT FOR THE FIRST 9 MONTHS of 5698

(1. X 1937 - 30 VI. 1938)

The Most Salient Point:

<u>INCOME OF THE KEREN HAYESOD:</u>		<u>EXPENDITURE:</u>
Net receipts for regular budget	LP.223,377	Repayment to
(Compared to last year	230,181)	Lloyds Bank LP.34,506
For Mifal Bitzaron	89,759	
(Compared to last year	96,374)	
<u>INCOME OF THE JEWISH AGENCY:</u>		
From the Keren Hayesod	LP.299,538	Budget LP.458,580
" " " Hayesod's new loan		
from Lloyd's Bank	75,000	
Miscellaneous	46,094	

1. INCOME OF THE KEREN HAYESOD.

From October 1937 (incl.) until June 1938 the net receipts of the Keren Hayesod were as follows:-

From the U.S.A.	LP.84,442	
" South Africa	56,888	
" Great Britain	17,634	
" Eretz Israel	13,210	
" remaining countries	97,208	LP.269,382

This amount includes the following earmarked contributions:

For new colonisation (from South Africa)	25,000	
" settlement of German Jews	8,555	
" Mifdeh Zioni (from Gt. Britain)	1,500	
" other purposes	10,950	46,005
Leaving for the regular budget		223,377

An additional amount of LP. 89,759 was received at the Keren Hayesod head office in the period under review on account of Mifal Bitzaron.

On account of the new loan granted by Lloyds Bank the amount of LP.75,000 was received. (1)

2. INCOME OF THE JEWISH AGENCY

During the period under review the Keren Hayesod remitted to the Jewish Agency on account of the regular budget LP.164,189, in addition to the LP.75,000 from Lloyds Bank, the LP.25,000 from South Africa for new colonisation, LP.89,758 of Mifal Bitzaron income, LP.8,555 for the settlement of German Jews, LP.6,671 for other special purposes, the balance of LP.1,215 left over from the Consolidation Loan, and LP.4,150 accruing from investments.

The Jewish Agency further received LP.20,108 from the KKL (Mifal Bitzaron U.S.A) as a contribution for the new colonisation in the Beisan area, from the Palestine Government for the Agricultural Experiment Station in Rehovoth LP.4,913, from the Immigration Department LP.7,500, from repayment of previous loans LP.8,195, and from miscellaneous sources LP.6,194.

Thus the total income of the Jewish Agency for the period covered by this report was LP. 421,445.

(1) Details in respect of the new loan were given in our April and May 1938 reports.



### 3. EXPENDITURE OF THE JEWISH AGENCY

This was distributed over the following heads:-

I. Agricultural Colonisation (incl. Experimental Station)	LP. 151,764
II. Settlement of German Jews	18,055
III. Housing and Public Works	105,484
IV. Immigration and Vocational Training	30,598
V. Political and Security purposes	59,519
VI. Educational and Cultural Activities	23,710
VII. Trade & Industry and Urban Colonisation	47,929
VIII. Administration	10,056
IX. Miscellaneous	11,465
	<u>LP. 458,580</u>

During the period under review the Keren Hayesod paid to Lloyds Bank the instalments due on account of the Consolidation Loan to the amount of £0.34,200, as well as LP.306 interest up to July 30th, 1938, together £0.34,506.

#### I. Agricultural Colonisation

##### A. Through the Agricultural Colonisation Dept. of the Jewish Agency:

(a) Investments	LP. 16,665
(b) Moshavim - Moshavoth	35,687
(c) Cooperative settlements	63,629
(d) Individual settlers	2,471
(e) Yemenites, Women's training-farms, Instructorate, Technical office, preparatory work, organisation exp.	13,698
(f) Agricultural Experiment Station	19,614
	<u>LP. 151,764</u>

ad (a) The "Pasa" (Palestine Agricultural Settlement Association) took up additional shares to the value of LP.16,665. The Keren Hayesod, as is known, holds all the shares in this Company. To date LP.113,888 have been invested in the Pasa, partly in cash, partly through the cession of loans due to the Keren Hayesod. In addition to the share capital the Pasa could dispose of LP. 92,700 from the sale of Debentures.

ad (b) The amount of LP.35,667 was divided among 19 Moshavim and Moshavoth (among them LP.7,367 to Beth Joseph in the Beisan Plain established during the riots), for the erection of residential and farm buildings, irrigation, provision of drinking-water, lay-out of plantations, living and dead inventory, etc.

ad (c) The LP.63,629 were distributed among 36 cooperative settlements for the purposes enumerated below. Thirteen of the points established during the disorders received LP. 41,416 between them. Details in respect of this amount, as well as in respect of the sums mentioned under (b) were given in our monthly reports.

ad (d) Thirty-eight individual settlers in various points received loans to the total amount of LP.2,471.

ad (e) The Women's Training Farms in Petah Tiqvah, Nachlath Yehudah, Schunath Borocho among them received LP.1,051, the Yemenites in Shivath Zion LP.390. LP.5,185 were spent on the Instructorate, LP.3,400 on the Technical Office. The balance was expended on preparatory work at various new points, for statistical work, increased consumption of local agricultural products and various organisation expenses.

ad (f) The total expenditure of the Agricultural Experiment Station in Rehovoth amounted to LP.21,281 in the period under review. The income during the same period was LP. 1,667.

The main heads under which the above expenditure falls are the Department for cattle-feeding, for the chemical, pathological and entomological Departments, the climatological garden, examinations of plantations, grain and Lucerne fields, experimental garden for citrus fruit, research in the field of fruit cultivation, etc., expenses connected with the library, publications and organisation. - As mentioned above, the Palestine Government contributed LP.4,913 to the budget of the Experiment Station.



B. Through the Pasa:-

For Moshew Ovdin	LP.75,586
" Cooperative Settlements	29,073
" Individual settlers	4,893
" Irrigation plants	80,313
	<u>LP 189,865</u>

II. SETTLEMENT OF GERMAN JEWS

A special Department of the Jewish Agency deals with the above. This Department has a budget of its own fed from various sources. The income during the period covered by this report amounted to LP. 158,485, contributed to the amount of LP.10,021 by the Youth Aliyah Association, to that of LP.2,182 by the British Central Fund for German Jewry, LP.51,431 by the "Arbeitsgemeinschaft", LP.72,909 by the Council for German Jewry, LP.18,055 by the Keren Hayesod and LP.3,887 by various contributors.

The expenditure of the Department amounting to LP.155,017 benefited the youth who came on the special certificates which the Government had allocated for them and for their training, the settlement of the immigrants who came under the auspices of the Council for German Jewry, loans to settlements, supplementary farms, individual settlers, social welfare work, cultural activities, housing, information service, etc.

Details of the total amount of LP. 18,055 Keren Hayesod monies which the Jewish Agency gave to the Department can be found in our monthly reports.

III. HOUSING AND PUBLIC WORKS.

1.	Investment in "Bizur" shares		LP. 24,980
2.	Erection of workers' dwellings and huts		6,747
3.	Purchase of tents, provisional dwellings, and insurance of buildings		2,131
4.	Housing of Government employees		1,120
5.	Building loan to "Nir"		6,000
6.	Housing provision for refugees		1,000
7.	Building loan to "Shikun"		3,000
8.	Guarantee Fund to "Bizur" for loans for public works		1,300
9.	Guarantee Fund for loans to citrus planters (second instalment)		350
10.	Road construction		8,500
11.	Levelling work in Kiryath Avodah south of Tel Aviv		11,250
12.	Loan Fund for supplementary farms		1,050
13.	Agricultural labour exchanges:		
	of the General Labour Federation	LP.4,925	
	" " Hapoel Hamizrachi	405	5,330
14.	Promotion of Jewish quarrying		1,473
15.	" " " fishing		962
16.	" " " seafaring		1,344
17.	Workers' loan fund in the colonies		
	of the General Labour Federation	4,875	
	of the Hapoel Hamizrachi	1,060	
	Various	120	6,055
18.	Loan fund for railway workers		352
19.	Loan Relief Fund "Mishan"		
	of the General Labour Federation	8,385	
	of the Hapoel Hamizrachi	1,605	
	of the Irgun Ovdin Zionim	513	
	of the Kibutzim and Camps	425	
	of Yemenites and others	122	12,050
20.	Vocational training of workers through:		
	General Labour Federation	3,158	
	Hapoel Hamizrachi	306	
	Training of youth	300	
	General Zionists	69	
	women workers	268	4,101
21.	Transfer of workers to places of work		1,167
22.	Training of workers for Government work		1,076
23.	Labour Exchanges:		
	General Labour Federation	242	
	Hapoel Hamizrachi	100	
	Yemenites	78	
	General Labour exchanges	760	1,180



24. Organisation expenses and miscellaneous, (promotion of Jewish labour, statistical work, travelling expenses, postal expenses, etc.)	LP. 3,115	
Less income	150	LP. 2,965
		LP 105,483

ad (1) The registered capital of the Bizur Co. was increased to LP.100,000 in the course of the current year. During that period 10,000 shares to the value of LP.50,000 were sold. Of these 6000 shares were fully paid up to the amount of LP.30,000, whilst on the remaining 4000 LP.10,000, i.e. 5% was paid. Of the fully paid shares the Keren Hayesod took 5000 @ LP.5 per share. The paid-in share capital on June 31st, 1938 was LP. 71,000, of which the Keren Hayesod contributed LP. 45,000, the balance being contributed by the Unemployment Fund, Keren Choser Avodah.

Three series of debentures were issued by this company, at 5% interest p.a., repayable in seven years, i.e. the first series at the nominal value of LP.102,500 in 1938-43, and the two subsequent ones at the nominal value of LP. 86,250 in 1940-48. The total sale of debentures thus amounting to LP.188,750. On the 1st January, 1938, repayments to the amount of LP.17,070 fell due which were met partly by the purchase of debentures on the open market, partly by a lottery. In addition debentures to the nominal value of LP.5000 were bought on account of repayments due on January 1st, 1939. The turnover of Bizur debentures on June 30th, 1938, therefore, stood at LP.166,680 (nominal value).

In the period 1st July, 1937 to 30th June, 1938, Bizur granted loans to the amount of LP.143,766, of which LP.87,666 for public works and LP.56,100 for buildings. The actual value of the works already executed or still to be executed with the help of this sum amounts to LP.155,649 of public works and LP.163,240 of building operations, together LP. 318,889. On the average the loans granted thus amount to 45% of the actual value of the works. Wages paid account for LP.94,404 for 296,151 working days in public works, and for LP.70,408 for 175,244 working days in building operations, totalling 471,395 working days and LP. 164,812 in wages.

During the two years' period of its existence the Company granted loans to the total amount of LP.265,607 for various works to the total value of LP.735,354, with roughly 1½ million working days.

ad(2) During the period covered by this report three dwelling-houses, two dining halls and forty-nine huts were put up in different settlement points, as well as sanitary equipment provided and repairs carried through.

ad (4) According to an agreement with the "Dirah" Company of Haifa, LP.1,120 were paid on account of loans secured by 4% mortgages, for housing Governmental and municipal employees, as explained at greater length in our April-May report.

ad (5) According to an agreement with "Nir", LP.6,000 were paid on account of loans which will reach a total of LP. 21,000, secured by 4% mortgages, for the construction of some 300 dwelling-houses at various points, as enumerated in our June report.

ad (10) The Jewish Agency has participated to the amount of LP.8,500 in the constructions of roads designed to increase the security at 11 points. The money was put at the disposal of the Municipalities concerned, as, for instance, LP.2,000 to Petah Tiqvah, LP.1,500 to Kfar Vitkin, LP.1,500 to Kfar Syrkin, LP. 750 to Rehovoth and LP. 580 to Ramath Hakowesh.

ad (13) The rural labour exchanges aim at taking over the working of plantations, so as to make sure of the employment of Jewish labour on the one hand, and, on the other, to maintain his wage standard and enable him to compete with cheap Arab labour. - The 13 labour exchanges of this type work plantations all the year round and take over seasonal work as well, such as picking, packing, repairs of wells, irrigation, the laying down of turf, grafting, deep-ploughing, etc. - To-date these exchanges take complete care of 4380 dunums of ground. In June 1938 were added 125 dunums in Even Yehudah which were entrusted to them by the Agricultural Mortgage Bank founded by the Government. - These exchanges were responsible for the picking of one million cases of citrus fruit (as against 700,000 in the previous year), and the packing of up to 50,000 cases per month. Two



hundred and fifty workers are employed steadily all the year round, whose wages amount to approximately LP. 20,000. Seasonal and occasional works account for some 40,000 working days per month to various thousands of workers. The activities of these exchanges have done much to counteract unemployment in the plantation colonies.

ad (17) Out of Keren Hayesod monies, repayments of loans and contributions from the Unemployment Fund some 1000 to 3500 agricultural workers receive loans to the value of LP.1200 - LP.3000 per month.

ad (19) Through the agency of the "Mishkan", Keren Hayesod funds, income from repayments of loans and contributions from the Unemployment Fund some 2000 - 4000 urban workers receive loans totalling some LP.2,500 - LP.5,000 per month.

ad (20) Training and instruction in agricultural work, road construction and other urban and rural activities was given to approximately 11,500 workers in the period under review. At times as many as 80 instructors were employed in this work.

ad (23) The various labour exchanges managed to find work, partly of a permanent, partly of a temporary nature, for some 20,000 persons during the period under review.

#### IV. IMMIGRATION AND VOCATIONAL TRAINING

Under this head LP30,598 were disbursed during the period covered by this report. They served to maintain Palestine Offices in 30 countries and immigration offices in Palestine, to cover organisation expenses, to grant loans to immigrants and to keep up immigrants' hostels, to transfer workers to their places of work and to subsidise training centre abroad.

5974 persons came to Palestine during the above period.

As already mentioned above the Jewish Agency profited to the amount of LP.7,500 from the income of the Immigration Department.

#### V. POLITICAL AND SECURITY PURPOSES

The expenditure under this head was LP.59,519, of which LP.35,378 for security and LP.24,141 for the Political Departments in Jerusalem and London.

#### VI. EDUCATIONAL AND CULTURAL ACTIVITIES.

The disbursements were distributed as follows:-

1. Contribution to the school budget of the Vaad Leumi	LP. 19,966
2. To Mossad Bialik:	
For Publications	LP. 1,207
" Vaad Halashon	525
" subsidies to non-political journals, such as "Mosnajim", "Giljonoth", "Zion", "Hatevah w'Haaretz"	381
"Mossad Kook	525
"the Cultural Dept. of Vaad Leumi	375
" Organisation expenses and misc.	124
	<u>3,137</u>
Contribution from the Zionist Org.	750
	<u>2,387</u>
3. To the Haifa Technion	791
4. " " Habimah	316
5. " " Ohel	250
	<u>LP. 23,710</u>

#### VII. TRADE, INDUSTRY AND URBAN SETTLEMENT

Under this head the following disbursements were made:

1. Purchase of shares of the Tel Aviv Port	LP 20,000
2. Loan Fund for the relief of industry	13,000



3.	Loan Fund for small industrialists (through the Industrial Bank)		LP 1,000
4	" " " small industrialists through "Keren Hasrikoth"		1,000
5.	Guarantee given to the A.P.C. for credits extended to small industrialists		1,500
6.	Other guarantee funds		249
7.	To Institute for promotion of foreign trade		900
8.	To Institution for the promotion of the consumption of local products		1,125
9.	To Institute for technical training		576
10.	To small traders and artisans		2,532
11.	To the Industrialists' Association		200
12.	Organising expenses and Miscellaneous (participation in exhibitions, information service, publications, etc.)		2,023
13.	To Economic Research Institute:		
	Remuneration for research work	LP. 572	
	Statistical and other examinations	969	
	Publications		
	Tel Aviv Office	894	
	Salaries and miscellaneous expenses, less income	1389	3,824
			LP 47,929

ad(1) The Keren Hayesod's total investment in the Tel Aviv Port amount to LP. 22,552.

ad(2) Up to the 31st March, 1938, loans to the amount of LP.25,677 had been confirmed to 23 enterprises and partly paid. Since that date further credits for LP.14,054 have been granted to 19 undertakings. The participation of the Jewish Agency (Keren Hayesod) in these credits is about 40%.

ad(3) and (6) Loans to the total amount of LP.20,266 were granted to 98 firms for a period of three years.

ad (4) This Fund is made up by a 75% participation on the part of the Jewish Agency and by a 25% participation on the part of the Industrial Bank.

ad(7) Up to the end of March 1938 the Institute secured 558 orders from 8 countries for 130 local factories for LP.11,200. (Details in our March Report). Since then the Institute has secured the following further orders:-

From Syria	-	321	orders for 119 factories to the value of	LP.3,817
" Egypt	-	88	" " 37	" " " 3,346
" Turkey	-	37	" " 28	" " " 3,363
" Cyprus	-	133	" " 71	" " " 1,023
" Iraq	-	3	" " 3	" " " 21
" South Africa	-	82	" " 28	" " " 1,028
" U.S.A.	-	3	" " 3	" " " 52
" India	-	7	" " 4	" " " 974
		674	" " 313	" " " LP13,624

Of the above, orders to the value of LP.6,885 have already been carried out.

ad (9) The Institute in question has carried through 42 examinations of industrial undertakings in Tel Aviv, Jerusalem, Haifa and other places, of which 27 were done at the instructions of the Fund for industrial relief and 15 independently of that Institute. Of the 27 examinations in connection with applications for loans from the Loan Fund for the relief of industry, the undertakings in question employed 550 hands, the other 15,290 hands, a total of 840 hands.

ad (10) Funds made available by the Jewish Agency (Keren Hayesod), the Mifdeh Esrachi and a few Banks served to establish a Loan Fund for workers and small traders. Commissions composed of representatives of the various institutions decide on the allocation of these loans which are granted to artisans at 6%, repayable within three years in monthly instalments, to small traders at 6½%, also repayable in monthly instalments but over a period of 5 years.



The Tel Aviv Loan Fund for artisans amounts to LP.3000, the Jewish Agency, the Mifdeh Esrachi, the Artisans' Bank and the Loan Bank participating each to the amount of LP. 750.

In Jerusalem the Fund will amount to LP. 2,400, the Jewish Agency, the Mifdeh Esrachi and the Loan Bank each contributing LP. 800.

In Haifa the Fund will be LP. 2000, the participating parties, with LP.500 each, being the Jewish Agency, the Mifdeh Esrachi, the Loan Bank and the Kupat Milveh l'Baalai Malachah".

The Loan Fund for small traders in Tel Aviv was fixed at LP. 18,300, of which the Jewish Agency contributes LP. 1,875, the Mifdeh Esrachi LP.1,075, the A.P.B. LP. 3,850, the Loan Bank LP.9,650 and Kupath Am LP. 1,050. Loans to the amount of LP. 15,800 will be given to traders in articles of food, of LP. 1000 to vegetable sellers, LP. 1,500 to haberdashers.

The Jerusalem Fund for small traders will stand at LP.7,000, participated into the amount of LP. 1,000 by the Jewish Agency, LP.1,000 by the Nifdeh Esrachi and LP. 2,450 each by the A.P.B. and Loan Bank. The same Fund in Haifa will be at LP.5,000, with contributions of LP.750 each from the Jewish Agency and Mifdeh Zioni, and of LP. 1,750 each from the A.P.B. and Loan Bank.

To date 126 artisans in Tel Aviv were given loans to the total amount of LP. 2,497, in Jerusalem 102 to the amount of LP. 2,360. On account of the Jewish Agency's share in these funds LP. 2,532 had been paid out up to the end of June.

#### VIII. ADMINISTRATIVE EXPENDITURE

The Jewish Agency spent LP. 10,056 under this head in the period under review.

#### IX. MISCELLANEOUS

The expenditure falls under the following heads:

To the Vaad Leumi for welfare work		LP. 1,001
For religious institutions		1,462
For the Statistical Department		2,196
" subsidies to WIZO	LP. 500	
" Maccabi	200	
" Hapoel	100	
" various	324	1,124
" Sieff Institute		696
" Pensions and compensations		2,123
" Publicity and Collection expenses		2,061
		<hr/>
		LP 11,465
		<hr/>



Decisions adopted to date (March 7, 1938) on the use  
of the Mifal Bitzaron funds from America

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Purchase of land for housing at Kiryat Avodah near Mikveh Israel	LP 6,110.-
Purchase of land for housing at Rehovoth, Raanana, Jalil & Motza	6,000.-
Construction of roads in the Beisan settlements	5,000.-
Construction of a jetty in Emek Chefer	1,500.-
Participation in erection of water supply stations for village of immigrants from Greece and the Zionist Youth kibbutzim near Even Yehudah	1,400.-
Levelling of sands at Haifa Bay	1,200.-
Land at Rehovoth - for additional housing	800.-
<u>Land occupation &amp; Settlement: Hanita</u>	7,500.-
Alonim (Kuskus)	600.-
Ein Hamifratz (Haifa Bay)	400.-
Ein Geb (buildings & water supply)	2,000.-
<u>Buildings: "Bamaaleh", Kiryat Anavim B - dwellings &amp; security posts</u>	3,000.-
Kfar Hamaccabi in Emek Zebulun - dwelling	2,000.-
Kfar Hachoresh - dining hall, kitchen & security post	2,500.-
Kfar Usha in Emek Zebulun - dwellings for adults and children	1,400.-
Roads & Levelling: Ein Hashofet, repairing the road from Yokneam to the settlement, 3.5 km., bridges and paving of parts impassable in rainy season	1,400.-
Haifa Bay, levelling sands - at Kiryat Chaim LP 5000; at Kiryat Shmuel LP 1000 ; Kibbutz Mishmar Zebulun LP 300	6,300.-
Tenders (Support to co-operatives to enable them to compete for Public Works contracts)	2,000.-
	<u>LP 51,110.-</u>
Loan to the Village Council of Migdal, Erection of Water Supply Station	250.-
	<u><u>LP 51,360.-</u></u>



## MEMORANDUM

To **DR. STEPHEN S. WISE**  
**DR. ABBA HILLEL SILVER**  
**JUDGE MORRIS ROTHENBERG**  
**MR. LOUIS LIBSKY**  
**MR. HENRY MONTOR**  
**RABBI SOLOMON GOLDMAN**

From **MENDEL H. FISHER**

Subject **In re: EVIAN CONFERENCE**

Date **August 24, 1938.**

I transmit to you the following cable that we have received from  
Mr. Ussishkin, who is now in France:

• **HAKEREN** **August 23, 1938**  
**NEW YORK (JEWISH NATIONAL FUND BUREAU 111 5 Ave)**

**VIEW EXCLUSION PALESTINE EVIAN CONFERENCE AND PURELY  
POLITICAL PURPOSE KEREN UNABLE PARTICIPATE REFUGEE FUND**

**USSISHKIN\***



**MBF:HB**



Decisions adopted to date on the use of the Mifal Bitzaron funds  
from America

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Purchase of land for housing at Rehovoth, Baanana, Jalil & Motza	6,000.-
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Participation in erection of water supply stations for village of Immigrants from Greece and the Zionist Youth kibbutzim near Even Yehudah	1,400.-
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Alonim (Kuskus)	600.-
Ein Hamifratz (Haifa Bay)	400.-
Ein Geb (buildings & water supply)	2,000.-
<u>Buildings: "Bamaaleh", Kiryat Anavin B - dwellings &amp; security posts</u>	3,000.-
Kfar Hamaccabi in Emek Zebulun - dwelling	2,000.-
Kfar Hachoresh - dining hall, kitchen & security post	2,500.-
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Haifa Bay, levelling sands - at Kiryat Chaim LP 5000, at Kiryat Shmuel LP 1000, Kibbutz Mishmar Zebulun LP 300	6,300.-
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Loan to the Village Council of Migdal, Erection of Water Supply Station	250.-
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PALESTINE FOUNDATION FUND, INC.  
KEREN HAYESOD

As of 8/8/38

	1936	1937	1938
	(1/1/36-12/31/36)	(1/1/37-12/31/37)	1/1/38-8/8/38)
<u>Income:</u>			
U.J.A. - 1934	\$ 9,000.	\$ 9,750.	
U.J.A. - 1935	218,000.	35,600.	\$ 2,400.
U.P.A. - 1936	375,000.	120,000.	17,500.
" " " ( " German Council	-	125,000.	
" " " - 1937	-	261,666.66	238,999.99
" " " - 1937 "Emergency"	-	130,833.34	119,500.01
" " " - 1938	-	-	217,000.-
" " " - 1938 "Emergency"	-	-	108,500.
American Friends Hebrew University (1937)	-	6,250.	7,500.
Vaad Leumi - Soc. Serv. Dept. (1937)	-	-	2,500.
	<u>\$ 602,000.</u>	<u>\$ 689,100.</u>	<u>\$ 713,900.</u>
<u>Other Income:</u>			
Contributions	77.41	118.75	10.
Bequests	-	2,824.81	2,761.03
Interest on Bonds	16.04	88.20	41.37
Bonds Redeemed	-	49.80	-
	<u>\$ 602,083.45</u>	<u>\$ 692,181.56</u>	<u>\$ 671,712.40</u>
<u>Disbursements:</u>			
Remittances to Keren Hayesod	592,471.57	441,059.42	498,837.33
" " " " (Emergency)	-	130,833.34	243,666.67
Direct Remittances	-	-	1,417.84
" " " Vaad Leumi	-	-	2,500.00
American Friends of Heb. University	-	-	-
	<u>12,500.00</u>	<u>6,250.00</u>	<u>7,500.00</u>
Payments for Keren Hayesod	-	8,424.85*	5,000.00
	-	-	(Pal. Exhibits)
For German Council	-	125,000.00	-
Special Appropriations	-	4,616.00**	600.00
	-	-	(L. Lipsky Travel
Headquarters Expenses	520.37	3,718.86***	788.92
	<u>\$ 605,491.94</u>	<u>\$ 719,902.47</u>	<u>\$ 760,302.76</u>

\* 1937 - Payments for K.H.  
includes - Film Payments  
B.Z. Mossinsohn, Gershen Agronsky, etc.

\*\* 1937 Special appropriations  
includes Hashomer Hatzair,  
Travel - World Congress - Mrs. Stulman  
Request, Seaboard Region 1935 adj)

\*\*\* Headquarter Exp- 1937  
includes new furniture  
for K.H. room 720



KEREN HAYESOD, HEAD OFFICE - JERUSALEMStatement of Receipts and Payments during A u g u s t 1938.RECEIPTS:CONTRIBUTIONS:

From various countries as per  
Schedule attached:

Regular Receipts	£P. 32,945.766	
Various earmarked Receipts	<u>2,397.499</u>	
	£P. 35,343.265	
Receipts for Mifal Bitzaron	7,199.487	
"    "    Hamifdeh		
Hazoni	<u>60. -</u>	£P. 42,602.752

LOANS:

For Building in the Haifa Harbour  
Area, from Mr. S. Schocken, on a/c 180. -

SUNDRY RECEIPTS:

From Haifa Bay Development Co. -		
Balance of Bonus for the year ending		
31.3.37	418.867	
Interest from sundries	<u>59.780</u>	478.647

CASH ON 1.8.38:

Jewish Agency Deposit a/c - Balance of Consolidation Loan at our disposal	930. -	
At various Banks and in Hand	<u>15,999.262</u>	<u>16,929.262</u>
		£P. 60,190.661
		=====

PAYMENTS:To Jewish Agency Jerusalem & London:

On a/c of Budget 5698	£P. 18,937.477	
Out of Mifal Bitzaron Income	7,199.487	
"    "    Hamifdeh Hazoni Income	60. -	
"    "    Realisation of Assets Income	<u>1,445.370</u>	£P. 27,642.334

Special Earmarked Contributions:To Jewish Agency, Jerusalem, for:

Kupath-Cholim of Workers Organisation	1,014.750	
Social Work Dept. of Vaad Leumi	1,014.750	
Hechalutz in Warsaw	132. -	
Kibutz Rodgees	<u>111. -</u>	
Carried forward	£P. 2,272.500	£P. 27,642.334



Brought forward	£P. 2,272.500	£P. 27,642.334
<u>To Vaad Leumi:</u>		
For Rural Educational Institution in G'wat (from Germany)	75.680	
<u>To Mizrahi Palestine Fund:</u>		
From South Africa	249.999	
<u>To Ben Shemen:</u>		
From South Africa	<u>8. -</u>	<u>257.999</u>
		2,606.179
<u>Sundry Payments:</u>		
Debentures of General Mortgage Bank of Palestine accured out of sundry Trust Funds	2,962.615	
To the Jewish Agency for Building in the Haifa Harbour Area	<u>180. -</u>	3,142.615
<u>Repayments on Loans:</u>		
To Lloyds Bank Ltd., London, and Anglo- Palestine Bank Ltd. - Monthly Service Payment on a/c of Consolidation Loan		3,800. -
<u>Head Office and Travelling Organisers:</u>		2,820.305
<u>Sundry Accounts:</u>		
A.P.B., Jerusalem - Realisation of Assets Deposit A/C	415.682	
Various K.H. Committees - Interim a/cs	5,616.624	
Sundry Debtors & Creditors A/C (incl. advances i/c with K.H. Con- ference in Antwerpen)	<u>2,850.879</u>	8,883.185
<u>Cash on 31.8.38:</u>		
Jewish Agency Deposit A/C - Balance of Consolidation Loan at our dis- posal	930. -	
At Lloyds Bank, London - A.P.B., Jerusalem and London - Remittances in transit and Current Accounts	£P. 10,259.764	
In Hand	<u>106.279</u>	<u>10,366.043</u>
		<u>11,296.043</u>
		£P. 60,190.661
		=====

Jerusalem, 22.9.38



Statement of Receipts of the Head Office of the Keren Hayesod  
during August 1938

United States of America	£P. 13,301.830	(1)
South Africa .....	7,164.470	(2)
Germany .....	3,568.338	
Australia .....	3,188.224	
Argentina .....	2,813.421	
England .....	2,050. -	(3)
Eretz-Israel .....	1,151.961	
Greece .....	508.500	(4)
Holland .....	365.927	
Roumania .....	306.292	
Luxemburg .....	172.117	
Various Countries .....	752.185	
	£P. 35,343.265	=====

## (1) incl. earmarked contributions:

for Kupath-Cholim	£P. 1,014.750	
" Social Work of the Vaad Leumi	1,014.750	£P. 2,029.500

## (2) incl. earmarked contributions:

for the Mizrahi Palestine Fund	249.999	
" Ben-Shemen	8. -	257,999

## (3) incl. contribution earmarked for the establishment of Kennels in Palestine

50. -

## (4) incl. earmarked contribution for the Hebrew University

60. -

£P. 2,397.499  
 =====

Receipts of the Head Office of the Keren Hayesod for Mifal Bitzaron  
during August 1938

United States of America	£P. 4,179.882
France .....	3,000. -
Various Countries .....	20.855
	£P. 7,200.737
Less Expenses	1,250
	£P. 7,199.487
	=====

Jerusalem,  
 22.9.1938



KEREN HAYESOD, HEAD OFFICE-JERUSALEMProvisional Statement of Receipts and Payments during September 1938.RECEIPTS:CONTRIBUTIONS:

From various countries as per  
Schedule attached:

Regular Receipts	£P. 16,712.934	
Various earmarked Receipts	<u>918.938</u>	
	£P. 17,631.872	
Receipts for Mifal Habitzaron	8,388.758	
" " Hamifdeh Hazioni	<u>840.300</u>	£P. 26,860.930

SUNDRY RECEIPTS:

From Palestine Land Development Co.  
Dividends on shares

827.880

SUNDRY ACCOUNTS:

Sundry Debtors & Creditors A/c

1,708.786

CASH ON 1.9.38:

Jewish Agency Deposit A/C - Balance  
of Consolidation Loan at our  
disposal

930. -

At various Banks and in Hand

10,366.04311,296.043

£P. 40,693.639

=====

PAYMENTS:To Jewish Agency Jerusalem & London:

On a/c of Budget 5698	8,133.404	
Out of Mifal Bitzaron Income	8,388.758	
" " Hamifdeh Hazioni "	340.300	
Outside the Regular Budget for the expenses of the Palestine Pavillon at the Ismir Exhibition	<u>35. -</u>	£P. 16,897.462

Special Earmarked Contributions:To Jewish Agency, Jerusalem:

for assisting needy Citrus Growers in the  
Sharon Valley (from Australia)

£P. 795.605

Carried forward

£P. 795.605

£P. 16,897.462



Brought forward	£P. 795,605	£P. 16,897,462
<u>To Mizrahi Palestine Fund:</u>		
From South Africa	123,333	
<u>To the Hebrew University:</u>		
From Greece	<u>60. -</u>	978,938
<u>Sundry Payments:</u>		
To Kefar Yeladim	100. -	
" Daniel Sieff Institute in Rechovoth	<u>150. -</u>	250. -
<u>Repayments on Loans:</u>		
To Lloyds Bank Ltd., London and Anglo-Palestine Bank Ltd - Monthly Service Payment on a/c of Consolidation Loan		3,800. -
<u>Head Office and Travelling Organisers:</u>		2,905,314
<u>Sundry Accounts:</u>		
A.P.B., Jerusalem - Realisation of Assets Deposit A/C	843,680	
A.P.B., Jerusalem - Special A/C - Sundry Deposits	<u>2,000. -</u>	2,843,680
<u>Cash on 30.9.38:</u>		
Jewish Agency Deposit A/C - Balance of Consolidation Loan at our disposal	930. -	
At Lloyds Bank London - A.P.B., Jerusalem and London - Remittances in transit and Current Accounts	£P. 11,995,675	
In Hand	<u>92,570</u>	<u>12,088,245</u>
		<u>13,018,245</u>
		£P. 40,693,639
		=====



Not for Publication!

KEREN HAYESOD, HEAD OFFICE - JERUSALEM

Provisional Statement of Receipts of the Head Office of the Keren Hayesod  
during September 1938

United States of America	£P. 8,479.635
South Africa .....	3,115. - (1)
Eretz-Israel .....	1,632.674
England .....	1,284. -
Chile .....	1,125. -
Australia .....	795.605 (2)
Holland .....	308.553
Sweden .....	233.204
Various Countries .....	658.201
	<hr/>
	£P. 17,631.872
	=====

(1) Incl. Earmarked contribution  
for the Mizrahi Palestine Fund

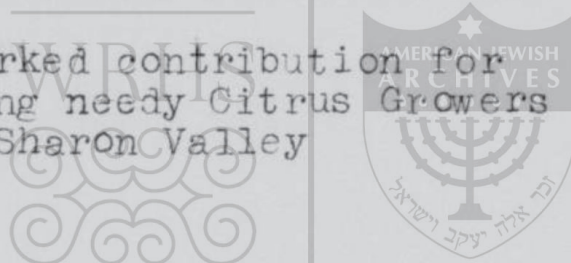
£P. 123.333

(2) " earmarked contribution for  
assisting needy Citrus Growers  
in the Sharon Valley

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795.605

£P. 918.938  
=====





# Expenditure of Keren Hayesod Funds in 5697 and 5698.

1. The period under review, i.e. the years 5697 and 5698 (from 1st October, 1936 - September 30th, 1938) falls in its entirety into that of the Palestine disturbances. The activities of the Jewish Agency financed by the Keren Hayesod were thus dominated completely by the need to defend the Jewish structure from the violent attacks directed against it and against the increased activities which were initiated all the time despite the mobilisation of very considerable forces for military defence. It is these features which give the keynote to the report which follows below.

	5697 £P	5698 £P	5697/98 £P
The total receipts of the Keren Hayesod since its inception up to the end of 5698, viz. in 18 years, amounted to £P.6,727,487. The total net receipts amounted to almost One Million Pounds, i.e.	477,491	477,386	954,877
Of which Contributions to the Ordinary Budget	308,044	300,920	608,964
Mifal Bitzaron	112,654	122,782	235,436
Earmarked Contributions	56,793	53,684	110,477
More than a third of the above was contributed by the U.S.A., i.e.	168,651	211,632	380,283
Expressed in percentages	35.3	44.3	39.8
By European countries .....	189,376	144,470	333,846
in percentages	39.7	30.3	35.0
By Eretz Israel .....	19,074	19,666	38,740
in percentages	4.0	4.1	4.0
By the remaining countries .	100,390	101,618	202,008
in percentages	21.0	21.3	21.2
	477,491	477,386	954,877

With its Jewish population of 440,000 souls (in round figures), Eretz Israel harbours about 2.4% of world Jewry. Its contribution to the Keren Hayesod is 5.4%, almost double the amount corresponding to this figure. This achievement is truly outstanding in view of the difficulties of the economic situation and the multiplicity of other contributions demanded by the exigencies of constructive endeavour and defence.



The largest earmarked contributions were for 5697 5698 5697/98  
the settlement of German Jews, i.e. £P. 43,337 10,655 53,992

South Africa made a special contribution  
in 5698 for new colonisation to the amount of  
£P.25,000.

Mifal Bitzaron collected the  
following amounts:-

In U.S.A.	35,794	81,106	116,900
In Great Britain & Ireland	17,574	14,134	31,708
In the other countries	59,286	27,542	86,828

If the enemies and detractors of the Jewish constructive effort in Palestine thought to break the spirit of the Jewish community in Palestine and of Jewry outside by means of the criminal attacks on Jewish life and property, their calculation was proved to have been completely mistaken. More particularly Palestine Jewry has great achievements to its credit in spite of the disruption caused to the economy of the country and to the ordinary course of existence. That, according to the conservative accounts of the Palestine Administration, about 35,000 Jewish immigrants should have entered the country during the period of the disorders, including 11,000, i.e. one third, of relatives of residents, that the Yishuv should have increased to 440,000 souls, that it should have raised some £P.700,000 during the past three years for constructive and security purposes, merely illustrates the achievements which can be expressed in figures. But of far greater importance is the fact that every single town, colony and settlement, every single family and individual has brought enormous sacrifices in lowering its standard of living, in direct and indirect participation in the various security services, in the sacrifices of precious lives and of property which these attacks demanded and are still demanding.

	<u>5697</u>	<u>5698</u>	<u>5687/98</u>
2. During the report period the Keren Hayesod remitted to the Jewish Agency	£P. 423,059	514,264	937,323
of which:-			
1) Keren Hayesod contribution to the ordinary budget	233,878	211,336	445,214
2) Mifal Bitzaron collections	112,447	124,320	236,767
3) For the settlement of German Jews	43,447	10,656	54,103
4) Other earmarked contributions	10,969	36,141	47,220
5) Income from investments (in 5697 a large part of this income derives from the liquidation of the Amzic assets)	22,318	5,596	27,914
6) New loan from Lloyds Bank		125,000	125,000
7) Balance of Consolidation Loan from Lloyds Bank		1,215	1,215
Thus from <u>Keren Hayesod donations</u> (1-4)	400,741	382,453	783,194
From other <u>Keren Hayesod funds</u> (5-7)	22,318	131,811	154,129



From other sources than those of the Keren Hayesod the Jewish Agency received amounts representing slightly more than 10% of its total income, in other words, nine tenths of the Jewish Agency's requirements are covered by the Keren Hayesod, and one tenth by other agencies.

Even the direct income of the Jewish Agency consists in part of sums attributable to Keren Hayesod sources because it includes repayments from Keren Hayesod settlements on account of investments made by the Keren Hayesod, and repayments from institutions and individuals of loans granted from Keren Hayesod funds.

	5697 £P	5698 £P	5697/98 £P
Repayments from Keren Hayesod settlements on account of investments	8,711	7,038	15,749
Repayments on account of loans	<u>2,247</u> 10,958	<u>3,324</u> 10,862	<u>5,071</u> 21,820
The KKL remitted to the Jewish Agency from its Mifal Bitzaron collections in the U.S.A. for new colonisation in the Beisan area	9,595	31,844	41,439
Grant from the Palestine Administration (The whole grant in 5697 and almost the total of that of 5698 was earmarked for special work in the Experiment Station in Rehovoth)	4,904	8,263	13,167
Income of Immigration Department (excluding loss of income from food etc., recovery payment to Govt of head-tax and landing fees)	<u>13,887</u> <u>39,344</u>	<u>7,500</u> <u>58,469</u>	<u>21,387</u> <u>97,813</u>

3. The total expenditure of the Jewish Agency amounted to 499,499 618,841 1,118,340

It was spent under the following heads:-

I. Agricultural Settlement (incl. Experiment Station)	125,308	199,465	324,773
Settlement of German Jews	43,156	23,156	66,312
II. Housing and Public Works	66,330	151,410	217,740
III. Immigration and Training	68,141	37,088	106,229
IV. National organisation & security	99,326	89,520	188,846
V. Education and Cultural Activities	32,816	30,936	63,752
VI. Trade, Industry & Urban settlement	26,060	55,450	81,510
VII. Health Services & Social Welfare	6,467	6,475	12,942
VIII. Administration	16,906	14,753	31,659
IX. Miscellaneous	14,989	10,588	25,577



	5697 £P	5698 £P	5697/98 £P
Total Keren Hayesod payments to Lloyds Bank o/a of repayment and interest on Consolidation Loan	45,600	45,600	91,200
Interest on new Loan up to June 1938		306	306
Indebtedness o/a of Consolidation Loan on June 30th	440,357	411,871	
Indebtedness o/a of new Loan		125,000	
Total Indebtedness	440,357	536,871	

4. As transpires from the above, by far the largest item of expenditure was for Agricultural Settlement, incl. the settlement of German Jews, i.e. £P.391,000 in round figures over two years, or something like 34.9% of the total expenditure.

Housing and Public Works are the second largest item in the budget covering all those activities of the Jewish Agency designed to maintain the economic structure under present circumstances, in particular those to be summarised under the title of "emergency works", such as every State undertakes in times of economic stress. They accounted for £P.218,000, or 19.5% of the total expenditure.

The third place is naturally occupied by the cost of National Organisation and Security. It amounts to £P.189,000, 16.9%.

Considerably lower in the scale is the expenditure for Immigration and Training (9.5%), Trade, Industry and Urban Settlement (7.3%), Education and Cultural Activities (5.7%). Administrative services account for 2.8%, miscellaneous expenditure for 2.3%, health services and social welfare for 1.1%.

Agricultural settlement, housing and public works, trade, industry and urban settlement fall under the head of directly constructive activities of the Jewish Agency; on them were expended 61.7% of available funds, exceptionally much in times such as these, as compared with nearly 17% for national organisation and security needs. Only 16.3% were left over for cultural and social activities in the broader sense.

5. Let us now analyse the individual items of the most important branches of work.

#### I. Agricultural Settlement.

About a third part of this expenditure totalling more than £P.100,000, is represented by investments, i.e. purchase of shares for PASA (Palestine Agricultural Settlement Association).

This Association undertakes the financing of the agricultural settlements on a commercial basis for the Keren Hayesod according to carefully worked out plans, granting long-term loans (20 years) at the low interest of 4%. These loans are, however, only given to settlements which have reached a certain stage of their development. All the PASA shares are held by the Keren Hayesod. Up to the end of 5698, the Keren Hayesod had taken up shares



to the value of £P.123,758, partly paid for in cash, partly by the cession of assets in agricultural settlements which had already attained to the self-supporting stage. On the strength of this capital the PASA was able to raise additional funds by the issue of 4% debentures. The first of these issues of £P.200,000 has been taken up to the amount of £P.113,100; preparations for another issue to the same amount are already in hand.

The consolidation of Moshawim and Moshawoth accounted for £P.58,000 in the report period, and that of cooperative settlements for £P.110,000. On the Agricultural Experiment Station £P.50,000 were expended, of which about 10% were contributed by Government, another 10% covered by income, and the balance of 80% given by the Jewish Agency from Keren Hayesod funds.

The expenditure of the Jewish Agency for Moshawim, Moshawoth and cooperative settlements includes also the disbursements made for the establishment of new settlement points. These thirtytwo points may be regarded as the proudest achievement of the period of disorders. In them is embodied as in a symbol the irresistible urge to constructive endeavour allied with what we might call the active defence of our positions. Reserve, self-restraint and avoidance of aggression do not mean resignation, which is made most strongly manifest in the new settlement points. In all parts of the country protective walls, watch towers and projectors are to be found now, mostly in regions where no Jewish settlements had ever been before. Keren Hayesod funds were in the main responsible for making possible the establishment of these new points. The latter benefited to the following extent:-

	5697 £P	5698 £P	5697/98 £P
1. Ain Geb	364	306	670
2. Ain Hashophet	840	3,541	4,381
3. Akiba	543		543
4. Alroi		638	638
5. Bamesila		2,456	2,456
6. Beth Joseph	7,382	12,298	19,680
7. Beth Shearim (Irgun Ephraim)	500	4,029	4,529
8. Beth Yehoshua		1,994	1,994
9. Hanita Ilith		12,354	12,354
10. Haniata Ishahtith		445	445
11. Irgun Moledeth	1,216	3,548	4,764
12. Kfar Hamccabi		1,326	1,326
13. Kfar Hittin		1,296	1,296
14. Kfar Menahem	2,025	3,107	5,132
15. Meoz	2,539	5,287	7,826
16. Masada		95	95
17. Mishmar Hashlosa		3,000	3,000
18. Nir David	4,473	4,405	8,878
19. Ramath Tiomkin	357	879	1,236
20. Shaar Hagolan		72	72
21. Sde Nahum	1,943	6,377	8,320
22. Tel Yitzhak	389	2,947	3,336
23. Tirath Zvi	811	4,632	5,443
24. Usha	878	2,244	3,122
	24,260	77,276	101,536



Included in the disbursements of the Jewish Agency for agricultural settlement are grants given to individual settlers in middle-class settlements, to Yemenite Jews for settlement purposes, for Girls' Farms in Petah Tiqvah, Nahlat Yehuda and Schunath Borocho, for the Technical Office, the instructorate, for helping the construction of roads in the Emek and in Ain Hashophet, for geological research, for statistical work and a number of other purposes.

Settlement of German Jews. A separate Department deals with the settlement of German Jews within the Jewish Agency. A separate budget is allocated to this Department which, within the past two years, exceeded £P.200,000 p.a. It is raised in the first place by the special organisations set up for the relief of German Jews, the most important of which are the Council for German Jewry with its seat in London, which organises large-scale collections in the British Empire and outside it, and the so-called "Hilfsgemeinschaft fuer die Jugend-Aliyah". The latter looks after the transfer of German youth to the various countries, Palestine occupying the first place. These youthful elements are being placed in groups in agricultural settlements in Palestine, where they are given two years training in agriculture and schooling in general subjects. It has been found that the majority of these youths elect to remain on the soil at the termination of their training. A number of these groups have already been incorporated into older settlements and in points more recently founded. The Jewish Agency's contribution to the budget of the Department from Keren Hayesod funds has been £P.66,000 in each of the two years covered by this report.

The major part of the budget was naturally applied to actual settlement in existing villages and in villages established under the auspices of the Department. Considerable amounts were also spent on building houses and huts, for Youth Immigration, for social work, educational and cultural activities, for vocational training and for the support of Jewish scholars with a view to transferring them to Palestine, and for a number of other purposes.

## II. Housing and Public Works

Few headings include such a multiplicity of activities as the above. Here, too, the intentions of the Jewish Agency gradually to establish separate institutions, or to finance existing institutions in the place of their own execution of these activities, are most clearly shown. Among these institutions the most important is "Bitzur", of which the Keren Hayesod took up £P.15,000 worth of shares in 5695 and 5696, £P.5,000 worth in 5697 and £P.25,000 worth in 5698, thus putting £P45,000 share capital out of the total of £P.71,000 at the disposal of the Company. Moreover, the Keren Hayesod invested a further £P.25,000 in debentures of this Company. On the strength of its total capital "Bitzur" issued debentures to the value of £P.190,000 (in round figures), a very well equipped concern for Palestinian conditions fully able to carry out the purposes for which it was founded, i.e. to enable works of a public or semi-public character to be carried out by means of loans. In the two years ending September 30th, 1938, Bitzur granted loans to the amount of £P.276,000, financing works to the total value of £P.858,000 taking up 1,175,000 days of work. More than half of the sums expended went in wages.

With the help of Keren Hayesod funds the Labour Department of the Jewish Agency also carried out building activities. During the report period 100 huts, 15 dwelling houses and 6 diningrooms were put up in agricultural settlements and £P.6,000 spent on provisional housing and the purchase of tents. By the support of institutions specially set up for the purpose the Jewish Agency also provided for the carrying out of large-scale building operations in villages and suburban settlements. In this connection we only mention here the erection of various labour camps for the groups which cannot yet be assigned permanent sites of settlement. After a short stay in one of the Keren Hayesod immigrants' hostels, the immigrant trained for agricultural work is transferred to one of



these labour camps the choice of which is dictated by his membership of certain groups within the Zionist Youth Movement. Here he receives the additional training needed to equip him for the conditions he will find at his permanent place of work. These camps also fit the Jewish workers to compete with their Arab colleagues; mainly, however, they are the reservoir from which the groups for independent agricultural settlement are drawn. As soon as one group leaves the camp, another one takes its place.

By means of loans or guarantee funds the Jewish Agency enabled a number of institutions to provide housing for officials and workers in Government employment, for port workers and building workers. Within the scope of this plan also fell loans for citrus planters, for auxiliary farms, to agricultural contractors, the promotion of Jewish quarrying, fishing and other efforts designed to expand Jewish maritime activities, road construction, vocational training, etc., etc.

### III. Immigration and Training.

Almost £P.90,000 of Keren Hayesod funds went towards the maintenance of Palestine Offices in 30 countries abroad and in Palestine, the care of immigrants, their transfer to their places of work, towards the maintenance of immigrants' hostels and for training in the countries of emigration. A special Trust Fund established by Charelick Salomon of South Africa enabled the Jewish Agency to put up a new Immigrants' Hostel on the Yarkon. The Jewish Agency added £P.3,000 to the £P.12,000 of the original legacy.

According to Government reports 22,200 Jews entered Palestine as immigrants during the period covered by this report, whilst additional 1,900, who originally came as tourists, were given permission to remain. Thus in the past two difficult years the Jewish population increased by 24,100 souls. Of these 5,800 (24%) fell under the capitalist category, 7,900 (33%) under the labour schedule, 7,000 (29%) were dependents of Jews resident in Palestine. Some 2,000 Jews left Palestine during that period and as many returned to Palestine from abroad. Jewish emigration was only 8.3% of immigration.

### IV. National Organisation and Security.

	5697 £P.	5698 £P.	5697/98 £P.
Expenditure on security purposes	61,678	50,270	111,948
Political Department, Jerusalem	24,741	27,754	52,495
Political Department, London	9,021	9,000	18,021

A not inconsiderable amount had to be spent on assembling the material which had to be submitted to the Royal Commission in 1936/37, and to the Woodhead Commission a year later.

The budgetary item National Organisation also includes the support of religious institutions through the Mizrachi Federation, and subsidies for the Sport Organisations Maccabi and Hapoel.



It is hardly necessary to explain in great detail the measures taken by the Jewish Agency to apply Keren Hayesod funds (and a large part of those raised by the Mifal Bitzaron) to security purposes and the utmost protection of the Jewish community in Palestine. We have explained repeatedly the unceasing efforts of the Jewish Agency to enlist Government help to a far larger extent than had been granted. These efforts had started long before the disturbances. Since their outbreak they have been intensified. At first the demands to construct feeder roads to the Jewish settlement points, to build a harbour in Tel Aviv independent of that of Jaffa, more especially however adequate protection for Jewish settlements, were received so coolly that they seemed tantamount to rejection. gradually, however, with the constantly increasing insecurity, understanding grew until the Jewish population was increasingly enabled to take adequate measures for its own protection.

Jewish police was engaged in larger numbers. In 1923 the number of Jews in the Palestine police - excl. British officers and men - was 121 out of a total of 996 (12.1%); prior to the disturbances the corresponding figures were 363 out of 1837 (19.3%); at the end of 1937 they had risen to 758 out of 2407 (31.2%). At the same time it has to be borne in mind that the Jewish population which was 12.7% of the total population in 1923 has now risen to 30.1%. In addition to this large increase of Jewish police staff there is the troop of Jewish supernumerary police (ghaffirim), whose number in its various formations is not much less than that of the Palestine police force, and several special Jewish security forces, the most prominent of which is probably that operating with British forces, under British command, in Galilee with conspicuous success, and a Jewish railway protective force. The persistent efforts of the Jewish Agency have also succeeded in having the country divided up into separate defence sectors, within which the defence of Jewish settlements is entrusted to Jewish supernumerary police under Jewish command and to a large extent autonomous. The appointment of military district commandants has altered nothing in this respect; from the very first the military forces, from the commanding general to the simple private, have shown full understanding for the position of the Jewish settler who has been warding off attacks from murderers and marauders for more than 2½ years without - with very few exceptions - retaliating in kind.

During this period the efforts of the Political Departments in London and Jerusalem were naturally concentrated on defending the positions already won and in enabling Palestine Jewry politically and economically to hold the fort. The efforts of these Departments cannot be too highly praised.

#### V. Education and Cultural Activities.

	5697 £P	5698 £P	5697/98 £P
The main part of the budget amounting to was used for the Jewish public school services under the auspices of the Vaad Leumi	26,814	25,921	52,735
Contribution to the Technion in Haifa	1,000	1,000	2,000

In 5698 the number of schools within the Hebrew educational system were 400, that of the teachers about 1800 with a pupil attendance of approx. 50,000.



During the past few years the cultural activities of the Jewish Agency have assumed greater importance. The most outstanding among the various institutions is Mossad Bialik, which makes the promotion of literary production and cultural aspirations its principal aim. In assisting the spread and knowledge of the Hebrew language it subsidises among other institutions the Vaad Halashon. During the period under review it received from the Keren Hayesod

5697	5698	5697/98
£P	£P	£P
7,545	3,092	10,637

Smaller subsidies were granted to the two most important Hebrew theatres, "Habima" and "Ohel".

#### VI. Trade, Industry and Urban Settlement.

The greatest need in this sphere is the provision of Credit and Guarantee Funds for industry, small traders, merchants and artisans. The following grants were

7,095	23,675	30,770
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Similar purposes were served, directly and indirectly, by the activities of the Foreign Trade Institute, established by the Industrialists' Association, and the Institute of Economic Research . . . . . To Igud Lemaan Totzereth Haaretz Industrialists' Association

500	1,000	1,500
3,997	4,792	8,789
1,850	1,500	3,350
600	200	800
14,042	31,167	45,209

The Jewish Agency took up shares of the Tel Aviv Harbour to the amount of

2,552	20,000	22,552
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Grant to Institute for Technical Training

840	840
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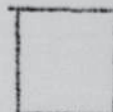
Participation in Palestine Pavilion at the Paris Exhibition 1937 and Palestine Exhibition in Antwerp 1938

461	840	1,301
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Organisation expenditure, publications, information service and travel expenses

2,193	2,603	4,796
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Particularly with regard to the last-named aspects of its activities the Keren Hayesod is made painfully aware of not being the Treasury of a Government. In the agricultural sphere we can be actually creative; in that of trade, industry and crafts we can but assist. Certainly, our assistance becomes more effective by means of ~~our~~ cooperation with the Anglo-Palestine Bank and the Industrial Bank. The Jewish Agency's initiative in this respect resulted first of all in the establishment of three Funds for the granting or guaranteeing of loans, one of which, of £P.18,000 carried a guarantee from the Keren Hayesod of 40%. Thus loans to the total amount of £P.45,000 could be granted, which gave advances to the value of £P.42,000 up to the end of 5698, benefiting 40 concerns; a similar Fund for small industrial concerns, which could not





furnish the normal bank guarantees, was guaranteed to the extent of 75%; and the third, an Emergency Fund, carried a guarantee of 20% from the Jewish Agency, and has already mobilised £P.100,000 for its purposes. From the two last-named Funds, only in 5698, 98 firms received advances amounting to £P.20,266 for three years; the Anglo-Palestine Bank granted credits up to the end of June 1938, of £P.45,796 for medium periods, and short term goods credits to the amount of £P.35,118, all on the strength of the Jewish Agency-Keren Hayesod guarantee. The Emergency Fund benefits in the main those industrialists, who used to be settled in Jaffa and who had to be transferred to Tel Aviv as a result of the disorders. This Fund of some £P.40,000 gives artisans loans for three years at 6%, small traders loans for five years at 6½%. Loans to the total amount of £P.27,014 were made to 265 small traders and 121 artisans in Jerusalem, to 479 small traders and 140 artisans in Tel Aviv, 157 small traders and 122 artisans in Haifa, i.e. to 901 small traders and 383 artisans altogether.

The Foreign Trade Institute secured from November 1937, the date of its inception, up to end of October 1938, 1331 orders for 168 Palestinian factories from Syria, Egypt, Turkey, Cyprus, Iraq, U.S.A., India and South Africa, for a total value of £P.27,820.

The Daniel Sieff Institute in Rehovoth too, which was subsidised to the extent of £P.1,845 from the Keren Hayesod during the period under review, promotes Palestine industry by means of its research work in the sphere of the utilisation of agricultural products.

#### VI. Health Services and Social Welfare.

	5697 £P	5698 £P	5697/98 £P
Keren Hayesod Grant to Kupath Holim	2,300	4,085	6,385

Special funds had to be mobilised for social welfare purposes on account of the victims of the disturbances. Allocations were made for the activities of the Vaad Leumi and the Wizo in this sphere from the Mifal Bitzaron. In 5697 the Vaad Leumi was given £P.4,070 and in 5698 £P.2,090, the Wizo £P.300 for this special purpose.

#### VIII. Administration.

Expenditure under this head hardly varied in the report period. It accounted for about 2.5% of the total expenditure.

#### IX. Miscellaneous.

Under this heading are grouped the Statistical Office, the Information and Tourist Office, the Press Office and Collection expenses, as well as pensions and compensations and a number of small items.

This brief report of the activities of the Keren Hayesod, or better said the activities financed by the Keren Hayesod, shows its penetration into the political, economic, cultural and social sphere for consolidating, maintaining and strengthening the manifold Jewish positions in the country. It is not too much to say that thanks to



these carefully thought out measures the Jewish economy of Palestine was enabled to show its innate strength. Only too frequently the important role of the Jewish Agency and the Keren Hayesod in this respect is insufficiently recognised. Like a fertilising stream Keren Hayesod funds penetrate into every Jewish economic sector calling forth efforts, helping on development, strengthening weak links and thus fructifying the whole structure.

The last Keren Hayesod Conference meeting in Antwerp in September 1938, gave out the watchword: "One Million Pounds for the Keren Hayesod in 5699!" Palestine Jewry, relatively poor and weak, whose existence is threatened day by day, shows the Jews of the Diaspora the way to maintain and expand our work. May world Jewry take this example to heart and support the Fund which builds and provides the means for national organisation and security!





Not for Publication!

KEREN HAYESOD, HEAD OFFICE - JERUSALEM

Statement of Receipts and Payments during October 1938.

RECEIPTS:

CONTRIBUTIONS:

From various countries as per  
Schedule attached:

Regular Receipts	£P. 21,315.956	
Various Earmarked Receipts	<u>2,290.628</u>	
	£P. 23,606.584	
Receipts for Mifal Bitzaron	7,991.110	
" " Settlement of German Jews	<u>325.571</u>	£P. 31,923.265

LOANS:

From Lloyds Bank, London, balance  
of new Loan of £150,000.- 50,000. -

SUNDRY RECEIPTS:

Interest from sundries 2,345

SUNDRY ACCOUNTS:

Various K.H. Committees - Interim a/cs 2,845.187

CASH on 1.10.38:

Jewish Agency Deposit A/C - Balance of Consolidation Loan at our disposal	930. -	
At various Banks and in Hand	<u>12,141.904</u>	<u>13,071.904</u>
		£P. 97,842.701
		=====

PAYMENTS:

To Jewish Agency Jerusalem & London:

On a/c of Budget 5699	20,644.936	
Out of Mifal Bitzaron Income	<u>7,665.539</u>	
	28,310.475	
Out of the new loan from Lloyds Bank, London - A.P.B., Jerusalem	<u>50,000. -</u>	£P. 78,310.475

Special Earmarked Contributions:

To the Mizrahi Palestine Fund:

From South Africa 146.666

To "Hadassah" Hospital:

From South Africa 10. - 156.666

Carried forward £P. 78,467.141



Brought forward £P. 78,457.141

Repayments on Loans:

To Lloyds Bank Ltd., London, and  
Anglo-Palestine Bank Ltd. -  
Monthly Service Payment on a/c  
of Consolidation Loan 3,800. -

Head Office and Travelling Organisers: 3,532.852

Sundry Accounts:

A.P.B., Jerusalem - Realisation of Assets Deposit A/C	£P. 2.170	
A.P.B., Jerusalem - Special A/C - Sundry Deposits	1,611.530	
Sundry Debtors & Creditors A/C	<u>538.583</u>	2,152.283

Cash on 31.10.38:

Jewish Agency Deposit A/C - Balance  
of Consolidation Loan at our disposal 930. -

At Lloyds Bank, London - A.P.B., Jeru-  
salem and London - Remittances in  
transit and Current Accounts

	£P. 8,804.392	
In Hand	<u>156.033</u>	<u>8,960.425</u>
		<u>9,890.425</u>
		£P. 97,842.701
		=====

Jerusalem, 17.11.38



Not for Publication!

KEREN HAYESOD, HEAD OFFICE - JERUSALEM.

Statement of Receipts of the Head Office of the Keren Hayesod  
during October 1938

United States of America .....	£P. 10,527.049
South Africa .....	5,000 - (1)
Germany .....	2,016.541(2)
England .....	1,750. -
Argentina .....	1,679. <del>762</del> (3)
Australia .....	1,593.616
Eretz-Israel .....	300.087
France .....	260.812
Holland .....	259.451
Finland .....	150.658
Various Countries .....	68. <del>608</del>



£P. 23,606.584  
=====

(1) Incl. Earmarked Contributions:

for the Mizrahi Palestine Fund	£P. 146.666
" " Children's section of	
the Hadassah Hospital	<u>10. -</u> 156.666

(2) Incl. Earmarked Contributions:

for Kibutz "Hasorea" in Jokenam	247.700
" Youth Alija from Germany	<u>206.500</u> 454.200

(3) Incl. Earmarked amount for settlement  
of Sephardic Jews

1679.762  
£P. 2290.628  
=====

Receipts of the Head Office of the Keren Hayesod for  
Mifal Bitzaron during October 1938.

United States of America	£P. 7,356.824
Germany	325.571
Canada	308.715
	<u>£P. 7,991.110</u>
	=====



# K E R E N    H A Y E S O D

OCTOBER-NOVEMBER REPORT-1938

1/2

## SALIENT FACTS:

### KEREN HAYESOD RECEIPTS:

Total Net Receipts	LP. 60,579
As against last year	59,720

of which

For ordinary budget	4,951
" earmarked purposes	3,957
" Mifal Bitzaron	10,671

### JEWISH AGENCY RECEIPTS:

Total receipts:	115,900
-----------------	---------

of which

From the KEREN HAYESOD	60,065
" Miscellaneous	5,835
" New Loan from Lloyds Bank	50,000

### EXPENDITURE:

Repayment to Lloyds Bank	LP. 7,600
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Budget	LP. 151,773
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## 1. KEREN HAYESOD RECEIPTS

As stated above the total net receipts of the Keren Hayesod during the period under review amounted to LP. 60,579. They derived from

Regular collections	48,042	
Settlement of German Jews	1,868	
Mifal Bitzaron	<u>10,671</u>	<u>60,579</u>

The regular collection of include:		48,042
------------------------------------	--	--------

Earmarked contribution for agricultural colonization	1,680	
Other earmarked contributions	<u>411</u>	<u>2,091</u>
leaving for the ordinary budget		<u><u>45,951</u></u>

Divided by countries the income derived:

From the U.S.A.	20,968	
" South Africa	10,010	
" Great Britain	1,750	
" Eretz Israel	1,534	
" Other countries	<u>13,780</u>	48,042



The funds for the Mifal Bitzaron came from:

The U.S.A. to the amount of	LP. 8,058	
The other countries	<u>2,613</u>	<u>LP. 10,671</u>

2. JEWISH AGENCY RECEIPTS:

In the two months under review the Keren Hayesod remitted LP.60,065 to the Jewish Agency, of which LP.46,932 on account of the ordinary budget, LP. 9,433 on account of Mifal Bitzaron and LP. 3,700 from investments.

The Jewish Agency further received LP. 3,381 from KKL funds derived from Mifal Bitzaron collections in the U.S.A. (participation in the new colonization in the Beisan area), LP. 1,000 from Kofer Hayishuv, repayments on account of previous loans LP. 1,398, and LP.56 from miscellaneous sources.

At the beginning of October Lloyds Bank remitted LP. 50,000, the balance of the second loan of LP. 175,000, which was passed on to the Jewish Agency.

Thus the total receipts of the Jewish Agency from various sources were LP. 115,900 during the period under review.

3. EXPENDITURE OF THE JEWISH AGENCY

I. Agricultural colonization (incl. Experimental Station)	LP. 52,426
II. Settlement of German Jews	3,500
III. Housing and Public Works	47,979
IV. Immigration and Vocational Training	7,979
V. National organization and security	27,411
VI. Education and Cultural Activities	4,624
VII. Trade, Industry and Urban Colonization	2,655
VIII. Administrative Expenditure	2,382
IX. Miscellaneous	<u>2,817</u>
	<u>151,773</u>

In repayment of the instalments due to Lloyds Bank on account of the Consolidation Loan, LP. 7,600 were remitted directly for October and November respectively.

I. Agricultural Colonization:

(a) Moshawim - Moshawoth	LP. 8,172	
(b) Cooperative settlements	21,008	
(c) Individual farmers	310	
(d) Investments	7,358	
(e) Organization, Technical Office, Instructorate and Miscellaneous	3,595	
(f) Advance grants for 5699	<u>8,535</u>	48,978
less participation of German Department		<u>364</u>
		48,614
(g) Agricultural Experiment Station		<u>3,812</u>
		<u>52,426</u>



Ad (a) The LP. 8,172 were distributed as follows:- Kfar Hassidim for building purposes LP.244; Kfar Hittin for buying sheep, fodder, machinery and seed LP. 342; Kfar Gideon for survey LP.29; Kfar Haroeh for buying cows LP.277; Kfar Pines for buying cows and chickens LP. 710; Ain Vered o/a of the budget for 5699 LP.150; Kfar Hogla for plantations and irrigation LP. 216; Kfar Avihail for plantations LP.280; Kfar Menahem for irrigation, seed, artificial manure, fuel, and the erection of a hut LP.649; Irgun Ephraim for draught animals, cows, hutments and fencing LP.488; Kfar Hess for loans to settlers LP.297; Ain Haowed for plantations LP. 163; Kfar Asar for plantations LP. 93.

To new points of settlement: Irgun Moledeth for foodstuff, fuel, eggs, artificial manure and miscellaneous LP. 1,200; Alroi irrigation and canals LP. 1,181; Beth Joseph for buildings, draught animals, soil amelioration, tools, irrigation, working capital LP. 1,793; Ramath Temkin for poultry LP 60.

ad (b) The sum of LP. 21,008 was distributed among cooperative settlements as follows:- Givath Hashlosa, for tools, cows, plantations, mortgage fees o/a of the budget LP. 1,018; Ain Shemer for housing, cows, tools, plantations and sanitary equipment LP.367; Ain Hahoreshe for housing LP.900; Ramath Hakovesh for housing, cows, tools and plantations LP.356; Givath Brenner for cows, tools, plantations registration of a mortgage (balance of 5698 budget) LP.272; PICA settlements LP.150; Hulda for sheep, cows, draught animals, poultry, irrigation, building materials for the erection of a messroom LP. 1,683; Kvuzath Hahugim in Shatta for irrigation, pipes, borings LP. 464; Kvuzath Usha for tools, vegetable garden, soil amelioration LP. 375; Kvuzath Mishmaroth for irrigation LP.27; Kfar Hahoreshe for housing and road construction LP.270; Kfar Hamaccabi for housing, irrigation LP.640; Afikim for irrigation LP.500; Givath Haim for tools, housing LP.400; Mishmar Hasharon for plantations LP.200; Maabaroth for housing LP.300; Kibbuz Rodges an advance grant of LP.200; Shimron for tools, and housing LP. 104; Ramath Jochanan for road construction LP.200.

To new points of settlement: Nir David for plantations, pipes, etc. LP.226; Sdeh Nahum for tractor, irrigation and pipes (balance of budgetary investment of 5698) LP.494; Tirath Zvi for living inventory, working capital, irrigation, soil amelioration and plantations LP.1,140; Maos for tools, and fuel LP.100; Batelem for tools LP.405; Tel Izhak for tools, soil amelioration, irrigation, establishment of a camp, housing, cows and chicken-coops, seed and incubator LP.956; Ain Hashophet for survey and housing LP.125; Beth Yshoshua for irrigation, housing, soil amelioration, tools, chicken coops and incubator LP.1,417; Hanita for maintenance, insurance and water installation LP.793; Baamale for housing LP.2,320; Kvuzath Hahugim in Maos for soil amelioration, tools, survey, road construction and irrigation LP.574; Kvuzath Massad for amelioration work, survey, road construction, irrigation, tools, housing, erection of camp LP.807; Akiva (as to Massad) LP. 713; Bamesial for irrigation, tools, soil amelioration, planning LP.311; Ole Jawan for irrigation, seed and manure LP. 736; Alonim for road construction and housing LP.655; Hirbath Zemach (near Hanita) for tools, erection of camp and irrigation LP.810.

ad (c) The LP.310 listed under this item represent loans granted to settlers in Naharia, Herzlia and Gedera, as well as to 18 other individual farmers in other points.



ad (d) The Beth Alpha - Tirath Zvi Road (officially named Beisan Road A) will have a length of 15,7 km. When completed it will have cost LP.15,000. So far only a third of this sum has been spent. The first 4 kms have been laid down and the bridges and dykes for the rest of the road already built as well as the digging and filling-in work completed. At present work is proceeding at two points, at the end of the proposed road near Tirath Zvi, and at the junction of Bamesila and the Beisan-Jericho Road, where marshes have to be drained. When the road is finished the communication between Beth Alpha and Tirath Zvi will function as well in winter as during the rest of the year.

Ain Hashophet Road: This road runs between Yokneam and Hasorea and connects up with the main Haifa-Jenin road; when completed its length will be 7.5 kms. To date the Keren Hayesod, KKL and P.L.D.C. have invested some LP.3,800 in it. 6.5 kms have already been laid down; the rest is being done now at a further cost of about LP.600-LP.700.

ad(e) The item of LP. 3,595 for Organization expenses and Miscellaneous includes:

Various grants	LP. 1,331
Agricultural instructorate	1,132
Organization expenses	595
Technical Office	537

Among "various grants" a sum of LP.1,250 is included which the Keren Hayesod remitted to "Mekoroth" to increase this Company's share capital.

## II. Settlement of German Jews.

In October and November the German Department received LP. 8,500 from the Council for German Jewry, LP.5,500 from the Arbeitsgemeinschaft, LP.3,500 from the Jewish Agency (KH funds), a total of LP.17,500. This sum was used mainly for agricultural settlement, for vocational training of youths from Germany and Austria, and for loans to new immigrants.

## III. Housing and Public Works

The LP. 22,954 were distributed as follows:-

### (I) Housing provision for workers:

Buildings	LP. 2,243	
Tents	1,654	
Permanent and temporary dwellings, contribution to company for the erection of Workers' dwellings	229	
Provision of housing for Govt workers in Haifa & Tel Aviv	320	
Levelling work south of Tel Aviv	1,358	LP. 5,804



(2) Agricultural Training and Assistance

Agricultural instruction by the Merkas Haklai	LP.1,745	
Grant to courses for packing of citrus fruit	200	
Agricultural training and instructions of women workers	425	
Agricultural instruction in settlement schools	200	2,570
Transfer of workers to sites of work		780
Promotion of nautical activities		730
Promotion of fishing		150
Vocational Training for youths		181
Rural Labor Exchanges		1,649
Promotion of Jewish labor		126
		LP. 6,186

(3) Loans to Workers:

Loan Fund for railway workers		25	
Loan Funds to rural workers:			
Through Hamerkas Hahaklai	LP.1,995		
" Hapoel Hamisrachi	250		
" Irgun Zionim Haklaliim	25	2,270	
Guarantee to Bitzur for loan granted to Ramath Gan Municipality		250	
To Loan Fund of colonists		223	2,768

(4) Loan Guarantee Fund Mishan:-

Through Unemployment Fund of General Labor Federation	LP 5,000		
Through Hapoel Hamisrachi	550		
" Irgun Hazionim Haklaliim	140		
" Hitachduth Hatemanim	90		
" Vaad Leumi	285		
" Various	25		6,090

(5) Organization and Various:-

Central Labor Exchange of the General Labor Federation, of Hapoel Hamisrachi and Hitachduth Hatemanim, Labor Exchange of General Zionists	145		
Grant to general labor exchanges	405		
Assistance to workers on Public and Government works	561		
Purchase of mosquito nets	100		1,211

(6) Miscellaneous:-

Administrative and organizational expenditure	895	
	<u>22,954</u>	



ad(1) Buildings: In Givath Hapoel, a workers' quarter in Benyamina, 21 houses were put up. For each one of them the Jewish Agency gave a loan of LP.65 and the same amount was advanced by "Nir". Similar houses and huts were put up in Karkur, Beer Yaacov, Kfar Saba and Yesod Hammala.

Tents: Three hundred tents were bought for the use of the workers bringing in the orange harvest. This season solely Jewish workers are engaged in this work.

ad(2) Agricultural Instruction in Settlement Schools: In the schools of Yagur, Givath Hashlosha and Kfar Yeladim, each one of which serves large districts, special instruction is given in agricultural activities.

Some 80 instructors were engaged in giving agricultural courses to adult workers in October, and 50 in November. It is estimated that some 5000 workers profited by these courses in the two months under review.

Contractors succeeded in making contracts for some 1,250,000 cases citrus fruit. Orange picking started in November, and work of seasonal and other character was started over an area of more than 5000 dunams. In October the contractors gave work to 750 persons daily, a number which increased to 2,300 in November.

Nautical activities. Additional boats were bought and steps taken to extend instruction in nautical matters.

Fishing. Nets were acquired and experiments extended.

ad (4 & 5) In October, Mishan, "Saad" and other Associations granted small loans to unemployed workers in the colonies to the number of 4,000; in November this had decreased to 3000.

The joint Labour Exchange in Tel Aviv during October and November provided about 2,500 days of work on private and public works.

#### IV. Immigration and Vocational Training.

The sum of LP.7,979 was spent under this heading. In October 1938 1472 Jews entered this country as compared to 814 in October 1937; the respective figures for November were 819 and 498. Tourists entered to the number of 501 in October, and 399 in November.

The 1472 immigrants of October were divided up in 104 capitalists with 133 dependents, 170 workers with 238 dependents, 116 relatives of Palestinian residents, 707 pupils and 4 of other categories. Among the 819 November immigrants there were 13 capitalists with 21 dependents, 4 workers and 1 dependent, 413 relatives of residents, 365 pupils and 2 persons of independent means.



V. Education and Cultural Activities accounted for LP.4,624 of which

1.	To the Vaad Leumi for the school budget	LP.		LP. 3,443
2.	To Mossad Bialik:			
	For Vaad Halashon	LP.	80	
	" Publications		397	
	" Subsidies to papers		119	
	" Vaad Leumi Cultural Department		50	
	" Mossad Haraw Kok		125	
	" Organization expenses		3	774
3.	To Habima			207
4.	To Ohel			200

VI. Trade, Industry and Urban Colonization accounted for LP 2,655 as follows:-

(a)	Department of Trade and Industry	LP. 1,503
(b)	Economic Research Institute	670
(c)	Small Industries Department	232
(d)	Daniel Sieff Institute	250

ad (a) LP.500 went to the Small Loans Funds established by the Industrial Bank, LP. 228 to the Foreign Trade Institute, LP. 200 to the Association for the promotion of the consumption of locally produced goods, LP. 167 to the Institute for Technical Training.

ad (b) LP.138 were spent on statistical work carried out by the Economic Research Institute.

ad (c) Loans to the amount of LP.110 were given to artisans in Tel Aviv and Bnei Brak.

VII. Administration Expenses accounted for LP.2,382 during the report period.

VIII Miscellaneous

The LP. 2,817 were spent under the following heads:-

For Religious Institutions	LP. 500
" Information and Tourist Office	114
" Statistical Office	545
" Collections, Press Office, Pensions	1,258
Compensations, Maccabi, various subsidies	
" Victims of disturbances through Vaad Leumi	400



KEREN HAYESOD, HEAD OFFICE - JERUSALEMStatement of Receipts and Payments during D e c e m b e r , 1938.RECEIPTS:CONTRIBUTIONS:

From various countries as per  
Schedule attached:

Regular Receipts	£P. 33,568 940	
Various Earmarked Receipts	<u>166,674</u>	
	£P. 33,735.614	
Receipts for Mifal Bitzaron	8,831.804	
Various Receipts earmarked for security purposes	<u>2,442,466</u>	£P. 45,009,884

SUNDRY ACCOUNTS:

A.P.B., Jerusalem - special a/c - Deposit of earmarked contributions	350. -	
A.P.B., Jerusalem - special a/c - Sundry Deposits	<u>628,825</u>	978,825
<u>CASH ON 1.12.38</u>		<u>284,833</u>
		£P. 46,273,542
		=====

PAYMENTS:To Jewish Agency Jerusalem & London:

On a/c of Budget 5699	14,662.563	
From Mifal Bitzaron Income	8,720.184	
" Income for Security Purposes	<u>2,434 466</u>	£P. 25,817.213

Special Earmarked Contributions:To Mizrahi Palestine Fund:

From South-Africa	166,674
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Repayments on Loans:

To Lloyds Bank Ltd., London and  
Anglo-Palestine Bank Ltd. -:

Monthly Service Payment on a/c of Consolidation Loan	3,800. -	
Interest on New Loan per 31.12.38	<u>2,872.751</u>	<u>6,672.751</u>

Carried forward

£P. 32,656,638



Brought forward	£P. 32,656.638
<u>Head Office and Travelling Organisers:</u>	3,010.201
<u>Sundry Accounts:</u>	
Sundry Debtors & Creditors a/c	1,282.845
<u>Cash on 31.12.38</u>	
At various Banks and in Hand	<u>9,323.858</u>
	£P. 46,273.542
	=====

Jerusalem, 20.1.1939





Not for Publication!

Keren Hayesod, Head Office - Jerusalem

Statement of Receipts of the Head Office of the Keren Hayesod  
during D e c e m b e r 1938.

United States of America .....	£P. 15,082.828
South Africa .....	5,361.167(1)
Holland .....	2,536.232
Belgium .....	2,125. -
Australia .....	1,195.212
Canada .....	1,059.600
England .....	1,007.150
Argentina .....	1,000. -
Eretz-Israel .....	949.494
Egypt .....	512.180
France .....	365.140
Sweden .....	228.134
Bolivia .....	216.130
Various Countries .....	2,097.347

£P. 33,735.614  
=====

(1) Incl. Earmarked Contribution for the  
Mizrahi Palestine Fund

£P. 166.674

Receipts of the Head Office of the Keren Hayesod for Mifal Bitzaron  
during D e c e m b e r 1938

United States of America	£P. 8,538.104
England	289.825
Various Countries	3.875
	£P. 8,831.804
	=====

Jerusalem, 20.1.1939



# KEREN HAYESOD

DECEMBER REPORT 1938

3

## SALIENT FACTS:

### KEREN HAYESOD RECEIPTS:

Total Net Receipts £P. 45,010  
As against last year 30,341

of which

for the regular budget 33,569  
" " Mifal Habitzaron 8,832  
" security and special purposes 2,609

### JEWISH AGENCY RECEIPTS:

Total Receipts

of which

From the KEREN HAYESOD  
" Miscellaneous

33,636

AMERICAN JEWISH  
ARCHIVES

27,190

6,522

### EXPENDITURE:

Repayment to  
Lloyds Bank  
£P. 6,672

Budget  
£P. 52,427

## 1. KEREN HAYESOD RECEIPTS

The general net receipts of the Keren Hayesod for December, 1938, amounted to £P. 45,010, (as compared with £P. 30,341 in December, 1937).

This sum included:

Regular receipts (for the needs of the regular budget)	£P. 33,569	
For the Mifal Habitzaron	8,832	
Special receipts for security and special purposes	2,609	£P. 45,010

The regular receipts included contributions from:

United States	15,083	
South Africa	5,361	
Holland	2,536	
Belgium	2,125	
Other countries	8,464	33,569

The receipts for the Mifal Habitzaron included contributions from:

United States	8,538	
Other countries	294	8,832



## 2. JEWISH AGENCY RECEIPTS:

In December, 1938, the Jewish Agency received £P.27,190 from the Keren Hayesod, including £P.16,408 on account of the regular budget, £P.10,523 from the Mifal Habitzaron funds, and £P.259 for the settlement of German Jews.

Moreover, the Jewish Agency received £P.4,549 from the Keren Kayemeth out of the Mifal Habitzaron funds from America (on account of its participation in the new colonisation in the Beisan area), £P.1,892 from repayments of previously granted loans, and £P.5 from miscellaneous sources.

The total receipts of the Jewish Agency in December, 1938, amounted to £P.33,636.

## 3. EXPENDITURE OF THE JEWISH AGENCY:

The disbursements of the Jewish Agency in December, 1938, amounted to £P.52,427, and may be divided as follows:

I.	Agricultural colonisation (incl. Experimental Station)	£P.21,279
II.	Settlement of German Jews	259
III.	Housing and Public Works	9,314
IV.	Immigration and Vocational Training	2,952
V.	National Organisation and Security	6,061
VI.	Education and cultural Activities	2,627
VII.	Trade, Industry and urban Colonisation	7,530
VIII.	Administrative Expenses	1,330
IX.	Miscellaneous	1,075
		<u>£P.52,427</u>

In December, 1938, the Keren Hayesod paid Lloyds Bank the monthly installment of £P.3,800 on account of the consolidation loan, and interest on the new loan up to 31.12.38 in the amount of £P.2,872.

### I. AGRICULTURAL COLONISATION

During the month of December, 1938, £P.21,279 was disbursed on agricultural colonisation, as follows:

(a)	Moshavim-Moshavot	£P.5,000
(b)	Cooperative settlements	12,396
(c)	Individual farmers	99
(d)	Investments	401
(e)	Organisation, Technical Office, Instructorate and Miscellaneous	2,248
(f)	Agricultural experiment station	1,135
		<u>£P21,279</u>



Notes:

to a) £P.5,000 were disbursed on Moshavim-Moshavot as follows:  
 Kfar Chassidim - for buildings and miscellaneous, £P.1,624;  
 Kfar Chittin - for buildings and well-drilling £P.128;  
 Kfar Baruch - purchase of seeds £P.36; Kfar Haroeh - for  
 purchase of cows, erection of barn, chicken-runs, etc.  
 £P.372; Kfar Avichail - for plantations £P.93; Kfar Me-  
 nachem - on account of budget £P.300; Tirat Shalom - for  
 buildings £P.3; Kfar Marmorek - for surveys £P.12; Irgun  
 Ephraim - purchase of tools and on account of budget £P.400;  
 Cherut - on account of budget £P.359. Total £P.3,327.

For settlements of the new colonisation: Ramat Tiomkin -  
 for plantations £P.33; Irgun Moledet - purchase of tools and  
 maintenance of settlers £P.187; Alroi - irrigation £P.417;  
 Bet Joseph - purchase of tools, irrigation, soil improvement,  
 various buildings, construction of school £P.2,382. Total -  
 £P.3,019.

The sum disbursed for the item Moshavim -  
 Moshavot in December, 1938, amounted to £P.6,346

Less various investments made in Ein Vered  
 in previous years, and purchased this year  
 by the PASA Company for the sum of " 1,346

Balance £P.5,000  
 =====

to b) £P.12,396 were disbursed on cooperative settlements,  
 as follows:

Ein Hachoresh - for buildings £P.70; Ein Shemer - for  
 buildings £P.200; Ramat Hakovesh - construction of dining-  
 hall £P.100; Pica-Settlements - £P.500; Shaar Haamakim -  
 irrigation and pipes £P.64; Kvutzat Gordonia in Hulda -  
 for plantations £P.50; Kvutzat Hachugim in Schatta - for  
 irrigation £P.70; Usha - roads and buildings £P.272;  
 Mishmarot - for irrigation £P.149; Kfar Hahoresh - on account  
 of road construction and erection of dining-hall £P.1,420;  
 Kfar Hamakabi - for road, plantations, chicken-run, incuba-  
 tor, purchase of cows £P.267; Mishmar Hasharon - construc-  
 tion of chicken-runs £P.180; Ramat Jochanan - on account of  
 road construction £P.115;

For the settlements of the new colonisation:

Nir David - purchase of cows, erection of chicken-runs  
 £P.200; S'de Nachum - buildings, plantations, irrigation  
 £P.1,185; Tirat Zvi - buildings £P.180; Maos - tools and  
 miscellaneous £P.14; Tel Yitzhak - soil improvement, irri-  
 gation, tools £P.105; Ein Hashofet - erection of a sheep-  
 fold, on account of road construction (see October-November  
 Report) - £P.1,115; Bet Jehoshua - irrigation, tools and  
 projector £P.148; Bamsila - irrigation, surveys, plans,  
 and miscellaneous £P.186; Chanita - on account of road  
 construction, well-drilling, pipes, on account of maintenance  
 £P.1,450; Olei Yavan - plan £P.6; Alonim - on account of  
 road construction £P.850; Bamaaleh - buildings £P.224;



Kvutzat Hachugim in Maos - buildings, protective fence, on account of construction of children's house, erection of a sheep-fold, engine-shed, plans, on account of road construction, chicken-runs, on account of house building £P.1,313; Kvutzat Massad in Maos - setting-up of camp, irrigation, plans, surveys, Diesel engine, on account of road construction £P.508; Kvutzat Akiba - irrigation, Diesel engine, on account of road construction £P.289; Chirbat Zemach - setting-up of camp, irrigation, pipes, work animals, tools, armoured car, surveys and plans £P.1,106; Shaar Hagolan - on account of construction of a dining-hall £P.60.

Total £P.12,396.

to e) The Organisation and Miscellaneous Expenses amounted to £P.2,248, and may be divided as follows:

Sundry grants	£P.850	
Agricultural instruction	553	
Organisation	458	
Technical Bureau	<u>387</u>	£P.2,248

## II. SETTLEMENT OF GERMAN JEWS

The Bureau for the Settlement of German Jews received a total of £P.259 during the month under review.

## III. HOUSING AND PUBLIC WORKS

During the month under review, £P.9,314 were spent on housing and public works, as follows:

### 1) Housing of workers:

Buildings	£P.1,438	
Tents	451	
Workers' dwellings, Construction		
company for workers' dwellings	117	
Levelling work in the south	500	
Housing through "Nir"	<u>1,200</u>	£P.3,706

### 2) Agricultural Training and Assistance:

Agricultural instruction through the Merkaz Chaklai	£P. 57	
Transportation of workers to places of work	642	
Promotion of Jewish maritime work	100	
Promotion of Jewish fishing	200	
Promotion of Jewish stone-cutting	2,850	
Miscellaneous	<u>25</u>	<u>3,874</u>

Carried forward £P. 7,580



Brought forward		£P. 7,580
3) <u>Loans to Workers:</u>		
Loan Fund for railroad workers	£P. 125	
Loan Fund for workers in the colonies:		
through the Merkaz Chaklai	125	
Loan Fund for colonists	<u>138</u>	" 388
4) <u>Loan Guarantee Fund "Mishan":</u>		
through the Unemployment Fund of		
the General Federation of Labour	500	
through the Hapoel Hamizrachi	150	
" "Irgun Zionim Klaliim	25	
" "Hitachduth Hateimanim	20	
" "Vaad Leumi	<u>25</u>	" 720
5) <u>Organisation and Sanitation:</u>		
Organisational Institutions (Central		
Employment Bureaus of the General		
Federation of Labour, the Hapoel		
Hamizrachi, the Hitachduth Hateimanim,		
Miscellaneous)	155	
Organisation expenses in public and		
Government works	<u>118</u>	" 273
6) <u>Miscellaneous:</u>		
Administration and various		
expenses		" 353
		£P. 9,314

Notes:

to 1) Buildings: Buildings and barracks were erected in Ness Zionah, Beer Yaakov, Karkur, Kfar Saba, Alonim and in other settlements.

Tents: 75 tents were purchased for the temporary housing of 300 workers from the new Aliyah, sent to rural settlements.

Housing through "Nir": 300 houses are being constructed in rural settlements for older agricultural day-labourers. They are being erected in Schechunat Eliezer in Kfar Saba, Nave Chaim in Chedera, Schechunat Poalim in Tel Mond, etc. Every house costs about £P.150. Building loans in the amount of from £P. 60 - 70 are granted by the Jewish Agency and the "Nir" Co.

to 2) Transportation of Workers: In December over 2,000 unemployed persons and recently arrived immigrants were transported from cities to rural settlements. The transportation of workers to rural settlements and their provision with the necessary tools were carried out by the Jewish Agency and the Unemployment Fund, at the rate of £P.0.500 per person.

Fishing: Jewish fishing was promoted by instruction, the purchase of nets, repair of boats, improvement of methods of work, etc.



Stone-cutting: The "Even" Company, whose products rate highest in the stone-cutting market, received a loan on the basis of its activities (quarries and machinery), in the amount of £P.2,850 at 5% for ten years. The "Even" Co. employs hundreds of workers in stone-cutting, gravel production, and other forms of masonry.

#### IV. IMMIGRATION AND VOCATIONAL TRAINING:

In December, 1938, £P.2,952 were disbursed on this item.

The total disbursements for immigration and training during the first quarter of 5699 amounted to £P.10,931, and may be divided as follows:

Aid to Immigrants	£P.2,211
Hachshara abroad	3,325
Aliyah Institutions	111
Construction of immigrants' hostel in the northern part of Tel Aviv	2,174
Administration and miscellaneous expenses	3,110

In December, 1938, 602 Jews immigrated into Palestine, as compared with 355 for the same month last year. In December, 1938, the number of tourists was 475. Of the 602 immigrants entering Palestine in December, 100 were capitalists with 154 dependents, one person of private means, 37 workers with 38 dependents, 266 dependents of Palestinian settlers, and 6 students.

During the first quarter of 5699 a total of 2893 persons entered Palestine, as compared with 1,667 for the same period last year.

#### V. NATIONAL ORGANISATION AND SECURITY

In December, 1938, £P.6,061 were disbursed on this item, including £P.1,329 for security purposes, £P.2,649 for political activities and for the general expenses of the Political Department in Jerusalem, and £P.2,083 for the expenses of the Political Department in London.

#### VI. EDUCATION AND CULTURAL ACTIVITIES:

In December, 1938, £P.2,627 were disbursed on this item, as follows:

Education Budget of Vaad Leumi	£P.1,912
Carried forward	£P.1,912



Brought forward		£P. 1,912
Bialik Institute:		
Language Committee	£P. 77	
Collected literary works	23	
Modern literature	46	
Archaeological library	49	
Department of Culture of the Vaad Leumi	50	
Rav Kuk Institute	50	
Organisation	<u>4</u>	299
Hebrew Technical Institute		166
Nautical School of the Hebrew Technical Institute		<u>250</u>
		£P. 2,627
		=====

With regard to the £P.250 contributed to the Nautical School of the Hebrew Technical Institute, we beg to submit the following details:

As the result of the united efforts of the Executive of the Jewish Agency, the Jewish Maritime League, and the administration of the Hebrew Technical Institute, at the commencement of the current academic year a nautical school was opened by the Technion, for the training of professional maritime workers. The buildings, workshops, laboratories, and other educational supplies, which the Technical Institute placed at the disposal of the Nautical School, enabled the new institution to proceed without making the basic investments and purchasing the necessary equipment, which it would have been obliged to do, were it not for the connection with the Technical Institute and its Trade School. The Jewish Agency and the Jewish Maritime League undertook the maintenance of the Nautical School. The responsibility for the maintenance and administration of the Nautical School has been entrusted to a Board of Governors, comprising the representatives of the three institutions responsible for the establishment of the school.

The course of study of the school was drawn up on the basis of suggestions made by the Committee of Maritime Training and Instruction of the Maritime Department of the Jewish Agency, and upon consultation with British experts in Palestine and with the Ministry of Commerce in London. The Nautical School strives to provide its students with a maritime training as well as a Hebrew and a general education. There are four departments: 1) Department of Navigation, fifteen students; 2) Marine-engineering department, fifteen students; 3) Ship-building department, five students; 4) Radiology Department, five students. The Chairman of the Navigation Department is an English captain, experienced in maritime training. The course of study covers a four-year period, including the time (from three to six months) which the navigation students will have to spend in school after their return from training aboard ship, in order to be permitted to take their State examinations. In order to participate in these examinations, the students of navigation, at the end of 3½ years of the course of study, must work three years on board ship, and students of the department of marine-engineering must spend two years in some Palestinian ship-building company, and eighteen months on board ship. The radiology students as well, upon the completion of their course of study, must engage in practical work for a given period of time, in order to participate in the State examinations. Students of the department of ship-building may enter the profession upon the completion of their training in the Nautical School.



The British committee of the Jewish Maritime League, comprising prominent English and Jewish personalities, has promised its aid to the Nautical School. With its help, negotiations were carried on with the Department of Merchant Marines of the British Ministry of Commerce, with reference to the securing of places on British ships for the training of the Nautical School students. An announcement was received from the Department of Merchant Marines of the British Ministry of Commerce, to the effect that it is in no way basically opposed to the above arrangement, and negotiations are now being carried on with British shipping companies.

## VII. TRADE, INDUSTRY, AND URBAN COLONISATION

In December, 1938, £P.7,530 were disbursed on this item, as follows:

Expenditures of the Department of Trade and Industry	£P.6,580	
" of the Department for Retail Trade	524	
" of the Economic Research Bureau	126	£P. 7,530
The expenditures of the Department of Trade and Industry comprise the following items:		
Small-loan Fund of the Industrial Bank	6,000	
Institute for Foreign Trade	83	
Participation in exhibitions	195	
Institute for Technical Training	132	
General and miscellaneous expenditures	170	6,580

### Small-loan Fund of the Industrial Bank:

In 5698 the Jewish Agency participated in the Small-loan Fund of the Industrial Bank in the amount of £P.15,000.

The expenditures of the Department of Trade and Industry comprise the following items:

Loans to retailers in Rehovoth and Haifa	£P. 240
Loans to artisans in Rehovoth	184
" " peddlers and kiosk-owners in Tel Aviv	50
Loans to individuals through trade unions	18
General and miscellaneous expenditures	32
	<u>£P. 524</u>

## VIII. ADMINISTRATION EXPENSES:

In December, 1938, £P.1,330 were disbursed on administration.



IX. MISCELLANEOUS

In December, 1938, the miscellaneous expenditures amounted to £P.1,075, and may be divided as follows:

Religious Institutions	£P. 400	
Zionist Information and Tourist Information Bureau	84	
Collections Bureau, Press Bureau, Compensations Bureau, Pensions, Interest, various Contributions	378	
Statistical Department	183	
To victims of the disturbances (through the Department of Social Service of the Vaad Leumi)		
	<u>30</u>	<u>£P.1,075</u>

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# Annual Report of the KEREN HAYESOD FOR 5698 (1.10.1937-30.9.1938)

## Salient Facts

TOTAL NET RECEIPTS 5698 (1937/1938) £P. 477,383

TOTAL NET RECEIPTS SINCE THE INCEPTION OF THE KEREN  
HAYESOD 6,725,102

Receipts		Expenditure
<u>of the Keren Hayesod:</u>		
On account of the regular budget (as against £P.307,341 last year)	£P. 300,920	Payment to Lloyds Bank o/a of Loan £P. 45,906
On account of Mifal Bitzaron (as against £P.112,652 last year)	122,782	

<u>of the Jewish Agency:</u>		
From the Keren Hayesod	389,262	
do. from the proceeds of the new loan from Lloyds Bank	125,000	Budget 618,841
Miscellaneous	64,325	

### 1. Receipts of the Keren Hayesod

During the period under review £P.354,604 was received from the following countries:-

United States of America . . . . .	£P.130,527	
South Africa . . . . .	68,093	
Great Britain . . . . .	24,997	
Eretz Israel . . . . .	16,695	
Other countries . . . . .	114,292	£P.354,604

This amount includes the following earmarked donations:-

For new colonisation (from South Africa)	25,000	
" the settlement of German Jews	10,655	
" Mifdeh Zioni (incl.£P.2,512 from England)	2,572	
" other purposes	15,457	53,684
Available for regular budget:-		300,920

Further, £P 122,782 were received on account of Mifal Bitzaron, of which £P.81,106 came from the U.S.A., and £P.14,134 from England.

In addition, £P.125,000 were made available by Lloyds Bank on account of the new loan. (1)

(1) Details with regard to this loan were given in our reports for April and May 1938.



## 2. Receipts of the Jewish Agency.

During the period under review the Keren Hayesod remitted £P. 211,336 to the Jewish Agency on account of the regular budget;  
 £P. 125,000 were remitted on account of the new loan from Lloyds Bank;  
 £P. 25,000 earmarked for new colonising activities from South Africa;  
 £P. 124,320 from the proceeds of the Bitzaron campaign;  
 £P. 10,656 for the settlement of German Jews;  
 £P. 8,735 for other earmarked purposes;  
 £P. 2,406 from the proceeds of Mifdeh Zion;  
 £P. 1,215, balance from the Consolidation Loan;  
 £P. 5,596, income from investments.

Additional income was derived from the

Keren Kayemeth (Mifal Bitzaron U.S.A.) earmarked for new colonisation in the Beisan area;	£P. 31,844
Government of Palestine £P. 8,263, of which £P. 8,188 for the Agricultural Experiment Station in Rehovoth;	
Income of Immigration Department of the Jewish Agency	£P. 7,500;
Repayments on account of previous loans (incl. £P. 7,038 from K.H. settlements);	£P. 10,862,
Rent for tents and hutments	892;
Interest	1,181
Miscellaneous	3,782,
totalling : <u>£P. 578,588</u>	

## 3. Expenditure of the Jewish Agency.

The total expenditure of the Jewish Agency for the period under review amounted to £P. 618,841, of which £P. 377,436 were expended on account of the regular budget, £P. 33,962 on account of Mifal Bitzaron, and £P. 207,443 on account of the new loan and the additional funds raised by the Keren Hayesod whilst conforming to the terms of the new loan. (1)

This expenditure fell under the following heads:-

I.	Agricultural Colonisation (incl. Experimental Station:		
	Regular budget	£P. 139,706	
	Mifal Bitzaron	6,597	
	Loan	<u>53,162</u>	£P. 199,465
II.	Settlement of German Jews:-		
	Regular budget	21,156	
	Loan	<u>2,000</u>	23,156
III.	Housing and Public Works:-		
	Regular budget	53,727	
	Mifal Bitzaron	10,700	
	Loan	<u>86,983</u>	151,410

(1) See Report for April-May 1938



IV.	Immigration and Vocational Training		£P. 37,088
V.	National Organisation and Security:-		
	Regular budget	£P. 51,265	
	Mifal Bitzaron	13,959	
	Loan	<u>21,800</u>	£P. 87,024
VI.	Educational and Cultural Activities		30,936
VII.	Trade, Industry and urban Settlements:		
	Regular budget	11,952	
	Loan	<u>43,498</u>	55,450
VIII.	Administrative Expenditure		14,753
IX.	Miscellaneous:-		
	Regular budget	16,853	
	Mifal Bitzaron	<u>2,706</u>	<u>19,559</u>
			£P. 618,841.

In the period under review a total amount of £P.45,906 was paid to Lloyds Bank, of which £P.45,600 represented repayment on account of the Consolidation Loan, and £P.306 interest up to 30th June, 1938, on the new loan. Our indebtedness on the Consolidation Loan now stands at £P.411,871 per 30th September, 1938.

I. Agricultural Colonisation.  
A. Direct.

The total amount of £P.199,465 was spent on agricultural colonisation, incl. the Agricultural Experiment Station, as under:-

(a) Investments	£P. 28,508		
(b) Moshavim-Moshavoth	46,790		
(c) Cooperative Settlements	81,063		
(d) Individual settlers	3,705		
(e) Yemenites, Girls' Farms, Instructorate, Technical Office, Preparatory work, administrative expenditure,	<u>22,555</u> 182,622		
less: Contribution from the Dept. for the settlement of German Jews	£P. 5,608		
Income of Agricultural Colonisation Department	<u>1,911</u>	<u>7,519</u>	£P. 175,103
(f) Agricultural Experiment Station	26,876		
Less: income	<u>2,514</u>		<u>24,362</u>
			£P. 199,465



ad (a) The "Pasa" (Palestine Agricultural Settlement Association) took up additional shares to the value of £P.28,509. From our previous reports it is known that the Keren Hayesod is the sole shareholder of this Association. To-date the Keren Hayesod has invested £P.123,758 altogether in shares of the Association, partly in cash, partly by the cession of outstanding claims. Apart from the share capital the Pasa has some £P.101,700 from the sale of 4% debentures.

ad (b) £P.46,470 were distributed among 26 Moshawim and Moshawoth, i.e. for the erection of dwelling-houses and farmbuildings, for irrigation, water installation, lay-out of plantations, livestock, provision for unemployed, etc. Of the settlement points founded during the disorders Kfar Menahem (in the South) benefited to the amount of £P.3,107, Kfar Hittin in Lower Galilee to the amount of £P.1,296, Beth Joseph (Beisan Plain) to that of £P.12,298, Moledeth (Emek Jezreel) £P.3,548, Alroi (Haifa Bay) £P.638, Beth Shaarim (Irgun Ephraim, Emek Jezreel) £P.4,029. Thus the six above points between them accounted for £P.24,916.

ad (c) £P.81,063 was distributed among 54 cooperative settlements for the purposes referred to under (b). Of these £P.51,481 went to 16 settlements founded since the commencement of the disorders, namely Nir David (Beisan Plain) £P.4,405, Sdeh Nahum (same locality) £P.6,377, Tirath Zwi (do.) £P.4,632, Maos (do.) £P.5,287, Ain Geb (on the eastern shore of Lake Tiberias) £P.306, Usha (Haifa Bay) £P.2,244, El Itzhak (Shaaron) £P.2,947, Ain Hashophet (Samaria) £P.3,541, Beth Yehoshua (Shaaron) £P.1,994, Bamsilah (Beisan area) £P.2,456, Mishmar Hashloshah (Lower Galilee) £P.3,000, Hanita Alith (upper Galilee) £P.12,354, Hanita Tachtith £P.445, Masadah (Emek Hayarden) £P.95, Kfar Hamaccabi (Haifa Bay) £P.1,326, Shaar Hagolan (Emek Hayarden) £P.72.

ad (d) Thirtyeight individual farmers received loans to the total amount of £P.3,705.

ad (e) The Yemenite settlement Shivat Zion was given £P.473, the Girls' Farms in Petah Tiqvah, Nachlath Yehudah and Schunath Borochoy together £P.1,085. The Technical Office accounted for £P.4,498, the Instructorate for £P.6,935. The balance was spent on preparatory work for new colonisation in the Beisan area and at other points, for increasing the output of Jewish agricultural produce, for geological research, statistical work, participation in laying down roads in the Emek Jezreel (£P.509) and to Ain Hashophet (£P.298) and on various organisatory measures.

ad (f) The total expenditure of the Agricultural Experiment Station in Behovoth during the period under review was £P.26,876, reduced by an income of £P.2,514.

The main heads of expenditure were for the Departments: for fodder, Chemistry, Pathology and Entomology, the farm, the climatological garden, examination of plantations, grain and lucerne fields, experimental garden for citrus plants, research in connection with fruit cultivation and other research work, expenditure connected with the library, publications and organisation.

#### B. Indirect.

From January 1, 1938 - September 30th, 1938 the Pasa has granted loans as under:-



£P. 27,630 to Moshve Ovdim, cooperative settlements and individual farmers.  
 £P.29, 374 for irrigation purposes.

## II. Settlement of German Jews.

The Department of the Jewish Agency which deals with the above has a budget of its own derived from various sources. In the period under review its expenditure exceeded £P.200,000, to which the Keren Hayesod contributed £P.29,156.

A more detailed report will deal solely with the activities of this Department.

## III. Housing and Public Works.

£P.151.410 were spent under the following heads:-

1.	Investment in the shares of "Bitzur"	£P. 25,000
2.	Erection of workers' dwellings, huts, etc.	7,457
3.	Purchase of tents, provisional housing, technical supervision, insurance of buildings,	3,205
4.	Provision of housing for Government employees	1,120
5.	Building loan granted through "Nir"	14,000
6.	Building loan to Tel Aviv port workers	2,400
7.	Housing of refugees from Jaffa	1,000
8.	Loan to "Shikun" for building purposes	3,000
9.	"Bizur" Guarantee Fund for loans for public works	1,640
10.	Guarantee Fund for loans to citrus planters (2nd instalment)	350
11.	Road construction	9,800
12.	Levelling	20,142
13.	Loan Fund for auxiliary farms	1,050
14.	Agricultural Labour Exchanges, Merkaz Chaklai	£P.8,625
	Hapoel Hamizrachi	805
15.	Promotion of Jewish quarrying	1,475
16.	" of Jewish Fishing industry	1,347
17.	" of Jewish maritime activities	1,474
18.	Loan Fund for agricultural workers	
	through Merkaz Chaklai	£P.8,825
	" Hapoel Hamizrachi	1,785
	" Irgun Zionim Klalim	260
	and others	10,870
19.	Loan Fund for railway workers	462
20.	Loan Fund "Mishan" of the Labour Federation	£P.16,795
	of Mizrachi Labour	2,685
	of Irgun Ovdim Zionim	838
	of Kibuzim & Machanoth	425
	of Yemenites & others	297
	of Vaad Leumi	650
	of Irgunim Ovdim Intelektualim	200
		21,890



21.	Vocational training of workers through Merkaz Chaklai	£P.3,982	
	Hapoel Hamizrachi	306	
	Agricultural training of youth	300	
	Zionim Klalim	69	
	Training of women workers	453	
	Training of workers for Govt. works	1276	£P. 6.386
22.	Transferring workers to the site of work		1,870
23.	To Kupath Milveh of the Hapoel Hamizrachi		200
24.	Labour Exchanges: of General Labour Federation	360	
	of the Hapoel Hamizrachi	100	
	of the Yemenite Organisation	100	
	Joint Offices	1,030	1,590
25.	Organisation expenses and miscellaneous (promotion of Jewish labour, provision of mosquito nets, statistical work, travel expenses, postal, telegram and telephone expenses, etc.)	4,454	
	Less contributions	202	4,252
			151,410

ad (1) Full details regarding the Jewish Agency's contribution to the capital of "Bitzur", and of the activities of this Company were given in our reports for the first nine months of 5698.

ad (2) During the period underreview three dwelling-houses, two dining-halls, 51 huts were erected in various points; moreover, sanitary installations and repairs were provided in others.

ad (4) The sum of £P.1,120 was paid in agreement with the "Dirah" Co. in Haifa. This Company, which aims at providing cheap housing for railway workers, Government, port and municipal workers, as well as for workers who are breaking new ground for Jewish labour, has put up 24 dwellings, among others, in Kiryath Haim. The above amount was spent in lending £P.60 on each house against a mortgage granted by another institution, on the following conditions:- In the first 15 years only 4% have to be paid on the borrowed sum; from the 15th year onward until and including the 22nd year interest at 4% and sinking fund charges will have to be repaid in accordance with a fixed plan. A Commission composed of representatives of the Jewish Agency and of the General Labour Federation chooses the tenants of these houses. Annual contracts with the option of renewal are made at a rent not exceeding £P.2.135 per house per month.

ad (5) On the strength of an agreement with "Nir", the Jewish Agency participates to the amount of £P.21,000 in a building plan which provides for the erection of some 300 houses in colonies like Petah Tiqvah, Chederah, Kfar Saba, Tel Mond, etc.

The Jewish Agency gives a loan of £P.70 on each house against a second mortgage. In the first five years interest at 4% only has to be paid; In the following 20 years 4% interest as well as sinking fund charges have to be paid according to an amortisation scheme laid down.

paid

On account of the above £P.14,000 were/during the period under review for the erection of some 200 houses.



ad (6) The Jewish Agency (Keren Hayesod) participates to the amount of £P.2,400 in the housing of the 32 port workers in Tel Aviv.

The cost of each one of these houses amounts to £P.245. The General Mortgage Bank of Palestine lends £P.120 against first mortgage, the Jewish Agency £P.75 against second mortgage and the Unemployment Fund £P.40 against third mortgage.

The Jewish Agency loan has to be repaid within 15 years at 5% interest.

ad (11) The contribution of the Jewish Agency for the construction of feeder roads during the period under review amounted to £P.9,800 for the benefit of 13 points. The money was put at the disposal of the respective community, such as Petah Tiqvah £P.2,000, Kfar Witkin £P.1,500, Kfar Syrkin £P.1,500, Behoveth £P.1,250, Ramath Hekovesh £P.580, Rishon-le-Zion £P.500, etc.)

ad (12) The levelling work in Kiryath Avodah, south of Tel Aviv, has been dealt with in previous reports.

Large-scale levelling had to be done in the northern part of Tel Aviv on the approximately 300 dunum site which the Government has leased to the Tel Aviv Municipality for the erection of the aerodrome. In order to enable this work to be carried through the Jewish Agency (Keren Hayesod) granted the Municipality of Tel Aviv loans to the total amount of £P.14,500 on condition that the Municipality on its part would invest a like amount. Repayment starts in the fifth year with £P.5,000, the sixth year a like amount, the seventh year with £P.2,500, the eighth with £P.7,000 and the ninth with £P.7,000 incl. interest at 4% p.a.

These works absorbed 1500 workers in the period of greatest unemployment.

ad (14), (18), (20) & (21). Earlier reports have given full details concerning the points touched therein.

#### IV. Immigration & Vocational Training.

The total amount spent under these heads was £P.37,088 distributed over organisation expenses, Palestine offices abroad (in 30 different countries) and in Palestine, social service (loans to immigrants), transfer to sites of work, Maintenance of Immigration hostels and training abroad.<sup>x</sup> In the period under review 10,663 immigrants entered Palestine as compared to 11,601 in the preceding year.

As stated above the Jewish Agency received a contribution to its budget of £P.7,500 from the income of the Immigration Department.

#### V. National Organisation and Security.

The above purposes account for £P.87,024, of which £P.50,270 for security purposes and £P.36,754 for the Political Departments in Jerusalem and London.

(x) £P.3,114 were spent on the enlargement of the new Immigrants' Hostel on the Yarkon in the north of Tel Aviv (Charellick Salomon Foundation)



## VI. Educational and Cultural Activities.

For the above purposes £P.30,936 were spent under the following heads:-

1.	Participation in the educational budget of the Vaad Leumi	£P.25,921	
2.	do. in the budget of the Technion in Haifa	1,000	
3.	To Mossad Bialik: Publication of books.	£P.1,588	
	Subsidies to non-political journals such as "Misnayim", "Gilyonoth", "Zion", "Hatevah" and other subsidies ("Beth Bialik" etc.)	569	
	Vaad Halashon	693	
	Mossad Kuk	625	
	Cultural Dept. of Vaad Leumi	450	
	Organisation expenses & misc.	167	
		4,092	
	Less contribution of Zionist Organisation	1,000	3,092
4.	To Habimah		573
5.	To Ohel		350
			30,936

It is six years now that the Vaad Leumi has taken over the Hebrew school system. The budget exceeding £P.300,000 was covered by subsidies from Government, the Jewish Agency (Keren Yayedod), contributions from cities and colonies and from school fees. The contribution of the Jewish Agency during the period under review amounted to £P.25,921. The number of schools is approximately 400, pupil attendance more than 50,000, and the number of teachers more than 1800.

The Mossad Bialik continued its activities in the various fields and published a number of valuable literary anthologies from older sources, as well as special lexica in Hebrew to extend the Hebrew vocabulary. The Mossad Bialik likewise subsidises the Vaad Halashon, the Institute bearing the name of Rabbi Kuk, the Cultural Department of the Vaad Leumi, as well as some literary and scientific journals.

## VII. Trade, Industry and Urban Colonisation.

£P.55,450 were disbursed for the above purposes under the following heads:-

1.	Purchase of shares of the Tel Aviv Port	£P. 20,000
2.	Loan Fund for the promotion and consolidation of industry	13,000
3.	Loan Fund for small traders (through Industrial Bank)	2,000
4.	Sum deposited with Anglo-Palestine Bank in guarantee of loans granted to small traders	1,500
5.	Others guarantee funds	249
6.	To Foreign Trade Institute	1,000
7.	To the Association of locally produced goods	1,500
8.	To the Institute for Technical Training	840
9.	Loan Fund for small traders and artisans	6,926
10.	To the Industrialists' Association	200
11.	Organisation expenses and miscellaneous (Participation in exhibitions, publications, information service, travel expenses, etc.)	3,443



12. Economic Research Institute: Fees for research work	£P. 680	
Statistical work, surveys,		
Publications	1366	
Tel Aviv Branch	1151	
Salaries & Miscellaneous	2492	
Less income and contributions	5689	
	897	£P. 4,792
		55,450

ad (1) Shares in the Tel Aviv Harbour to the value of £P.20,000 were taken up, bringing up the total contribution of the Keren Hayesod in this project to £P.22,552.

The Tel Aviv harbour is now the second largest in the country. So far as passenger traffic is concerned it is beginning to approach Haifa, whilst its goods traffic already exceeds that of Jaffa. Within the past few months more than 15,000 tons per month were dealt with. Now large-scale enlargements are being carried out in order to do justice to the increased demands made by the exporting season for citrus fruit. The number of cases to be shipped is put as high as two million.

ad (2) Fortytwo loans to the total amount of £P.39,731 were granted from the Loan Fund established to consolidate industrial concerns. The Jewish Agency's (Keren Hayesod) participation amounts to approximately 40%.

ad (3 & 4) Ninetyeight firms received loans for three years amounting to £P.20,266.

ad (6) The Foreign Trade Institute, which started operations round about November 1937, negotiated orders as follows:-

To Syria, 548 orders with 112 factories to the value of	£P.7,920
" Egypt, 148 " " 33 " do.	6,148
" Turkey, 56 " " 24 " do.	5,504
" Cyprus, 326 " " 53 " do.	2,380
" Iraq, 18 " " 13 " do.	438
" America, 3 " " 3 " do.	66
" India, 7 " " 3 " do.	974
" S.Africa, 225 " " 42 " do.	4,390
1331 168	27,820

More than half of these orders have already been delivered.

ad(7 & 10) The Trade & Industry Department subsidised the Association for the promotion of locally produced goods to the amount of £P.1,500, and the Industrailists' Association to that of £P.200.

ad (9). In order to help the small traders and artisans, a Loan Fund was established with the participation of the Jewish Agency (Keren Hayesod), Mifdeh Ezrachi and some of the Banks. Their respective participation is as follows:-

Jewish Agency	£P. 8,805
Mifdeh Ezrachi	8,500
Halvaah & Hisachon, Tel Aviv	4,600
Anglo-Palestine Bank "	3,850
Halvaah & Hisachon, Jerusalem	3,250
Angl-Palestine Bank, "	2,450



Halvaah & Hisachon, Haifa	£P. 2,250
Abglo-Palestine Bank, "	1,750
Kupath Am, Tel Aviv	1,050
L'Malacha Bank, Tel Aviv	750
Kupath Milve l'Bealei Malacha, Haifa	500
Tel Aviv Municipality	250
Various local institutions	1625
	£P. 39,630

Commissions composed of representatives of the institutions concerned decide upon the loans to be granted; loans to artisans run for three years at 6% interest payable monthly, to small traders for five years, at 6% interest, also payable in monthly rates.

The amount of such loans varies between £P.10 - £P.50, in exceptional cases loans up to £P.100 are granted.

During the period under review the following loans were granted:-

To 264 small traders in Jerusalem to the total value of	£P. 6,782
" 479 do. Tel Aviv do.	7,931
" 157 do. Haifa do.	4,951
901	19,628
" 121 artisans Jerusalem do.	2,490
" 140 " Tel Aviv do.	2,898
" 122 " Haifa	1,998
383 "	7,386

Thus in the period under review this Loan Fund was in the position of granting credits to the total value of £P.27,014.

The Jewish Agency's share in these credits during that period amounted to £P.6,926.

The credit operations in favour of trade and industry set in motion by the Jewish Agency (Keren Hayesod) show the determined effort on their part to help trade and industry to the utmost within the framework of budgetary possibilities, and their success in mobilising at the same time capital from other sources for the same purpose.

#### VIII. Administrative Expenditure.

The above amounted to £P.14,753 in the period under review.

#### IX. Miscellaneous.

The amount of £P.19,559 was spent under the following heads:-

To the Vaad Leumi for Social Welfare work	£P. 2,090
To Religious Institutions	1,896
To the Statistical Office	2,615
To Information and Tourists Offices	956
To Subsidies to WIZO: (1)	£P. 800
Maccabi	300
Hapoel	3 00
Various	324
	1,724

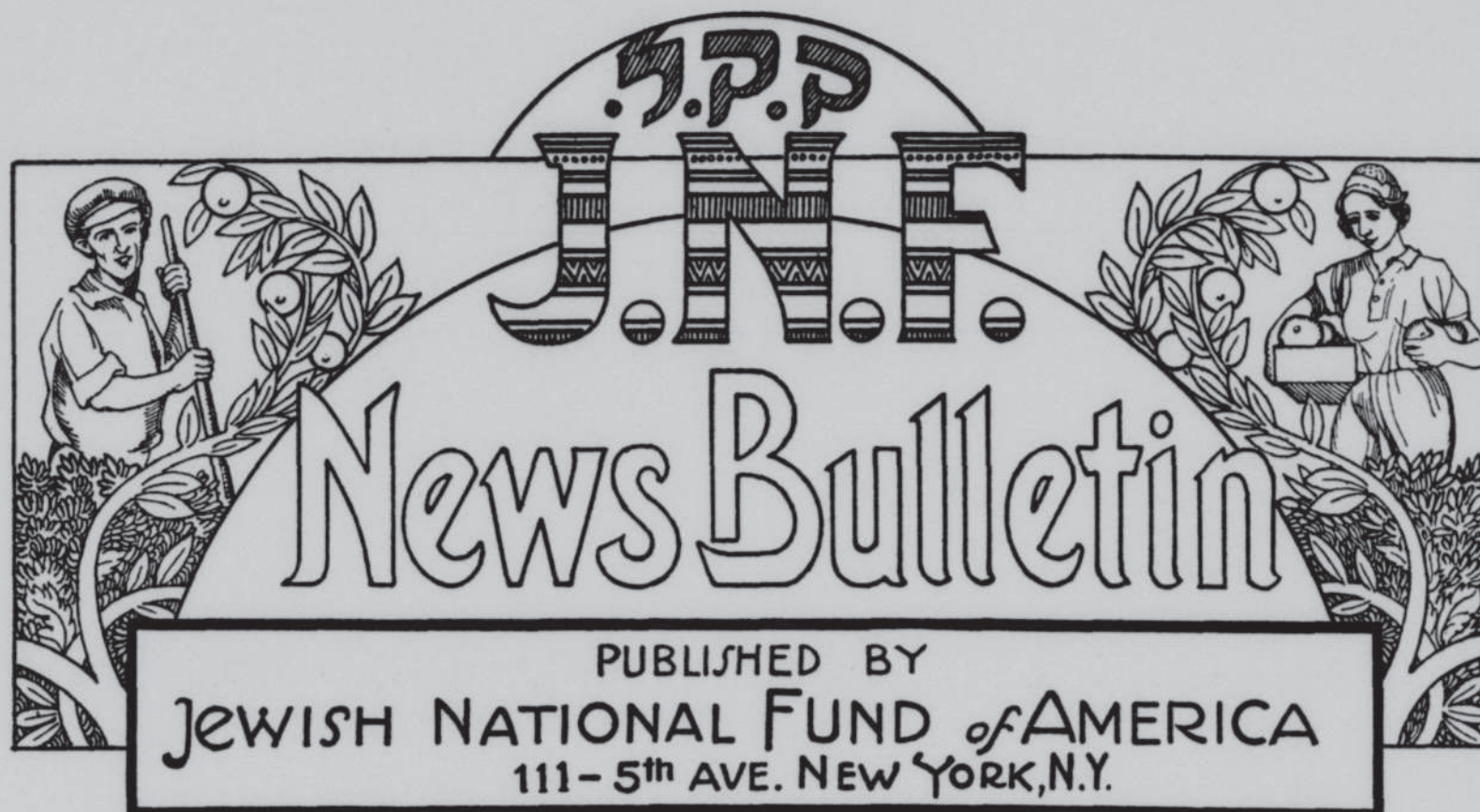
(1) £P.300 for social care in the points maintained by the WIZO



To Kupath Holim	£P. 4085
To Sieff Institute (Research work in the field of utilisation of industrial products)	696
To Pensions and compensation	2695
To Press Office	919
To Collection expenses	<u>1883</u>
	£P.19559







VOL. IV

JANUARY - 1939

No. 2

TRADITIONAL J.N.F. METHODS MUST CONTINUE TO PLAY  
IMPORTANT PART IN PERFORMANCE OF ZIONIST DUTY.

Participation in Nationwide United Jewish Appeal  
Urged Upon All Zionists While Carrying Forward  
J.N.F. Program.

As plans are being formulated, shortly to be announced officially, for a United Jewish Appeal embracing the budgets and the needs of the Joint Distribution Committee and the United Palestine Appeal, Zionists and supporters of the Geulah Ha'aretz cause are called upon to play their full part in raising maximum sums for the 1939 needs. Under the arrangement for the 1939 United Jewish Appeal, the Jewish National Fund will continue to share in the United Palestine Appeal proceeds on an equal basis with the Keren Hayesod.

The agreement provides, however, that the proceeds from the traditional J.N.F. fund-raising efforts shall not be pooled with the larger campaign. This means that the proceeds from Flag Day, Flower Day, boxes, trees, stamps, Sefer Ha'Yeled, Golden Book inscriptions, Synagogue collections, etc., are to be carried on as an independent Keren Kayemeth activity to constitute additional moral and financial strength for the Jewish National Home in Eretz Israel. This concession in favor of the J.N.F. is, however, premised upon the condition that the J.N.F. shall not conduct "campaign" activities which might be regarded as interfering with the maximum success of the larger United Appeal in the various communities. The action which will be immediately affected by this agreement is the Roosevelt Golden Book action which must be terminated by the end of January.

Dr. Israel Goldstein, President of the Jewish National Fund of America, at a recent occasion, when the course of the J.N.F. work for the coming year was outlined, stressed the particular significance of the traditional efforts. He stated:

"Striving towards the higher goal, we Zionists must not sidetrack or belittle the popular Keren Kayemeth activities which have made the Jewish National Fund what it is today. They are of importance not only quantitatively but also qualitatively. These amounts raised chiefly through the personal day to day exercise on the part of Zionists, is the kind of exercise which we need at all times and especially at a time when the trend towards big community chests makes it difficult for Zionists to function in a purely Zionist manner.

"Zionists are, of course, doing and should continue to do their utmost in the community-wide efforts. That is indispensable. At the same time it needs to be recognized



that the Keren Kayemeth gives to the Zionist the "Neshamah Yetherah", the special Zionist motivation upon which our souls thrive.

"We should never part with the Zionist privilege of working through boxes, trees, stamps, Sefer Ha'Yeled, Golden Book inscriptions, Flag Day and Flower Day, Synagogue Collections and all those occasions on which Zionists have grown accustomed to remember the Keren Kayemeth and to further its purposes by an extra effort and an extra contribution in order to bring one step nearer the objective of Geulath Ha'aretz. It is the kind of exercise which holds great educational and inspirational value for young and old alike."

A more detailed statement, embodying a program and calendar of Keren Kayemeth activities for the coming year, will be issued soon after official announcement of the 1939 arrangements will be made.

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PRESENT \$40,000. TOWARDS BLUM COLONY FUND

Amount Includes Proceeds of Brilliant "Founders' Dinner"  
With Mrs. Roosevelt as Guest of Honor; Labor Leaders' Cooperation and Support Lauded.

A check in the amount of \$40,000., constituting the first contribution of the National Committee for the Leon Blum Colony in Palestine towards the \$100,000. fund being raised for this purpose under the auspices of the Committee, was presented to Dr. Israel Goldstein, President of the Jewish National Fund, at a joint session of the Committee and its Women's Division, held last week. The session was presided over by Max Zaritsky, well-known labor leader and national chairman of the committee, and Rose Schneiderman, Secretary of the New York State Department of Labor and President of the New York Women's Trade Union League, who is chairman of the Women's Division.

Included in the \$40,000. check was the sum of \$22,000. which represented the proceeds of the brilliant "Founders' Dinner" which was arranged by the Women's Division and at which Mrs. Franklin D. Roosevelt and the French Ambassador, Count Rene de Saint-Quentin, were the guests of honor, with William Green, President of the American Federation of Labor, as chairman of the Honorary Patrons' Committee and toastmaster. In submitting a report of the "Founders' Dinner", Miss Schneiderman presented resolutions to express gratitude to Mrs. Roosevelt, the French Ambassador, to President Green, and to the broadcasting companies for arranging the short-wave broadcast of the addresses by Leon Blum, the Marchioness of Reading and Leopold S. Amery. A resolution of the Women's Division to express deep appreciation to Madam Lucy Lang, who, as executive secretary in a voluntary capacity, rendered "indefatigable and invaluable services" towards the success of the brilliant function, was adopted.

In accepting the check in behalf of the Keren Kayemeth Administration, Dr. Goldstein lauded the effective support of President Green, Max Zaritsky, Miss Schneiderman, Madam Lang and the other labor leaders in furthering the purposes of the Leon Blum Colony Fund. The hope was expressed that in this spirit of effective cooperation the fund for the establishment of the new colony will soon be completed. A prominent part in the ceremony was played by Joseph Breslaw, well-known labor leader and treasurer of the National Committee, and Louis Segal, chairman of the Jewish National Fund's Committee on Contact with Labor Organizations.

Among those attending the joint session were Mrs. Alexander Kahn, Mrs. Nathan H. Perlman, Mrs. Lang, Miss Schneiderman, Dr. Goldstein, Mrs. Rebecca Block, Mrs. Gerson Garb, Mrs. Rosamond Low, Mr. Harry Lang, Louis Segal, H. Ehrenreich, S. Bonchek, Irving Boxenbaum, Sol Burstein, Leib Glantz, Rabbi I. M. Kowalsky, Dr. Grushkin, J. Lemberger, Miss Lillian Herstein of Chicago, Mr. Zaritsky and Mr. Breslaw.

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PAID TO THE ORDER OF	104
December 22 1938	
Jewish National Fund of America \$ 40,000.00	
Forty thousand and no/100 DOLLARS	
National Committee for a	
Leon Blum Colony in Palestine	
THE AMALGAMATED BANK	Joseph [Signature]
OF NEW YORK	



T.1/8

Not for Publication!KEREN HAYESOD. HEAD OFFICE - JERUSALEMStatement of Receipts and Payments during J a n u a r y 1939.RECEIPTS:£P Mils£P. MilsCONTRIBUTIONS:From various countries as per  
Schedule attached

38,912 043

Various earmarked Receipts

145. -

39,057.043

Receipts for Mifal Bizaron

10,390.975

" " "Aliyath Hanoar"(Youth Aliyah)

7,682.975

" of Charelic Salomon Fund

1,496.972

Sundry Receipts

676.262

59,304.227

LOANS:For Building in the Haifa Harbour  
Area, from Mr. S. Schocken

2,000. -

Loan from "Migdal" Insurance Company -  
for the erection of an additional  
wing to the premises of the Jewish Agency

6,000. -

8,000. -

SUNDRY RECEIPTS:

Interest from sundries

73.255

SUNDRY ACCOUNTS:

A.P.B. Jerusalem, Special a/c - Sundry Deposits

3,289.680

CASH ON 1.1.1939:Jewish Agency Deposit a/c "B" i/c with  
Sinking Fund for Repayment of new

Loan from Lloyds Bank (see contra)

5,500. -

Jewish Agency Deposit a/c - Balance

of Consolidation Loan at our disposal

930. -

At various Banks &amp; in Hand

8,393.858

14,823.858

£P. 85,491.020

=====

PAYMENTS:To Jewish Agency Jerusalem & London:

On a/c of Budget 5699

34,975.700

From Mifal Bizaron Income

10,894.475

" Aliyath Hanoar "

7,613.830

For Settlement of German Jews

13.311

53,497.316

Carried forward

£P. 53,497.316



Brought forward

£P. 53,497.316

Special Earmarked Contributions:

To Jewish Agency Jerusalem:

Various Earmarked Contributions 4. -

To Hebrew University:

out of England 1,050

To the Mizrahi Palestine Fund:

from South Africa 145. - 150.050

Sundry Payments:

To the Jewish Agency for Building on the Haifa Harbour Area 2,000. -

Out of the Loan from "Migdal" Insurance Company 6,000. - 8,000. -

Repayments on Loans:

To Lloyds Bank Ltd, London and Anglo-Palestine Bank Ltd - Monthly service payments on a/c of Consolidation Loan 3,800. -

To S. Schocken - first service payment on a/c of Loan 325. - 4,125. -

Head Office and Travelling Organisers:

1,482.248

Sundry Accounts:

A.P.B. J'lem - Realisation of Assets Deposit a/c 560,801

A.P.B. J'lem - Special a/c Deposit of Earmarked Contributions 909,588

Sundry Debtors & Creditors 423,224 1,893.613

Cash on 31.1.1939:

Jewish Agency Deposit a/c "B" i/c with Sinking Fund for Repayment of new loan from Lloyds Bank (see - contra) 5,500. -

Jewish Agency Deposit a/c - Balance of Consolidation Loan at our disposal 930. -

At various Banks and in Hand 9,912,793 16,342,793

£P. 85,491.020

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Jerusalem, 10.3.1939



Not for Publication!

Keren Hayesod, Head Office - Jerusalem

Statement of Receipts of the Head Office of the Keren Hayesod  
during J a n u a r y 1939.

United States of America .....	£P. 19,249.571
South Africa .....	6,100.175 (1)
Holland .....	5,071.251
England .....	1,826.025
Erez-Israel .....	1,692.981
France .....	1,082.455
Belgium .....	1,065. -
Australia .....	993.710
Canada .....	848.375
Tunis .....	800.273
Peru .....	230. -
Various Countries .....	97.227
	<u>£P. 39,057.043</u>
	=====

(1) Incl. Earmarked Contribution for the  
Mizrahi Palestine Fund

£P. 145. -

Receipts of the Head Office of the Keren Hayesod for Mifal Bitzaron  
during J a n u a r y 1939.

United States of America	£P. 9,649.787
Canada .....	<u>741.188</u>
	£P. 10,390.975
	=====

Receipts for Aliyath Hanoar.

Canada .....	£P. 7,613.830
Austria .....	<u>69.145</u>
	£P. 7,682.975
	=====



Comparative Statement of Income of K.H. Head Office, Jerusalem.

	January 1938:	January 1939:	October 1937:	October 1938:
	£P.	£P.	£P.	£P.
Regular Receipts	22,135.953	38,912.043	101,839.730	118,432.851
Earmarked "	1,159.064	145. -	2,807.710	2,401.898
Mifal Bizaron	3,498.700	10,390.975	31,635.199	27,216.895
German Department	1,100. -	-	2,796.766	1,866.333
Security purposes	-	-	-	5,119.818
Youth Aliyah	-	7,682.975	-	7,682.975
Kranz Legacy	-	-	1,355.240	-
Salomon Bequest	-	1,496.972	945.329	1,496.972
Shemtob Legacy	-	-	250. -	-
Sundry Receipts (Mifdeh Zioni, Cofer Haam)	-	676.262	-	676.262
	27,873.717	59,304.227	141,629.974	164,894.004

J'lem, 12.3.1939



MEMORANDUM

January 3, 1939

To Dr. Abba Hillel Silver  
From Henry Montor

Attached herewith is a copy of a letter issued by Eliezer Kaplan on behalf of the Central Committee of Three for the Coordination of Zionist Collections. It emphasizes the priority and primacy of the Keren Hayesod and Keren Kayemeth embraced in the United Palestine Appeal.

I hope that all Zionists will respect the demand voiced in the letter of Eliezer Kaplan.

WRHS



Attached herewith also is a copy of the annual report of the Keren Hayesod from October 1, 1937 to September 30, 1938.



TRANSLATION

CENTRAL COMMITTEE OF THREE FOR THE COORDINATION  
OF ZIONIST COLLECTIONS

(Established by the Zionist Executive, and the Head Offices of the Jewish National Fund and the Keren Hayesod)

Jerusalem 16th November, 1938

To the World and Local Centres of all  
Zionist Parties and Organisations,  
Zionist Societies and  
Central Offices of the  
Keren Kayemeth LeIsrael and Keren Hayesod.

Dear Colleagues,

Re Coordination of Zionist Fund Campaigns

With the commencement of our year of activity 5699, we feel impelled to call your attention to the necessity of putting an end to the chaos still prevailing in various countries regarding the Palestine fund-raising, despite the resolutions of the Zionist Congresses to the contrary. To our regret, even during the year 5698 certain collections were organised on behalf of various Palestinian institutions without the previous consent of the Executive Bodies of the Funds as to the time for launching the Campaigns. Moreover, it was noticed that a number of well-known Zionist workers who are to be the first in observing Zionist discipline gave their support to such collections, thereby breaking the resolutions carried by the Zionist Congress.

Apart from the great financial and moral loss thus entailed to the two central Funds and to the Zionist Movement in general, no profit accrued to the institutions in whose favour these collections were undertaken. These institutions whose fund-raising rights were recognised by Congress could have realised larger sums, or at any rate not below the figures arrived at, if they would have worked according to the routine arranged by the Central Zionist Institutions of the Movement.

We therefore request the World and Local Centres of all Zionist Parties and Organisations, and all persons responsible for Zionist activities in all countries to pay greater attention to avoiding such clashing in the future. It is their duty always to assure the priority of collections in behalf of the two central Funds, the Keren Hayesod and the Jewish National Fund which are the pillars of Zionist activity in Palestine, particularly in this decisive hour, demanding as it does, re-inforced efforts for the upbuilding of the country, the redemption of its soil and its defence. It is their duty to urge every institution or delegate about to institute collections for Zionist or Palestine purposes to produce their authorisation thereto, from the Central Commission of Three, in Jerusalem. The local Executives of the Keren Hayesod and Jewish National Fund must also be consulted as to time and places of drives. It is their duty to forbid any collection, initiators or delegates of which refuse to comply with these regulations, even as far as giving publicity to it in the Press.

We would also request all Organisations and Institutions in all countries instituting collections for Zionist and Palestine purposes to furnish us with financial reports for the past year, as well as their plan of activity in that field in the current year, in order that we may be able to decide on our attitude in the matter.

Awaiting your early reply,

With Zion's greetings,

Yours faithfully,

(sgd) E. Kaplan

President of the Committee of Three

Encl: Congress resolutions



## EXTRACTS FROM CONGRESS RESOLUTIONS REGARDING COORDINATION OF ZIONIST COLLECTIONS

No Zionist organisation is entitled to institute a collection without previous consultation with the national funds (Keren Kayemeth and Keren Hayerod) and permission from the Zionist Executive.

No collection for Zionist or Palestine funds may be instituted within ten days before and seven days after the traditional Jewish National Fund drives, held in the month of Tishri, on Hanuca, Purim and 10th Tammuz.

The Tishri collections for the Jewish National Fund are continued during the whole of that month.

If any collection be organised anywhere in contradiction to the above resolutions it should be declared unauthorized.

Fund workers in the Diaspora know all too well how great is the damage caused to our work by the wild competition on the parts of special collections instituted by various Organisations and Societies, and how great is the battle for the rights of the Central Zionist Funds to carry on systematic work without hindrance by the above-mentioned.

The XIXth Zionist Congress has distinctly forbidden the launching of appeals and collections by Zionist Organisations unrecognised by Congress, without the consent of a central supervising body, and deems it the duty of recognised Institutions to desist from all competition against the Central Funds.

The following is the text of the resolutions: (19th Zionist Congress)

1. In Jerusalem there shall be set up a Commission of Three which shall be elected by agreement between the Head Offices of the funds and the Zionist Executive for the following objects: To be in supreme control over the activity of all sections of the Zionist Movement on behalf of the national Funds; to co-ordinate the activity of the K.H. and the K.K.L. in all countries on the basis of the principles that have been laid down in the agreement between the two Funds approved by the 19th Congress; to confirm the composition of the Territorial Commissions for co-ordinating the activity of the national Funds, of the special funds recognised by the Zionist Congress, and of the "drives" for Eretz Israel, and to supervise their activity; to adjudicate and decide upon protests against the decisions of the Territorial Commissions.

2. The proposed Commission of Three shall consist of one representative each of the K.H., of the K.K.L. and of the Zionist Executive.

3. In every case of a difference of opinion in the Commission of Three, the majority shall decide; but at the request of a member or of an interested body every question of principle shall be submitted for decision to a meeting of the Zionist Executive in Jerusalem.

4. The exclusive right to collect money under the slogan of land-purchase in Palestine for the needs of the nation and the masses as well as to acquire plots for public and communal purposes, belongs to the Keren Kayemeth. It is therefore forbidden to any Fund, even if it is recognised by Congress or is under the influence of Zionist bodies, to conduct a special collection with such slogans, except with the approval of the Keren Kayemeth.



(20th Congress):

The Congress declares that during the past two years the work of the Keren Kayemeth LeIsrael and the Keren Hayesod has been seriously disturbed by collections for Palestinian institutions or objects which were carried out contrary to the resolutions of the Nineteenth Zionist Congress on special collections.

The Commissions for the Funds which have been or are to be set up in accordance with the decisions of the Nineteenth Congress have to see that these decisions are carried out, and under all circumstances to ensure the priority of the collections for the two national Fund.





# Annual Report of the KEREN HAYESOD FOR 5698 (1.10.1937-30.9.1938)

## Salient Facts

TOTAL NET RECEIPTS 5698 (1937/1938) £P. 477,383

TOTAL NET RECEIPTS SINCE THE INCEPTION OF THE KEREN  
HAYESOD 6,725,102

Receipts		Expenditure
<u>of the Keren Hayesod:</u>		
On account of the regular budget (as against £P.307,341 last year)	£P. 300,920	Payment to Lloyds Bank o/a of loan £P. 45,906
On account of Mifal Bitzaron (as against £P.112,652 last year)	122,782	

<u>of the Jewish Agency:</u>		
From the Keren Hayesod	389,262	
do. from the pro- ceeds of the new loan from Lloyds Bank	125,000	Budget 618,841
Miscellaneous	64,325	

### 1. Receipts of the Keren Hayesod

During the period under review £P.354,604 was received from the following countries:-

United States of America . . . . .	£P.130,527	
South Africa . . . . .	68,093	
Great Britain . . . . .	24,997	
Eretz Israel . . . . .	16,695	
Other countries . . . . .	114,292	£P.354,604

This amount includes the following earmarked donations:-

For new colonisation (from South Africa)	25,000	
" the settlement of German Jews	10,655	
" Mifdeh Zioni (incl.£P.2,512 from England)	2,572	
" other purposes	15,457	53,684
Available for regular budget:-		300,920

Further, £P 122,782 were received on account of Mifal Bitzaron, of which £P.81,106 came from the U.S.A., and £P.14,134 from England.

In addition, £P.125,000 were made available by Lloyds Bank on account of the new loan. (1)

(1) Details with regard to this loan were given in our reports for April and May 1938.



## 2. Receipts of the Jewish Agency.

During the period under review the Keren Hayesod remitted £P. 211,336 to the Jewish Agency on account of the regular budget;  
 £P. 125,000 were remitted on account of the new loan from Lloyds Bank;  
 £P. 25,000 earmarked for new colonising activities from South Africa;  
 £P. 124,320 from the proceeds of the Bitzaron campaign;  
 £P. 10,656 for the settlement of German Jews;  
 £P. 8,735 for other earmarked purposes;  
 £P. 2,406 from the proceeds of Mifdeh Zioni;  
 £P. 1,215, balance from the Consolidation Loan;  
 £P. 5,596, income from investments.

Additional income was derived from the

Keren Kayemeth (Mifal Bitzaron U.S.A.) earmarked for new colonisation in the Beisan area;	£P. 31,844
Government of Palestine £P. 8,263, of which £P. 8,188 for the Agricultural Experiment Station in Rehovoth;	
Income of Immigration Department of the Jewish Agency	£P. 7,500;
Repayments on account of previous loans (incl. £P. 7,038 from K.H. settlements);	£P. 10,862,
Rent for tents and hutments	892;
Interest	1,181
Miscellaneous	3,782,
totalling : <u>£P. 578,583</u>	

## 3. Expenditure of the Jewish Agency.

The total expenditure of the Jewish Agency for the period under review amounted to £P. 618,841, of which £P. 377,436 were expended on account of the regular budget, £P. 33,962 on account of Mifal Bitzaron, and £P. 207,443 on account of the new loan and the additional funds raised by the Keren Hayesod whilst conforming to the terms of the new loan. (1)

This expenditure fell under the following heads:-

I. Agricultural Colonisation (incl. Experimental Station:			
Regular budget	£P. 139,706		
Mifal Bitzaron	6,597		
Loan	<u>53,162</u>	£P. 199,465	
II. Settlement of German Jews:-			
Regular budget	21,156		
Loan	<u>2,000</u>	23,156	
III. Housing and Public Works:-			
Regular budget	53,727		
Mifal Bitzaron	10,700		
Loan	<u>86,983</u>	151,410	

(1) See Report for April-May 1938



IV.	Immigration and Vocational Training		£P. 37,088
V.	National Organisation and Security:-		
	Regular budget	£P. 51,265	
	Mifal Bitzaron	13,959	
	Loan	<u>21,800</u>	£P. 87,024
VI.	Educational and Cultural Activities		30,936
VII.	Trade, Industry and urban Settlements:		
	Regular budget	11,952	
	Loan	<u>43,498</u>	55,450
VIII.	Administrative Expenditure		14,753
IX.	Miscellaneous:-		
	Regular budget	16,853	
	Mifal Bitzaron	<u>2,706</u>	<u>19,559</u>
			£P. 618,841.

In the period under review a total amount of £P.45,906 was paid to Lloyds Bank, of which £P.45,600 represented repayment on account of the Consolidation Loan, and £P.306 interest up to 30th June, 1938, on the new loan. Our indebtedness on the Consolidation Loan now stands at £P.411,871 per 30th September, 1938.

#### I. Agricultural Colonisation. A. Direct.

The total amount of £P.199,465 was spent on agricultural colonisation, incl. the Agricultural Experiment Station, as under:-

(a) Investments		£P. 28,508	
(b) Moshavim-Moshavoth		46,790	
(c) Cooperative Settlements		81,063	
(d) Individual settlers		3,705	
(e) Yemenites, Girls' Farms, Instructorate, Technical Office, Preparatory work, administrative expenditure,		<u>22,555</u> 182,622	
	less: Contribution from the Dept. for the settlement of German Jews	£P.5,608	
	Income of Agricultural Colonisation Department	<u>1,911</u>	<u>7,519</u>
			£P.175,103
(f) Agricultural Experiment Station	26,876		
Less: income	<u>2,514</u>		<u>24,362</u>
			£P.199,465



ad (a) The "Pasa" (Palestine Agricultural Settlement Association) took up additional shares to the value of £P.28,509. From our previous reports it is known that the Keren Hayesod is the sole shareholder of this Association. To-date the Keren Hayesod has invested £P.123,758 altogether in shares of the Association, partly in cash, partly by the cession of outstanding claims. Apart from the share capital the Pasa has some £P.101,700 from the sale of 4% debentures.

ad (b) £P.46,470 were distributed among 26 Moshawim and Moshawoth, i.e. for the erection of dwelling-houses and farmbuildings, for irrigation, water installation, lay-out of plantations, livestock, provision for unemployed, etc. Of the settlement points founded during the disorders Kfar Menahem (in the South) benefited to the amount of £P.3,107, Kfar Hittin in Lower Galilee to the amount of £P.1,296, Beth Joseph (Beisan Plain) to that of £P.12,298, Moledeth (Emek Jezreel) £P.3,548, Alroi (Haifa Bay) £P.638, Beth Shaarim (Irgun Ephraim, Emek Jezreel) £P.4,029. Thus the six above points between them accounted for £P.24,916.

ad (c) £P.81,063 was distributed among 54 cooperative settlements for the purposes referred to under (b). Of these £P.51,481 went to 16 settlements founded since the commencement of the disorders, namely Nir David (Beisan Plain) £P.4,405, Sdeh Nahum (same locality) £P.6,377, Tirath Zwi (do.) £P.4,632, Maos (do.) £P.5,287, Ain Geb (on the eastern shore of Lake Tiberias) £P.306, Usha (Haifa Bay) £P.2,244, Tel Itzhak (Shaaron) £P.2,947, Ain Hashophet (Samaria) £P.3,541, Beth Yehoshua (Shaaron) £P.1,994, Bamsilah (Beisan area) £P.2,456, Mishmar Hashloshah (Lower Galilee) £P.3,000, Hanita Alith (upper Galilee) £P.12,354, Hanita Tachtith £P.445, Masadah (Emek Hayarden) £P.95, Kfar Hamaccabi (Haifa Bay) £P.1,326, Shaar Hagolan (Emek Hayarden) £P.72.

ad (d) Thirtyeight individual farmers received loans to the total amount of £P.3,705.

ad (e) The Yemenite settlement Shifat Zion was given £P.473, the Girls' Farms in Petah Tiqvah, Nachlath Yehudah and Schunath Borochoy together £P.1,085. The Technical Office accounted for £P.4,498, the Instructorate for £P.6,935. The balance was spent on preparatory work for new colonisation in the Beisan area and at other points, for increasing the output of Jewish agricultural produce, for geological research, statistical work, participation in laying down roads in the Emek Jezreel (£P.509) and to Ain Hashophet (£P.298) and on various organisatory measures.

ad (f) The total expenditure of the Agricultural Experiment Station in Behovoth during the period under review was £P.26,876, reduced by an income of £P.2,514.

The main heads of expenditure were for the Departments for fodder, Chemistry, Pathology and Entomology, the farm, the climatological garden, examination of plantations, grain and lucerne fields, experimental garden for citrus plants, research in connection with fruit cultivation and other research work, expenditure connected with the library, publications and organisation.

#### B. Indirect.

From January 1, 1938 - September 30th, 1938 the Pasa has granted loans as under:-



£P. 27,630 to Moshve Ovdim, cooperative settlements and individual farmers.  
 £P.29, 374 for irrigation purposes.

## II. Settlement of German Jews.

The Department of the Jewish Agency which deals with the above has a budget of its own derived from various sources. In the period under review its expenditure exceeded £P.200,000, to which the Keren Hayesod contributed £P.29,156.

A more detailed report will deal solely with the activities of this Department.

## III. Housing and Public Works.

£P.151.410 were spent under the following heads:-

1.	Investment in the shares of "Bitzur"	£P. 25,000
2.	Erection of workers' dwellings, huts, etc.	7,457
3.	Purchase of tents, provisional housing, technical supervision, insurance of buildings,	3,205
4.	Provision of housing for Government employes	1,120
5.	Building loan granted through "Nir"	14,000
6.	Building loan to Tel Aviv port workers	2,400
7.	Housing of refugees from Jaffa	1,000
8.	Loan to "Shikun" for building purposes	3,000
9.	"Bizur" Guarantee Fund for loans for public works	1,640
10.	Guarantee Fund for loans to citrus planters (2nd instalment)	350
11.	Road construction	9,800
12.	Levelling	20,142
13.	Loan Fund for auxiliary farms	1,050
14.	Agricultural Labour Exchanges, Merkaz Chaklai	£P.8,625
	Hapoel Hamizrachi	805
15.	Promotion of Jewish quarrying	1,475
16.	" of Jewish Fishing industry	1,347
17.	" of Jewish maritime activities	1,474
18.	Loan Fund for agricultural workers	
	through Merkaz Chaklai	£P.8,825
	" Hapoel Hamizrachi	1,785
	" Irgun Zionim Klalim	260
	and others	10,870
19.	Loan Fund for railway workers	462
20.	Loan Fund "Mishan" of the Labour Federation	£P.16,795
	of Mizrachi Labour	2,685
	of Irgun Ovdim Zionim	838
	of Kibuzim & Machanoch	425
	of Yemenites & others	297
	of Vaad Leumi	650
	of Irgunim Ovdim Intelektualim	200
		21,890



21.	Vocational training of workers through Merkaz Chaklai	£P.3,982	
	Hapoel Hamizrachi	306	
	Agricultural training of youth	300	
	Zionim Klalim	69	
	Training of women workers	453	
	Training of workers for Govt. works	1276	£P. 6.386
22.	Transferring workers to the site of work		1,870
23.	To Kupath Milveh of the Hapoel Hamizrachi		200
24.	Labour Exchanges: of General Labour Federation	360	
	of the Hapoel Hamizrachi	100	
	of the Yemenite Organisation	100	
	Joint Offices	1,030	1,590
25.	Organisation expenses and miscellaneous (promotion of Jewish labour, provision of mosquito nets, statistical work, travel expenses, postal, telegram and telephone expenses, etc.)	4,454	
	Less contributions	202	4,252
			151,410

ad (1) Full details regarding the Jewish Agency's contribution to the capital of "Bitzur", and of the activities of this Company were given in our reports for the first nine months of 5698.

ad (2) During the period underreview three dwelling-houses, two dining-halls, 51 huts were erected in various points; moreover, sanitary installations and repairs were provided in others.

ad (4) The sum of £P.1,120 was paid in agreement with the "Dirah" Co. in Haifa. This Company, which aims at providing cheap housing for railway workers, Government, port and municipal workers, as well as for workers who are breaking new ground for Jewish labour, has put up 24 dwellings, among others, in Kiryath Haim. The above amount was spent in lending £P.60 on each house against a mortgage granted by another institution, on the following conditions:- In the first 15 years only 4% have to be paid on the borrowed sum; from the 15th year onward until and including the 22nd year interest at 4% and sinking fund charges will have to be repaid in accordance with a fixed plan. A Commission composed of representatives of the Jewish Agency and of the General Labour Federation chooses the tenants of these houses. Annual contracts with the option of renewal are made at a rent not exceeding £P.2.135 per house per month.

ad (5) On the strength of an agreement with "Nir", the Jewish Agency participates to the amount of £P.21,000 in a building plan which provides for the erection of some 300 houses in colonies like Petah Tiqvah, Chederah, Kfar Saba, Tel Mond, etc.

The Jewish Agency gives a loan of £P.70 on each house against a second mortgage. In the first five years interest at 4% only has to be paid; In the following 20 years 4% interest as well as sinking fund charges have to be paid according to an amortisation scheme laid down.

paid

On account of the above £P.14,000 were/during the period under review for the erection of some 200 houses.



ad (6) The Jewish Agency (Keren Hayesod) participates to the amount of £P.2,400 in the housing of the 32 port workers in Tel Aviv.

The cost of each one of these houses amounts to £P.245. The General Mortgage Bank of Palestine lends £P.120 against first mortgage, the Jewish Agency £P.75 against second mortgage and the Unemployment Fund £P.40 against third mortgage.

The Jewish Agency loan has to be repaid within 15 years at 5% interest.

ad (11) The contribution of the Jewish Agency for the construction of feeder roads during the period under review amounted to £P.9,800 for the benefit of 13 points. The money was put at the disposal of the respective community, such as Petah Tiqvah £P.2,000, Kfar Witkin £P.1,500, Kfar Syrkin £P.1,500, Behoveth £P.1,250, Ramath Hakovesh £P.580, Rishon-le-Zion £P.500, etc.)

ad (12) The levelling work in Kiryath Avodah, south of Tel Aviv, has been dealt with in previous reports.

Large-scale levelling had to be done in the northern part of Tel Aviv on the approximately 300 dunum site which the Government has leased to the Tel Aviv Municipality for the erection of the aerodrome. In order to enable this work to be carried through the Jewish Agency (Keren Hayesod) granted the Municipality of Tel Aviv loans to the total amount of £P.14,500 on condition that the Municipality on its part would invest a like amount. Repayment starts in the fifth year with £P.5,000, the sixth year a like amount, the seventh year with £P.2,500, the eighth with £P.7,000 and the ninth with £P.7,000 incl. interest at 4% p.a.

These works absorbed 1500 workers in the period of greatest unemployment.

ad (14), (18), (20) & (21). Earlier reports have given full details concerning the points touched therein.

#### IV. Immigration & Vocational Training.

The total amount spent under these heads was £P.37,088 distributed over organisation expenses, Palestine offices abroad (in 30 different countries) and in Palestine, social service (loans to immigrants), transfer to sites of work, Maintenance of Immigration hostels and training abroad.<sup>x</sup> In the period under review 10,663 immigrants entered Palestine as compared to 11,601 in the preceding year.

As stated above the Jewish Agency received a contribution to its budget of £P.7,500 from the income of the Immigration Department.

#### V. National Organisation and Security.

The above purposes account for £P.87,024, of which £P.50,270 for security purposes and £P.36,754 for the Political Departments in Jerusalem and London.

(x) £P.3,114 were spent on the enlargement of the new Immigrants' Hostel on the Yarkon in the north of Tel Aviv (Charellick Salomon Foundation)



## VI. Educational and Cultural Activities.

For the above purposes £P.30,936 were spent under the following heads:-

1.	Participation in the educational budget of the Vaad Leumi	£P.25,921	
2.	do. in the budget of the Technion in Haifa	1,000	
3.	To Mossad Bialik: Publication of books.	£P.1,588	
	Subsidies to non-political journals such as "Misnayim", "Gilyonoth", "Zion", "Hatevah" and other subsidies ("Beth Bialik" etc.)	569	
	Vaad Halashon	693	
	Mossad Kuk	625	
	Cultural Dept. of Vaad Leumi	450	
	Organisation expenses & misc.	167	
		4,092	
	Less contribution of Zionist Organisation	1,000	3,092
4.	To Habimah		573
5.	To Ohel		350
			30,936

It is six years now that the Vaad Leumi has taken over the Hebrew school system. The budget exceeding £P.300,000 was covered by subsidies from Government, the Jewish Agency (Keren Yeyesod), contributions from cities and colonies and from school fees. The contribution of the Jewish Agency during the period under review amounted to £P.25,921. The number of schools is approximately 400, pupil attendance more than 50,000, and the number of teachers more than 1800.

The Mossad Bialik continued its activities in the various fields and published a number of valuable literary anthologies from older sources, as well as special lexica in Hebrew to extend the Hebrew vocabulary. The Mossad Bialik likewise subsidises the Vaad Halashon, the Institute bearing the name of Rabbi Kuk, the Cultural Department of the Vaad Leumi, as well as some literary and scientific journals.

## VII. Trade, Industry and Urban Colonisation.

£P.55,450 were disbursed for the above purposes under the following heads:-

1.	Purchase of shares of the Tel Aviv Port	£P. 20,000
2.	Loan Fund for the promotion and consolidation of industry	13,000
3.	Loan Fund for small traders (through Industrial Bank)	2,000
4.	Sum deposited with Anglo-Palestine Bank in guarantee of loans granted to small traders	1,500
5.	Others guarantee funds	249
6.	To Foreign Trade Institute	1,000
7.	To the Association of locally produced goods	1,500
8.	To the Institute for Technical Training	840
9.	Loan Fund for small traders and artisans	6,926
10.	To the Industrialists' Association	200
11.	Organisation expenses and miscellaneous (Participation in exhibitions, publications, information service, travel expenses, etc.)	3,443



12. Economic Research Institute: Fees for research work	£P. 680	
Statistical work, surveys,		
Publications	1366	
Tel Aviv Branch	1151	
Salaries & Miscellaneous	2492	
Less income and contributions	5689	
	897	£P. 4,792
		55,450

ad (1) Shares in the Tel Aviv Harbour to the value of £P.20,000 were taken up, bringing up the total contribution of the Keren Hayesod in this project to £P.22,552.

The Tel Aviv harbour is now the second largest in the country. So far as passenger traffic is concerned it is beginning to approach Haifa, whilst its goods traffic already exceeds that of Jaffa. Within the past few months more than 15,000 tons per month were dealt with. Now large-scale enlargements are being carried out in order to do justice to the increased demands made by the exporting season for citrus fruit. The number of cases to be shipped is put as high as two million.

ad (2) Fortytwo loans to the total amount of £P.39,731 were granted from the Loan Fund established to consolidate industrial concerns. The Jewish Agency's (Keren Hayesod) participation amounts to approximately 40%.

ad (3 & 4) Ninetyeight firms received loans for three years amounting to £P.20,266.

ad (6) The Foreign Trade Institute, which started operations round about November 1937, negotiated orders as follows:-

To Syria, 548 orders with 112 factories to the value of	£P.7,920
" Egypt, 148 " " 33 " do.	6,148
" Turkey, 56 " " 24 " do.	5,504
" Cyprus, 326 " " 53 " do.	2,380
" Iraq, 18 " " 13 " do.	438
" America, 3 " " 3 " do.	66
" India, 7 " " 3 " do.	974
" S.Africa, 225 " " 42 " do.	4,390
1331 168	27,820

More than half of these orders have already been delivered.

ad(7 & 10) The Trade & Industry Department subsidised the Association for the promotion of locally produced goods to the amount of £P.1,500, and the Industrailists' Association to that of £P.200.

ad (9). In order to help the small traders and artisans, a Loan Fund was established with the participation of the Jewish Agency (Keren Hayesod), Mifdeh Ezrachi and some of the Banks. Their respective participation is as follows:-

Jewish Agency	£P. 8,805
Mifdeh Ezrachi	8,500
Halvaah & Hisachon, Tel Aviv	4,600
Anglo-Palestine Bank "	3,850
Halvaah & Hisachon, Jerusalem	3,250
Angl-Palestine Bank, "	2,450



Halvaah & Hisachon, Haifa	£P. 2,250
Abglo-Palestine Bank, "	1,750
Kupath Am, Tel Aviv	1,050
L'Malacha Bank, Tel Aviv	750
Kupath Milve l'Baalei Malacha, Haifa	500
Tel Aviv Municipality	250
Various local institutions	<u>1625</u>
	£P. 39,630

Commissions composed of representatives of the institutions concerned decide upon the loans to be granted; loans to artisans run for three years at 6% interest payable monthly, to small traders for five years, at 6½% interest, also payable in monthly rates.

The amount of such loans varies between £P.10 - £P.50, in exceptional cases loans up to £P.100 are granted.

During the period under review the following loans were granted:-

To 264 small traders in Jerusalem to the total value of	£P. 6,782
" 479 do. Tel Aviv do.	7,931
" <u>157</u> do. Haifa do.	<u>4,951</u>
901	19,628
" 121 artisans Jerusalem do.	2,490
" 140 " Tel Aviv do.	2,898
" <u>122</u> " Haifa	<u>1,998</u>
383 "	7,386

Thus in the period under review this Loan Fund was in the position of granting credits to the total value of £P.27,014.

The Jewish Agency's share in these credits during that period amounted to £P.6,926.

The credit operations in favour of trade and industry set in motion by the Jewish Agency (Keren Hayesod) show the determined effort on their part to help trade and industry to the utmost within the framework of budgetary possibilities, and their success in mobilising at the same time capital from other sources for the same purpose.

#### VIII. Administrative Expenditure.

The above amounted to £P.14,753 in the period under review.

#### IX. Miscellaneous.

The amount of £P.19,559 was spent under the following heads:-

To the Vaad Leumi for Social Welfare work	£P. 2,090
To Religious Institutions	1,896
To the Statistical Office	2,615
To Information and Tourists Offices	956
To Subsidies to WIZO: (1)	£P. 800
Maccabi	300
Hapoel	3 00
Various	<u>324</u>
	1,724

(1) £P.300 for social care in the points maintained by the WIZO



To Kupath Holim	£P. 4085
To Sieff Institute (Research work in the field of utilisation of industrial products)	696
To Pensions and compensation	2695
To Press Office	919
To Collection expenses	<u>1883</u>
	£P.19559





KEREN HAYESOD, HEAD OFFICE - JERUSALEMStatement of Receipts and Payments during October 1938.RECEIPTS:CONTRIBUTIONS:

From various countries as per  
Schedule attached;

Regular Receipts	LP.21,315.956	
Various Earmarked Receipts	2,290.628	
	<u>LP.23,606.584</u>	
Receipts for Mifal Bitzaron	7,991.110	
" " Settlement of German Jews	<u>325.571</u>	LP.31,923.265

LOANS:

From Lloyds Bank, London, balance  
of new Loan of £150,000.- 50,000.-

SUNDRY RECEIPTS:

Interest from sundries 2.345

SUNDRY ACCOUNTS:

Various K.H. Committees - Interim a/cs 2,845.187

CASH on 1.10.38:

Jewish Agency Deposit A/C - Balance of  
Consolidation Loan at our disposal 930 -

At various Banks and in Hand 12,141.904 13,071.904  
LP 97,842.701

PAYMENTS:To Jewish Agency Jerusalem & London:

On a/c of Budget 5699 20,644.936  
Out of Mifal Bitzaron Income 7,665.539  
28,310.475

Out of the new loan from Lloyds Bank,  
London - A.P.B., Jerusalem 50,000. - LP 78,310.475

Special Earmarked Contributions:To the Mizrahi Palestine Fund:

From South Africa 146.666

To "Hadassah" Hospital:

From South Africa 10. - 156.666

(Carried forward - LP 78,467.141



Brought forward

LP.78,467.141

Repayments on Loans:

To Lloyds Bank Ltd., London and  
Anglo-Palestine Bank Ltd. -  
Monthly Service Payment on a/c  
of Consolidation Loan

3,800. -

Head Office and Travelling Organisers:

3,532.852

SUNDRY ACCOUNTS:

A.P.B., Jerusalem - Realisation of  
Assets Deposit A/C

LP. 2.170

A.P.B., Jerusalem - Special A/C -  
Sundry Deposits

1,611.530

Sundry Debtors & Creditors A/C

538.583

2,152.283

Cash on 31.10.38:

Jewish Agency Deposit A/C - Balance  
of Consolidation Loan at our disposal



At Lloyds Bank, London - A.P.B.,  
Jerusalem and London - Remittances in  
transit and Current Accounts

LP.8,804.392

In Hand

156.033

8,960.425

9,890.425

97,842.701

Jerusalem, 17.11.38



KEREN HAYESOD, HEAD OFFICE - JERUSALEM

Statement of Receipts of the Head Office of the Keren Hayesod

During October 1938

United States of America.....	LP. 10,527.049
South Africa.....	5,000. - (1)
Germany.....	2,016.541(2)
England.....	1,750. -
Argentina.....	1,679.762(3)
Australia.....	1,593.616
Eretz-Israel.....	300.087
France.....	260.812
Holland.....	259.451
Finland.....	150.658
Various Countries.....	68.608

LP. 23,606.584

(1) Incl. Earmarked Contributions:

for the Mizrachi Palestine Fund  
 " " Children's Section of  
 the Hadassah Hospital

LP. 146.666

10. -

156.666

(2) Incl. Earmarked Contributions:

for Kibutz "Hasorea" in Jokenam  
 " Youth Alija from Germany

247.700

206.500

454.200

(3) Incl. Earmarked amount for settlement  
 of Sephardic Jews

1679.762

LP. 2290.628

Receipts of the Head Office of the Keren Hayesod for  
Mifal Bitzaron during October 1938

United States of America	LP. 7,356.824
Germany	325.571
Canada	308.715
	LP. 7,991.110



Not for Publication!

KEREN HAYESOD, HEAD OFFICE - JERUSALEM

Statement of Receipts and Payments during F e b r u a r y 1939.

	<u>£P. Mils</u>	<u>£P. Mils</u>
<u>RECEIPTS:</u>		
<u>CONTRIBUTIONS:</u>		
From various countries as per Schedule attached	26,351.074	
Various Earmarked Receipts	257.477	
	<u>26,608.551</u>	
Receipts for Mifal Bizaron	3,632.470	
" " Youth Aliyah (Canada)	7,572.690	
" " Security purposes, etc	<u>1,613.774</u>	39,427.485
<u>SUNDRY ACCOUNTS:</u>		
A. P. B. J'lem - Special a/c - Sundry Deposits	419.573	
" " - Realisation of Assets a/c	<u>1,051.570</u>	1,471.143
<u>CASH ON 1.2.39:</u>		
At Various Banks and in hand		<u>16,342.793</u>
		<u>£P. 57,241.421</u>
		=====
<u>PAYMENTS:</u>		
<u>To Jewish Agency J'lem &amp; London:</u>		
On a/c of Budget 5699	20,300.676	
From Mifal Bizaron Income	5,236.244	
" Youth Aliyah "	<u>7,641.835</u>	33,178.755
<u>Special Earmarked Contributions:</u>		
<u>To Mizrahi Palestine Fund:</u>		
out of Income from S. Africa	188.332	
<u>To Wizo:</u>		
out of Income from Holland	172. -	
<u>To "Ahava":</u>		
Earmarked remittance	<u>69.145</u>	429.477
<u>Repayments on Loans:</u>		
To Lloyds Bank Ltd . London and Anglo-Palestine Bank Ltd . monthly service payment on a/c of Consolidation Loan		<u>3,800. -</u>
Carried forward		£P. 37,408.232



Brought forward	£P. 37,408.232
<u>Head Office and Travelling Organisers Expenses:</u>	4,112.005
<u>Sundry A/cs:</u>	
A.P.B. J'lem - Realisation of Assets	
"B" a/c	£P. 500. -
"      " - Deposit of Earmarked Contributions	1,058,706
Sundry Deposits a/c	6,430. -
" Debtors & Creditors	<u>874.322</u> 8,863.028

Cash on 28.2.39:

At various Banks & in Hand	<u>6,858.156</u>
	£P. 57,241.421
	=====

Jerusalem, 6.4.1939





Not for Publication!

KEREN HAYESOD, HEAD OFFICE - JERUSALEM

Statement of Receipts of the Head Office of the Keren Hayesod  
during F e b r u a r y 1939.

United States of America .....	£P. 7,250.430
South Africa .....	6,000.000 (1)
Holland .....	2,172.792
Canada .....	2,000.000
England .....	2,000.000
Erez Israel .....	1,592.461
France .....	1,383.063
Roumania .....	1,026.562
Egypt .....	366.735
Columbia .....	327.200
Sweden .....	307.694
Norway .....	156.075
Various Countries .....	2,025.539 (2)

£P. 26,608.551

=====

(1) Incl. Earmarked Contribution for the Mizrahi Palestine Fund £P. 188.332

(2) " Earmarked Contribution for Children Home "Ahava" in Haifa 69.145

£P. 257.477

=====

Receipts of the Head Office of the Keren Hayesod for Mifal Bitzaron  
during F e b r u a r y 1939

United States of America	£P. 3,625.220
Various Countries	7.250
	£P. 3,632.470
	=====



Provisional and not for Publication !

KEREN HAYESOD, HEAD OFFICE - JERUSALEM

Statement of Receipts and Payments during M a r c h , 1939.

RECEIPTS:

CONTRIBUTIONS:

From various countries as per Schedule attached	£P. 40,313.267	
Various Earmarked Receipts	10,864.479	
	£P. 51,177.746	
Receipts for Mifal Bitzaron	5,947.908	
" " Security purposes, etc.	721.257	£P. 55,846.911

SUNDRY RECEIPTS:

Collections, Interest and Dividends from sundries	79.711
--	--------

SUNDRY ACCOUNTS:

Jewish Agency Deposit a/c "B" - i/c with Sinking Fund for Repayment of new Loan from Lloyds Bank	5,500.-	
Sundry Debtors & Creditors	1,889.244	7,389.244

CASH ON 1/3/39:

At various Banks and in Hand	6,858.156
	£P. 70,174.022
	=====



PAYMENTS:

To Jewish Agency J'lem & London:

On a/c of Budget 5699	£P. 34,904.644	
From Mifal Bitzaron Income	4,480.535	
Out of Hamifdeh Hazoni	91.050	
From Youth Aliyah	7.290	£P. 39,483.519

Special Earmarked Contributions:

To Jewish Agency Jerusalem:

From France for immigration purposes	300.-
--------------------------------------	-------

To "WIZO":

Out of Income from South Africa (remittances during 1.1.37-28.2.39)	10,100.-
--	----------

To the Hebrew University:	619.479
---------------------------	---------

To Mizrahi Palestine Fund:

Out of Income from S.Africa	145.-	£P. 11,164.479
-----------------------------	-------	----------------

Carried forward	£P. 50,647.998
-----------------	----------------



Brought forward £P. 50,647.998

Repayments on Loans:

To Lloyds Bank Ltd., London and  
Anglo-Palestine Bank Ltd., monthly  
service payment on a/c of Conso-  
lidation Loan 3,800. -

Head Office and Travelling  
Organisers Expenses: 4,707.527

Sundry A/cs:

A.P.B., Jerusalem - Deposit of Earmarked Contributions	£P. 585.530	
A.P.B., Jerusalem - Sundry Deposit a/c	562.510	
<b>Sundry Deposits a/cs</b>	<u>5,500. -</u>	6,648.040

Cash on 31.3.39:

At various Banks & in Hand 4,370.357

£P. 70,174.022  
=====



Jerusalem, 7.5.1939



Provisional and Not For Publication!

KEREN HAYESOD, HEAD OFFICE - JERUSALEM

Statement of Receipts of the Head Office of the Keren Hayesod  
during M a r c h 1939

United States of America .....	£P. 16,300.599
South Africa .....	14,100. - (1)
Switzerland .....	5,430. -
Australia .....	2,111.542
England .....	1,723.051
Belgium .....	1,524.166
Eretz - Israel .....	1,372.316
France (incl. Morocco) .....	1,542.377
Denmark .....	549.389
Uruguay .....	422.500
Argentina .....	200. -
Columbia .....	164.010
Various Countries .....	5,737.796(2)

£P. 51,177.746

(1) Incl. Earmarked remittances:  
made to "Wizo" during 1.1.37-

28.2.39

" " Mizrahi Palestine Fund

£P. 10,100. -

145. - £P. 10,245. -

(2) Incl. Earmarked contribution for  
the Hebrew University

619.479

£P. 10,864.479

Receipts of the Head Office of the Keren Hayesod for Mifal Bitzaron  
during March 1939

United States of America	£P. 3,898.470
Various Countries	49.438
	£P. 3,947.908
	=====



קרן קיימת לישראל בע"מ  
הלשכה הראשית - ירושלים - ארץ ישראל

KEREN KAYEMETH LEISRAEL LTD.

(JEWISH NATIONAL FUND)

HEAD OFFICE • JERUSALEM • ERETZ ISRAEL

JERUSALEM  
P.O. Box 283

17th April, 1939

י 717  
ת. 283

Dear Sir,

The current wave of terrorism in this country began exactly three years ago. During this trying period the Yishuv not only has succeeded in defending and maintaining its hard-earned positions, but with steady determination and unshakable confidence has acquired new positions, entrenched itself therein and continues uninterruptedly the progress in every phase of our undertaking.

We present herewith statistical data which portray very concisely the development in Jewish Palestine during this period of the disturbances and the role of the Jewish National Fund in this progress.

1. The Yishuv To-Day

	<u>Total No. of Jews</u>	<u>Rural Population On J.N.F. Land</u>	<u>Total No. of Settlements</u>
March, 1939	450,000	112,000	51,000
			233

2. Growth of Jewish Palestine in the Period of the Disturbances

a. Number of Settlers

At the outbreak of the disturbances	380,000 Jews
Natural increase in population	24,000
Immigration	46,000
Total March, 1939	450,000 Jews

b. Land

From April, 1936 until the end of February ; 1939 Jews acquired from Arabs a total of 88,000 dunams, .75,000 of which or 85% were acquired by the Keren Kayemeth in the following zones:

	<u>Acquired during the Disturbances</u>	<u>Total of area acquired by the J.N.F. in this area</u>
Upper Galilee	32,000 dunams	32,000 dunams
Vale of Bethshan	10,000 "	33,000 "
Samaria	16,000 "	22,000 "
In the Coastal Plain	10,000 "	
In other regions	7,000 "	

c. New Settlements

Since April, 1936 36 new agricultural settlements have been founded, 31 of which are on J.N.F. land located in the following zones:



Judea - Coastal Plain	: 2 (Irgun Menahem, Kfar Szold)
Jerusalem Hills	: 1 (Maale Hahamisha)
Sharon Plain	: 4 (Sde Warburg, Beth Yehoshua, "Hanoar Hazioni B", Irgun of Greek Immigrants)
Samaria	: 2 (Ein Hashofet, Hazorea)
Emek Zevulun	: 5 (Usha, Kfar Maccabi, Elroi, Ein Hamifratz, Mishmar Zevulun)
Emek Jezreel	: 2 (Moledeh, Alonim)
Jordan Valley	: 11 (Nir David, Sde Nahum, Mesiloth, Tirath Zvi, Maoz, Beth Joseph, Masada, Shaar Hagolan, Masad, Akiva, Ein Geb)
Lower Galilee	: 1 (Kfar Hittim)
Upper Galilee	: 3 (Hanita, Shavei Zion, Hirbat Semakh)

Total 31 new settlements on J.N.F. land

These new settlements cover an area of 53,000 dunams and have a population of 3,500 souls, and comprise about 1400 agricultural units.

In addition to these villages there were founded 10 workers' quarters, four of which are in Judea, to the south of Tel Aviv; three in the Sharon; one in Emek Hephher; one in Samaria and one in Emek Zevulun.

#### d. Investments

During the period under review the Jews have invested in construction, industry, agriculture, land acquisition, trade, transport, etc., a total of LP.18,200,000.

#### e. Road Construction

Since the outbreak of the disturbances 185 kilometres of road, or 15% of the total roads, were constructed, the more important being the following:

Kfar Saba-Haifa  
The Frontier Road (Bassa-Malha)  
Tirath Zvi - Mesiloth - Nir David - Beth Alpha  
Masad - Maoz - Akiva - Beth Joseph  
Ginegar- Beth Hashitta  
Nathania - Hirbath Beth Lidd  
Yokneam - Ein Hashofet

#### f. The Port of Tel Aviv

	<u>1936</u>	<u>1937</u>	<u>1938</u>
Number of boats anchored	116	-535	818
Tonnage	91,000	720,000	1,450,000
Import (in tons)	28,000	97,000	140,000
Export (in tons)	2,000	27,000	57,000
Number of workers	276	640	1,070
Jewish boats	22	77	104



g. The Yishuv's Contributions

Marine Trust Ltd. (Tel Aviv Port)	LP. 180,000
Unemployment Relief Funds	170,000
Keren Kayemeth Leisrael	125,000
Kopher Hayishuv	110,000
Keren Hayesod	100,000
Ezra Ubitzaron	52,000
Mifde Ezrachi	22,000
Various Funds (estimate)	approx. 41,000
	approx. LP. 800,000

3. The Growth of the Yishuv Since 1930

The recent attempt at the London Conference to crystallise the Jewish National Home recalls a similar attempt made nine years ago when the Passfield White Paper was published and which was frustrated by the united opposition of world Jewry and the Yishuv. The following comparative figures are of interest:

	1930	1939
Total of Jewish population	168,000	450,000
of which: Urban Population	129,000	337,000
Rural population	39,000	113,000
Number of agricultural settlements	132	233
Land in Jewish possession	1,000,000 dunams	1,500,000 dunams (approx.)
Area of Jewish Plantations	60,000 "	156,000 "
Jewish Labourers	27,000	120,000
Factories and Workshops	2,475	5,606
of which factories with more than 10 workers	160	540

4. Eretz Israel and Jewish Migration

a. Jewish Migration in 1923-1937

Total Migration	802,000 Jews
of whom to Eretz Israel	282,000 " (35%)
to U.S.A.	204,000 "

b. German Jewish Migration in 1933-1938

To Eretz Israel	44,000
U.S.A.	27,000
South America	26,150
British Empire	9,000

Included in the number of immigrants to Eretz Israel are 5,000 boys and girls of the German Youth Aliya, 1450 of whom have completed their agricultural training and 75% of whom have settled on the land.



5. The Activities of the Keren Kayemeth Leisrael

a. J.N.F. Land and Settlements thereon

	<u>Area</u>	<u>Number of Settlements</u>
1914	16,000 dunams	7
1927	197,000 "	43
1932	297,000 "	71
April, 1936	366,000 "	103
February, 1939	441,000 "	134

b. Location of Keren Kayemeth Land

Emek Jezreel	175,900 dunams	
Emek Zevulun	59,100 "	
Coastal Zone, north of Tel Aviv (including 31,000 d. in Emek Hepher)	52,600 "	
Jordan Valley	50,400 "	
Coastal Zone, south of Tel Aviv	39,000 "	
Upper Galilee	31,700 "	
Samaria	21,600 "	
Judean Hills	6,400 "	
Lower Galilee	4,700 "	
Total	441,400 dunams	

c. Settlers on J.N.F. Urban and Rural Land

	<u>Population on the Land</u>	<u>Population in the Towns</u>	<u>Total</u>
1917	600	-	600
1927	8,000	2,000	10,000
1936	31,600	13,400	45,000
1939	36,000	15,000	51,000

6. J.D.F. Activities in Upper Galilee

The "On to Galilee" Campaign, inaugurated in the spring of 1937, aims at raising in the course of five years LP.500,000 for land redemption in the northern section of the country, in eastern Upper Galilee, in the vicinity of the Hule Concession, in which the Keren Kayemeth is especially interested, as well as in the western section, in the hills of Naphtali, and in the coastal plain.

The collections of this Campaign for the first year amounted to LP.50,000 and in the second year to LP.100,000. The third stage of this effort which, pursuant to the World Zionist Congress Resolution has begun on April 1, aims at collecting LP.150,000 for immediate and urgent acquisitions in the northern section of the country. To date the Keren Kayemeth has redeemed 32,000 dunams in Upper Galilee, 19,000 of which is in the eastern section, and 13,000 in the western section. On this land there have already been founded three new settlements: Hanita, Hirbath Semakh and Shavei Zion.

With Zion's greetings,  
Yours faithfully,

*Isidore Epstein*  
HEAD OFFICE KEREN KAYEMETH LEISRAEL



# הקרן הקיימת לישראל Keren Kayemeth LeIsrael (Jewish National Fund)

has acquired 75,000 dunams during the period  
of disturbances, April, 1936 - February 1939  
In that period 31 new settlements have been established  
on our land.

1. Hanita
2. Hirbat Semakh
3. Shavei Zion
4. Ein Hamifratz
5. Mishmar Zevulun
6. Usha
7. Irgun Menahem
8. Alonim
9. Beth Joseph
10. Hazorea
11. Ein Hashofet
12. Sde Nahum
13. Beth Yehoshua
14. Irgun of Greek Immigrants
15. Tel Yitzhak
16. Sde Warburg
17. Kfar Szold
18. Maale Hahamisha
19. Tirath Zvi
20. Masad
21. Maoz
22. Akiva
23. Mesiloth
24. Moledeth
25. Massada
26. Shaar Hagolan
27. Ein Geb
28. Nir David
29. Kfar Hittim
30. Elroi
31. Kfar Maccabi

NOT FOR PUBLICATION

WRHS





קרן קיימת לישראל בע"מ  
הלשכה הראשית - ירושלים - ארץ ישראל

KEREN KAYEMETH LEISRAEL LTD.

(JEWISH NATIONAL FUND)

HEAD OFFICE - JERUSALEM - ERETZ ISRAEL

JERUSALEM 10th May, 1939  
P.O. Box 283

י ר ו ש 283  
ת.ד. 283

Circular No. 8/99

Dear Sir,

Metzudat Ussishkin

We have previously informed you of our efforts to increase and consolidate our land holdings in Northern Hule and of our settlement plans in that region. This undertaking has been carried much further and has reached the stage of realisation.

We are enclosing herewith an extract from the Minutes of a recent Meeting held in Jerusalem in which the Keren Kayemeth, the Jewish Agency and all the pioneer agricultural settlement organisations participated, and decided to found six settlements in Northern Hule, collectively to be designated as Metzudat Ussishkin. The history and all the pertinent facts were therein set forth.

A truly great event in the history and life of the country was the founding a few days ago of two new settlements on recently acquired J.N.F. land on the northern frontier. On Lag B'Omer, May 7, in the presence of a large assembly, representatives of the national institutions, all the settlement organisations and all the Zionist parties, the first two of the six settlements to be associated with the name of the President of the Keren Kayemeth - Mr. Menahem Ussishkin, were dedicated.

In this manner and in this difficult and fateful hour in the Zionist Movement are being fulfilled the assurances given to the great number of contributors to the "Mifal Ussishkin". We shall endeavour to send you at an early date a full report of the celebration.

Yours faithfully,

*Isidore Epstein*

HEAD OFFICE KEREN KAYEMETH LEISRAEL



קרן קיימת לישראל בע"מ  
הלשכה הראשית - ירושלים - ארץ ישראל

KEREN KAYEMETH LEISRAEL LTD.

(JEWISH NATIONAL FUND)

HEAD OFFICE • JERUSALEM • ERETZ ISRAEL

JERUSALEM  
P.O.Box 283

10th May, 1939

י 7 1 7  
ת.ד. 283

Supplement to Information Circular No. 8/99

The Founding of Metzudath Ussishkin

Extract of Minutes of Meeting held on April 17, 1939 at the

Head Office of the Keren Kayemeth, Jerusalem

Present:

Of the Keren Kayemeth: Mr. Ussishkin (in the Chair)  
Dr. A. Granovsky,  
Mr. J. Weitz

Of the Jewish Agency : Mr. E. Kaplan  
Mr. D. Stern

Of the Agricultural Centre of the Histadruth: Mr. A. Harzfeld

Of the General Zionists A: Mr. Zvi Michael  
Mr. Moshe Kolodni

Of the General Zionists B: Mr. Haim Lowenstein  
Mr. K. Rosenblatt

Of the Hashomer Hatzair : Mr. A. Gurewitz.

Secretary: Mr. A. Arikha

-----  
Mr. Ussishkin expresses his surprise and regret that Hapoel Hamizrachi, who had been invited, was not represented at this meeting.

Mr. Ussishkin. The Keren Kayemeth has redeemed the Dafne tract of more than 4,000 dunams and the adjoint 2,000 dunams. It has further entered into a contract for the purchase of an additional 2,000 dunams and is still negotiating for the transfer of another tract of 2,000 dunams which together will constitute a contiguous unit of 10,000 dunams. Although this land is very dear, ranging as high as LP.14. per dunam, considering the character of the soil and its abundant water, in the opinion of experts the cost is not unduly high. In his judgment, a further factor which enhances its value is its strategic location. With the settlement of this unit the Yishuv generally, and our northern frontier especially, will be greatly strengthened.

Pursuant to the Resolution adopted at the 18th Zionist Congress in 1933, a special Kfar Ussishkin Fund was formed to redeem a tract of land for the establishment of a large agricultural settlement, to be known as Kfar Ussishkin. He had vigorously insisted that the land for this purpose be situated in the vicinity of Jerusalem. To this date, however, a suitable tract could not be acquired. Recognising the strategic significance of the above described 10,000 dunams of



Dafne and adjacent territory and the importance of settlement thereon, he had painfully agreed to what he had never thought he would, namely, that the Kfar Ussishkin moneys be used to redeem this area in the north.

Since the Kfar Ussishkin funds had been collected from all sections of the people and bore his name, he felt that the settlement on this land ought not to be partisan, but representative of all the agricultural pioneer settlement organisations. He does not include the middle-class since the location of this land is unsuitable for it. Were the Jewish people and its pioneers united into a single body, it would have been possible to establish on this land one large settlement of 300 families. Unfortunately such is not the fact and several small settlements must be founded instead. The Board of Directors of the Keren Kayemeth and its Land Department have reached an understanding with the Executive and the Agricultural Settlement Department of the Jewish Agency for the establishment on this land of five settlements as follows: Two of the General Federation of Jewish Labour (one of the Labour Party and one of Hashomer Hatzair); one of the Poel Hamizrachi; one of the General Zionist Groups A and B; and one of the Oriental Jewish Communities (Sephardim, Georgians, Yemenites). It is understood that members of these Oriental Jewish Communities affiliated with any of the said Organisations will be included in their respective settlements and thus atone for the injustices done to the Oriental Communities for many years.

The manner, order and the time when these settlements will be founded will be determined by the Department of Agricultural Settlement of the Jewish Agency. Obviously, they all cannot be founded at once, and if only for financial reasons, will have to be established gradually. The Board of Directors of the Keren Kayemeth and he certainly, and he hopes the Jewish Agency, too, will wholeheartedly extend the necessary assistance to hasten and energise their establishment.

The attitude of the Palestine Government towards the occupation and settlement of this area will undoubtedly be unfavourable. The settlers will, therefore, be obliged to overcome difficulties the Government will place in their path, and who knows how many sacrifices will have to be made! But he hopes, and is convinced, that the Jewish pioneers will triumph over all obstacles, cognisant of their historic responsibility and of the special privilege that has been accorded them to become the redeemers and builders of Galilee, transforming a desert into blooming and fruitful fields, reconstructing ancient ruins, and with honest toil build a tower of strength for Eretz Israel and for the children of Israel of this and future generations. To the Halutzim, who by the peaceful means of labour and construction will "conquer" the territory in the north, he sends his greetings and blessings: "Go up! Brave dangers and you will succeed, for the God of Israel will be with you and will prosper the toil of your hands!" May we all be privileged to witness in the near future the dedication of these settlements in this new-old Jewish region.

In conclusion, Mr. Ussishkin urges the Directors of the Keren Kayemeth not to discontinue their efforts to secure the necessary means to redeem in the vicinity of Jerusalem a tract of land suitable for the establishment of a large agricultural settlement.

Mr. E. Kaplan states that the Executive of the Jewish Agency has willingly agreed to the joint proposal to redeem, through the Keren Kayemeth, this northern territory to be named in honour of Mr. Ussishkin, and to establish thereon, through the Agency, five settlements representing all the sections of working youth. The Executive congratulates Mr. Ussishkin and joins in his wish that this programme be realised in the very near future and that the settlements there will prove a blessing. It should be clear that this programme is being implemented not because there is a land reserve, but for political and strategic reasons, which obligate the Jewish Agency to give this occupation and settlement project preference over all others and to be carried out at the earliest opportunity. Its expansion and development, however, will depend upon the means at the disposal of the Jewish Agency. Because of our limited means we cannot commit ourselves to complete these settlements within



a definite period. This territory provides room for the settlement of 300 families, but its realisation will depend upon a number of factors such as the acquisition of the additional areas within the "unit" by the Keren Kayemeth, the necessary land preparations, the Government's attitude, the availability of funds, the determination of the turn of the several settlement groups, and the selection of the individuals within those groups. We all desire this activity to be begun at the earliest possible moment and if the means will become available, will be continued and completed.

Mr. Weitz. The said territory of 10,000 dunams which will be called Metzudath Ussishkin - the Fortress of Ussishkin - is comprised of Dafne, 4,035 dunams, and the Han Dwer, Banias and Hissas tracts. This "fortress" will consist of five smaller fortresses or settlements. He expresses the wish that this project will be fully and successfully implemented in the very near future and that all may be privileged to see Mr. Ussishkin dedicate the five watch towers to be erected there, symbols of the constructive achievement of Israel's pioneers and of the moral strength and courage of Mr. Menahem Ussishkin.

Mr. Lowenstein. The General Zionists who were privileged to inaugurate the Kfar Ussishkin Fund drive in Eretz Israel, appreciate Mr. Ussishkin's sacrifice in consenting that the money be used to redeem this land in the north, thus foregoing for some time his great desire to establish a large agricultural settlement near Jerusalem for which the General Zionists will continue to strive and raise special funds. Commenting upon the decision to found one settlement for General Zionists A and B he says that while both Organisations are striving for unification, which they hope will be realised in due time, yet they fear that their amalgamation into one settlement "by a decree from above" will only be superficial. Such unification will not achieve the desired result, but will accentuate their differences, as will also be the case in the Oriental Jewish Community Settlement where there is much room for conflict. He recalls that according to an agreement made several years ago between the General Zionists of Palestine and the Keren Kayemeth, the General Zionists are entitled to receive an area commensurate with the sum they have raised for the Kfar Ussishkin Fund. On such basis, he states, land for two settlements of General Zionists, A and B, should be allocated.

Mr. Ussishkin states that he had had to contend quite a bit with Mr. Weitz and Mr. Stern before they had agreed to five settlements, and he is certain that six settlements will not be approved. Two settlements for the Labour Federation, (one for the Labour Party and one for Hashomer Hatzair), were allocated because of their ideological differences. He cannot ascertain or understand what are the ideological differences between the General Zionists A and B, for, in his opinion, there is none. Furthermore, the differences in ideology within the said Labour groups have been in existence for the past 15 years, while in the case of the General Zionists the differences of opinion, and not of ideology, are but three years old. Since the General Zionists' representatives have said that they are striving for unification, let this unification come through the establishment of one settlement on J.N.F. land. If this settlement which bears his name will facilitate such unification, he will be very happy and grateful.

Mr. Stern associates himself with the good wishes conveyed to Mr. Ussishkin and to the pioneers who will implement this project. He disagrees with Mr. Lowenstein, on the possibilities of conflict among the Oriental Communities of differing opinions to be established in a separate settlement. He cites, for example, Mr. A. Tabib, the Vice-Chairman of the Yemenite Organisation who has agreed to the Yemenites from Mahne Yehuda, and Shivat Zion and the Yemenite Revisionists submitted by Mr. Harzfeld as candidates for this settlement. This project will be under the supervision of Mr. Ussishkin and the Jewish Agency who will not permit any injustice to be done the Oriental Jews.



Mr. Kolodny hopes this programme will be realised at the earliest possible moment, for it is a pioneering project of the first order that will arouse enthusiasm among the Jews in Eretz Israel and elsewhere, especially among the pioneering youth, and inspire them with faith and courage. The very location of the place, in the northern part of the country, and the name of Mr. Ussishkin obligate its immediate implementation. The Keren Kayemeth and the Jewish Agency must adopt measures to secure the necessary means for its completion. Perhaps a special campaign for this purpose may be organised, for he has no doubt that individuals and parties will freely rally to its support. He, too, believes that such superficial amalgamation of the General Zionist groups, as was here suggested, will not be successful. This should not be regarded as partisan pedantry, but as a practical observation which he hopes the Keren Kayemeth and the Agency will take into consideration.

Mr. Gurewitz associates himself with all the good wishes expressed. He believes that Ussishkin should not regret the transfer of the funds for the redemption of this northern territory. He knows and appreciates Mr. Ussishkin's feelings for Jerusalem, but this territory on the very frontier of Eretz Israel will also strengthen Jerusalem, and he should be very happy that this region will bear his name. The Call to settle this region can serve as an inspiration with far-reaching effect, elevating the spirit of the Jewish people and its pioneers in this country and in the Galuth, and enhancing the success of the Zionist Funds. But the Aliya to this region must be hastened, for slogans alone will not satisfy the yearning pioneers.

Mr. Rosenblatt. It appears that in the permanent settlement of the northern territory all settlement groups will participate, a departure from the usual practice. This, he would have preferred to have learned directly from the Keren Kayemeth and the Agency, and not by inference. If but one settlement is being allowed to the General Zionists and if the settlers will be selected according to the usual procedure there is ground to fear that General Zionist B workers will not reap any benefits therefrom. He, therefore, requests that Ussishkin, personally and on behalf of the Keren Kayemeth and the Jewish Agency, guarantee that members of General Zionists B will not be discriminated against. With respect to the manner of the organisation of the occupation and settlement, he thinks that here, too, the policy that was used in the case of Maoz may be adopted, namely that representatives of all the settlement groups should occupy and settle one point, later to be transferred to their own permanent settlements. To obviate all misunderstanding, differences of opinion and friction, he proposes that the Keren Kayemeth and the Jewish Agency find the means of organising a separate settlement for each of the General Zionist workers organisations. Consideration should be given to the favourable reaction such step would receive in the ranks of the General Zionist pioneers in Eretz Israel and in other countries.

Mr. Ussishkin in reply to Mr. Rosenblatt, states that he can assume personal responsibility only for himself and for the Keren Kayemeth, but not for the Settlement Department of the Jewish Agency, which has its own directorate - the Executive. He assures the General Zionists that 20% of the area under consideration will be allocated to them and he believes that the said Department of the Jewish Agency has no improper intentions towards the General Zionists B. Nor can he guarantee the date of the final completion of the General Zionist settlement which, he thinks, should and could be one, and not two.

Mr. Harzfeld. He and the Agricultural Workers' Organisation of the General Federation of Jewish Labour do not begrudge the settlement of other groups. He believes that the unification of the General Zionist groups is possible and desirable, and his Organisation will assist in bringing it about. His Organisation, and he understands the Agricultural Settlement Department of the Jewish Agency also, would oppose Rosenblatt's proposal for a joint settlement, for while joint occupation is possible, an adequate and permanent joint settlement of various agricultural groups is not possible. To repeat the experiment of Maoz and Hanita is apt to cause only a waste of forces, money, time and energy. With respect to the Oriental Communities he believes that their admittance to the other settlement



groups is not sufficient, but that a special settlement not only for the Yemenites, but for the other Orientals, is essential. The discrimination practiced against them for many years must be righted by the settlement institutions. This privilege has come to Mr. Ussishkin, with the establishment of a special settlement for them in Northern Galilee, to be associated with his name and with his Fund and for which he has been vigorously fighting. The realities of the present situation demand that these be carried out as soon as possible. Finally, he appreciates Mr. Ussishkin's feeling that his plan to found an agricultural settlement near Jerusalem has not yet been realised, but the "substitute" is worthy per se and of Mr. Ussishkin. This new unit will constitute a new and glorious page in the history of the Yishuv as a whole, and especially of the national settlements which were wondering why the settlement of this territory, which will prove to be a source of honour and strength to Jews the world over, had been neglected for so many years. He hopes that this settlement will be implemented soon and at a vigorous and accelerated pace in keeping with the spirit of Ussishkin. The settlers will forever remember with honour and devotion the man and the institution that have entrusted this region to their care and labour for the future of the Jews and their land. And he hopes that all the settlement groups will not only overcome all dangers, but will carry forward their work in the spirit of peace, harmony and mutual co-operation.

Dr. Granovsky stresses the importance of the redemption of this area to be occupied and settled shortly. The Kfar Ussishkin Fund received £65,000, and after five years it was found impossible to comply with the wishes of the contributors to establish in the vicinity of Jerusalem a large agricultural settlement, to be known as Kfar Ussishkin. Mr. Ussishkin himself had begun to despair of its realisation and had begun to think of using the money to redeem land near Jerusalem for another purpose. He is gratified that the Kfar Ussishkin Fund has been used for the redemption of the northern territory upon which five new settlements will be founded. Mr. Lowenstein referred to a certain agreement between the Keren Kayemeth and the General Zionists of Palestine made a few years ago, "entitling" them to a certain area. If the financial result of their activities is to be made the criterion of the area to be allocated them, then the General Zionists would be allotted an area entirely too small even for one settlement. Answering Mr. Rosenblatt's observation he says that the realisation of the five settlements was not at all an easy task, but the strong will of Mr. Ussishkin that all sections of Jewish pioneers be represented, had been the determining factor. The addition of a sixth settlement might jeopardise the entire undertaking. He would agree to Mr. Rosenblatt's proposal, if it were that whether the General Zionists be allotted one or two settlements, the General Zionists must be adequately represented in the permanent settlement programme. In conclusion he says that this day marks a great achievement, for we have laid the spiritual cornerstone for a great enterprise in the upbuilding, fortification and defence of the country. May we all be privileged, with Mr. Ussishkin at the head, to dedicate this undertaking.

Mr. Stern assures Mr. Ussishkin that he will not have any cause for regret. This enterprise, which opens anew Palestine to the Yishuv and to the national settlements, will prove a blessing to them who are now about to go there and those who will follow. The implementation of this "Aliya" and settlement within a given time is possible. He hopes the settlers and the Institutions, with Ussishkin at the head, will be gratified with the action taken here to-day.

Mr. Weitz. The occupation and future settlement of this area near Banias, which is Dan-Lish, is a repetition of the ancient Jewish conquest of 3,500 years ago. Chapter 18 of Judges relates how a portion of the tribe of Dan, whose territory in the Plains of Judea was insufficient to maintain the entire tribe, went up and conquered Lish and named it Dan, hence Dan-Lish. But on their way an unfortunate incident occurred: On Mt. Ephraim in the house of a Levite were found graven and molten images. We must therefore warn our pioneers who are again going to Dan-Lish after an interval of 3,500 years that they cast off their "spiritual images" and that they ascend but with one great, pure, holy aim - Eretz Israel for the people of Israel, and the People for the Land. It is this very aim which links Mr. Ussishkin with northern Galilee, who during his entire Zionist life has proceeded towards this goal with singleness of purpose and of faith.



This same faith and constancy must be brought to this new and beautiful area in the north. The torch which Mr. Ussishkin has carried uprightly for the past 60 years, must now be proudly borne by the new settlers for the realisation of an undivided and redeemed Eretz Israel and a united and redeemed people of Israel.

Mr. Ussishkin thanks all who have participated in this meeting, both those who have given enthusiastic expression to their feelings on this occasion and those who have spoken what was uppermost in their hearts. Their sentiments are in harmony with his own.

Dr. Granovsky has spoken of the impossibility to comply with the wishes of the contributors to the Kfar Ussishkin Fund and his (Ussishkin's) plan to utilise the money to acquire land near Jerusalem for another purpose. His thought is as follows: At a meeting of the Board of Directors of the Keren Kayemeth held in Zurich in August, 1937, he (Ussishkin) had insisted that since all efforts to acquire near Jerusalem the necessary land to found Kfar Ussishkin had been unsuccessful, and since he was especially concerned with the strengthening of the Jewish footholds in Jerusalem, particularly in this period preceding the determination of the political status of the country, he expressed the wish that these funds be used by the Keren Kayemeth to redeem a tract in Jerusalem proper, especially on Mt. Scopus. All the Directors, except Mr. Schocken who had been obliged to leave Zurich, had been present and had agreed thereto, even if not wholeheartedly, except Dr. Granovsky who then and thereafter, had disapproved using the money for any purpose other than that originally intended. Now we have found an honourable way out to which all, including himself, although painfully, had agreed. He had agreed because the extension of the frontiers and strengthening of the Jewish settlement in the north is at present perhaps equivalent to the strengthening of Jerusalem. But he did not, and does not, abandon the plan of redeeming Jerusalem, and requests the Directors of the Keren Kayemeth to devote special efforts and attention to find ways and means, perhaps by special contributions or by a special fund, to redeem the Old City of Jerusalem. For this purpose he has earmarked the \$75,000 he has received from America as a special gift on his 75th birthday.

His demand that in the settlement of Northern Galilee all pioneering elements be represented has already been explained. Since it is impossible to establish one large settlement of 300 families, five smaller settlements of pioneers from all the parties, from right to left, should be founded. As to the General Zionists, he has never been able, nor can he now, see any difference between Groups A and B, either among the old members and particularly among the younger ones who are translating their Zionism into deed and action. He has great hopes that the spirit of this enterprise in the hills of Galilee will influence the younger members of the General Zionists to consolidate into one body.

From the days of Hibath Zion until several years ago the idea has spread and found expression in the national literature of these periods that the work of Eretz Israel is a task not to be completed by one generation. This idea has been thoroughly disproved recently. The work that is now being done in Eretz Israel is truly a work of generations, but the task must be performed in this very generation. Never before was any hour so difficult, so responsible and fateful as the present one. Redemption activities cannot be deferred for a single day, and the builders' cubit must not remain idle for a single hour. "If not now - when?" Jewish history has shouldered upon the present generation the task of establishing a completely Jewish Eretz Israel. For this task extraordinary forces, physical and especially moral and spiritual, are essential. He desires that the settlers in northern Galilee, a region particularly difficult from the agricultural and political standpoint, be in every sense of the term the select of the Jewish people, worthy of their task in this great hour and generation and



who will create the true fortress, a practical and moral stronghold, which will successfully withstand all onslaughts and destroy the foes of Israel and the enemies of Zion.

With profound gladness and gratitude to God for being privileged to attain this day, from the time of the foundation of Rishon-le-Zion on general Jewish land, to the founding of Northern Galilee on the national soil of the Keren Kayemeth, he, the oldest person, after 60 years of Zionist work, blesses the younger ones who have participated in this meeting and have decided on this new redemption and construction enterprise on national soil and particularly the Halutzim who, with their strength of body and soul will carry out this Aliya and settlement. He wishes that they may all enjoy long life, physical and spiritual health, the joy of creation and the pleasure of realisation.

He requests the Executive and the Agricultural Department of the Jewish Agency to hasten this programme. He hopes to see with his own eyes, and to feel with his own hands, the foundation stones of this enterprise and perhaps God will also permit him to see its dedication and completion.

The goal which must ever be before the eyes of the planners and executors of this fortress must be: Consolidation of all the branches of Israel into one tree, planted on its own undivided land! Unification of all the dispersed Jews into a single nation on its wholly redeemed land - the land of our fathers and of our sons, for this generation unto all generations.



Note: At a meeting of the Executive of the Jewish Agency held several days after the above meeting, Mr. Ussishkin's proposal that two settlements for the General Zionists be founded was adopted. There will, therefore, be established at Metzudath Ussishkin in Northern Galilee six settlements, one for each of the following settlement groups: General Zionists A, General Zionists B, Hapoel Hamizrachi, General Federation of Jewish Labour, Hashomer Hatzair and Oriental Jewish Communities.



[1939?]

DRAFT OF THE AGREEMENT BETWEEN THE KEREN HAYESOD AND THE KEREN KAYEMETH  
TO CONSTITUTE THE 1939 UNITED PALESTINE APPEAL

AGREEMENT entered into this            day of            , 1939, by and between the PALESTINE FOUNDATION FUND (KEREN HAYESOD) INC., a New York membership corporation, the party of the first part; (hereinafter referred to as the "Keren Hayesod") and the JEWISH NATIONAL FUND (KEREN KAYEMETH LE ISRAEL) INC., a New York membership corporation, party of the second part; (hereinafter referred to as the "Keren Kayemeth"), WITNESSETH:

WHEREAS, efficiency and economy in the raising of funds for their respective purposes have been aided by the creation of a centralized administration in the UNITED PALESTINE APPEAL during the years 1936, 1937, and 1938,

NOW, THEREFORE, it is mutually agreed as follows:

1. The parties hereto agree to conduct a joint campaign to secure in the United States funds for their respective purposes and they do hereby constitute and appoint "THE UNITED PALESTINE APPEAL, INC.", hereinafter sometimes referred to as "UNITED PALESTINE APPEAL", a membership corporation organized under the Laws of the State of New York, as their agents and in their behalf to conduct and manage the aforesaid campaign during and for the calendar year 1939.
2. The aim of the campaign shall be to raise for the parties hereto a maximum sum in cash and pledges during the period commencing January 1, 1939, and ending December 31, 1939.
3. It is agreed that the stationery and the national and local publicity relating to the joint Campaign shall describe UNITED PALESTINE APPEAL as being for and on behalf of the Keren Hayesod and the Keren Kayemeth. The names of such other bodies or corporations as may join the Campaign or cooperate therewith by consent of the parties hereto shall also be appropriately referred to on the stationery and in the publicity of the Campaign.
4. It is agreed that all monies, pledges and subscriptions received or secured by UNITED PALESTINE APPEAL, or by either of the parties to this agreement,



during or for the period of January 1, 1939 to December 31, 1939, shall, except as herein otherwise provided, be remitted to the National Treasurer of the UNITED PALESTINE APPEAL, INC. and the same shall constitute a common pool of the parties hereto to be disbursed as hereinafter set forth.

5. It is agreed that all sums received or realized as a result of the said joint Campaign conducted by the UNITED PALESTINE APPEAL itself or by the JEWISH NATIONAL FUND on behalf of the UNITED PALESTINE APPEAL shall become part of the aforesaid common pool and shall be disbursed as follows:

All duly authorized campaign expenses and other duly authorized expenses of UNITED PALESTINE APPEAL shall be a first lien and charge against all monies received. The net proceeds of the Campaign after deduction of all duly authorized expenditures shall be allocated on a basis of parity between the Keren Hayesod and the Keren Kayemeth.

6. It is the right and intention of the parties hereto to devote the sums to be received by them from UNITED PALESTINE APPEAL both to the normal purposes and activities of their respective organizations, and to such special requirements as in their own respective judgments may be deemed necessary or advisable in the discharge of their duties and functions.

7. Neither of the parties hereto shall engage in any separate fund-raising activity except as herein specifically permitted and agreed upon. All funds and pledges, received or secured by either of the parties hereto on account of or as a result of any fund-raising effort conducted after January 1, 1939, and prior to December 31, 1939, shall be deemed, pledged, received or secured for and on account of the 1939 Campaign herein provided for, except as hereinafter provided, and shall be paid into the National Treasury of UNITED PALESTINE APPEAL, it being understood UNITED PALESTINE APPEAL shall continue to collect unpaid subscriptions of pledges to the 1938 Campaign and shall dispose of all sums collected pursuant to the agreement between the parties hereto dated \_\_\_\_\_, setting forth the terms and conditions of the said 1938 campaign.



8. It is agreed that all bequests, legacies and "living legacies" which either of the parties hereto may receive or become entitled to, shall be retained in entirety by the party to this agreement which is the beneficiary thereof.

9. It is agreed that the accounts of UNITED PALESTINE APPEAL shall be audited monthly by Certified Public Accountants to be chosen by the Administrative Committee of the UNITED PALESTINE APPEAL, and that a copy of such audits shall promptly be delivered to UNITED PALESTINE APPEAL and to each of the parties hereto. It is further agreed that each of the parties hereto shall have its respective books of accounts audited monthly during 1939 by certified Public Accountants, and shall promptly deliver to the other a copy thereof.

10. It is agreed and understood that neither the Keren Hayesod nor the Keren Kayemeth, parties to this agreement, merge as Organizations with UNITED PALESTINE APPEAL. They shall maintain their separate identities and independence as Organizations and may carry on their normal and established duties and functions, except as limited by this agreement. In view of the fact that the Jewish National Fund under the agreement is authorized to carry on its own program, its own propaganda, and to collect money under its own name (which is paid into the campaign pool), and all Keren Hayesod activities are practically absorbed within the United Palestine Appeal Campaign, and it is unable to develop its own program of activities or special propaganda, it is agreed that the Administration of the United Palestine Appeal shall, in its propaganda and literature, give priority and greater emphasis to the work of the Keren Hayesod; and should occasion arise, the Administrative Committee of the United Palestine Appeal is authorized to conduct specific Keren Hayesod functions for the general benefit of the Campaign, in order to maintain the prestige and tradition of the Keren Hayesod in the American Jewish community, and at the same time utilize such affairs for the benefit of the United Palestine Appeal.



11. It is agreed and understood that the following activities of the Keren Kayemeth shall continue to be conducted through the established Keren Kayemeth apparatus on condition that none of the activities hereafter outlined shall take the form of large-scale campaigns which might be interpreted by the UNITED PALESTINE APPEAL as interference with or duplication of fund-raising efforts it will conduct on behalf of the two partners in this agreement. The phrase "large-scale campaign" is to be defined by the Administrative Committee of the UNITED PALESTINE APPEAL prior to the submission by the Jewish National Fund of any such special project to the communities and not after the project has been devised, projected and publicized. In any event, the management of the UNITED PALESTINE APPEAL is to determine whether a campaign of the Jewish National Fund aside from the normal functioning of its traditional collection campaign is to be interpreted as a large-scale campaign.

It is moreover agreed that in the event that agreements with the Joint Distribution Committee or individual Welfare Funds or other campaigns require, the Jewish National Fund shall not submit to Welfare Fund communities applications for allotments separate from those awarded to the UNITED PALESTINE APPEAL. If, however, such agreements do not exist or are not made, the Jewish National Fund is to be permitted to ask for separate allotments from Welfare Fund communities, the proceeds thereof to be made available to the Jewish National Fund directly and ultimately to become a part of the pool from which the UNITED PALESTINE APPEAL makes distributions.

Campaigns by the Jewish National Fund shall not be conducted in communities which do not have Welfare Fund forms of organizations until after the campaign of or on behalf of the UNITED PALESTINE APPEAL has been completed and until after the UNITED PALESTINE APPEAL has certified to such completion to the Jewish National Fund:

- a. Box Collections
- b. Sale of JNF stamps
- c. Flag and Flower Day Collections
- d. Chanukah and Purim Collections
- e. Tree Planting
- f. Lag B'Omer Celebrations
- g. Collections from children in Hebrew Schools
- h. Golden Book Inscriptions
- i. Incidental Collections at festivals, simchas, Bar Mitzvahs, Weddings and similar occasional collections



- j. Sefer Hayered
- k. Dunam Land Donations (only with the approval of UNITED PALESTINE APPEAL)

12. It is, however, agreed that the net proceeds derived from the aforementioned activities of the Keren Kayemeth and such activities of the Keren Hayesod as may be approved by the Administrative Committee of UNITED PALESTINE APPEAL, after the administrative expenses incurred in connection therewith shall have been deducted, shall belong to and be a part of the common pool of UNITED PALESTINE APPEAL. It is further agreed that the activities mentioned in Article 11 shall be so conducted so as not to interfere with or be hurtful to the UNITED PALESTINE APPEAL and its activities. A committee consisting of one designee of the Keren Kayemeth, one designee of the Keren Hayesod, and a third member to be chosen by the two so designated shall be constituted, whose purpose it shall be to consider and adjudicate alleged violations of the provisions of Articles 11 and 12, it being understood, however, that with the management of the UNITED PALESTINE APPEAL and with the Administrative Committee of the UNITED PALESTINE APPEAL shall rest sole authority to determine the meaning of the phrase "large-scale campaigns" and the manner in which these may be conducted by the Jewish National Fund

13. Should any loans be made by UNITED PALESTINE APPEAL, the parties hereto shall participate equally in the funds derived from such loans. Loans separately secured by either of the parties hereto for their respective purposes shall be the obligation of and accrue to the benefit of such respective party.

14. It is agreed that the successful prosecution of the UNITED PALESTINE APPEAL will be enhanced by the cooperation and support of the Zionist Organization of America, the Poale Zion-Zeire Zion and the Mizrachi Organization of America. These three bodies conducting year-round educational and propaganda activities are providing an essential background for the successful conduct of campaigns of or on behalf of the UNITED PALESTINE APPEAL. The parties hereto agree to invite the said organizations to give their cooperation to the UNITED PALESTINE APPEAL for 1939 and that for such services a fixed sum in consideration of the service rendered shall be made available to each of these recognized parties in the Zionist movement, the



terms and conditions of such participation to be fixed by negotiations with the said organizations. Both terms and conditions are to be subject to the approval of both of the parties hereto. It is agreed, however, that there shall in no event be any priority payment to the said participating organizations.

15. It is agreed that the UNITED PALESTINE APPEAL for 1939 shall allot to the Mizrachi Palestine Fund the sum of \$60,000, it being understood that the total sum made available to the Mizrachi Palestine Fund shall be spent entirely within Palestine and that an accounting for such expenditures shall be made to the Jewish Agency Executive in Palestine and to the UNITED PALESTINE APPEAL. The said \$60,000 shall be based on an income to the UNITED PALESTINE APPEAL during 1939 of two million dollars. In the event that the receipts of the UNITED PALESTINE APPEAL are less than two million dollars the share of the Mizrachi Palestine Fund shall be reduced proportionately. In the event that the UNITED PALESTINE APPEAL income exceeds two million dollars the Mizrachi Palestine Fund shall receive two percent (2%) of the sum raised above two million dollars in addition to the original allotment of \$60,000.

16. Notwithstanding anything to the contrary herein set forth, all monies raised by Keren Kayemeth through the activities described in Article 11 above may be retained in the Treasury of the Keren Kayemeth, provided, however, that the sums so retained as indicated upon the monthly audits hereinabove referred to, shall be charged against the funds which may be then due or may thereafter become due to the Keren Kayemeth under this agreement. It is understood and agreed also that the procedure above set forth shall be followed with respect to any and all funds raised by Keren Hayesod, pursuant to the provisions of Article 12 above. The amounts raised in any one month by the Keren Kayemeth after a deduction of authorized expenditures, shall be transferred to the Treasury of the UNITED PALESTINE APPEAL no later than the fifteenth day of the month following. Such sums become part of the pool of the UNITED PALESTINE APPEAL for distribution as herein indicated.

17. The parties hereto hereby agree to assign, transfer and pay over to



UNITED PALESTINE APPEAL all contributions or pledges to which this agreement is applicable received by them respectively, and to do all further acts required to make the title of the said UNITED PALESTINE APPEAL to such contributions and pledges complete and absolute.

18. It is distinctly understood and agreed that UNITED PALESTINE APPEAL is hereby constituted as the agent of the parties hereto solely for the purpose of the campaign beginning January 1, 1939 and ending December 31, 1939, and that the parties hereto do not assume any existing liabilities of UNITED PALESTINE APPEAL or responsibility of any character by reason of any matter or transaction of UNITED PALESTINE APPEAL occurring prior to January 1, 1939, except such liabilities as arise out of or in connection with the 1936, 1937 and 1938 campaign, as provided for in the agreement between the parties hereto, and that all funds received by UNITED PALESTINE APPEAL as a result of the 1939 Campaign herein provided for shall be considered as belonging to the parties hereto and held for them by UNITED PALESTINE APPEAL. It is further agreed that neither of the parties hereto shall receive or be entitled to receive any monies, credits or assets coming to the Treasury of UNITED PALESTINE APPEAL or to which the UNITED PALESTINE APPEAL may become entitled to by reason of any matter or transaction occurring prior to January 1, 1938.

19. The Administrative Committee of the UNITED PALESTINE APPEAL shall conduct and manage the campaign for 1939 and shall name the members of the staff required for the conduct of the campaign and for the administration of the affairs of the UNITED PALESTINE APPEAL.

20. The parties hereto agree that the 1939 campaign of the UNITED PALESTINE APPEAL shall be conducted by the officers and an Administrative Committee, such officers to be nominated by the Keren Hayesod and the Keren Kayemeth. Said officers and Administrative Committee shall comprise the following: (1) Such number of Honorary Chairmen as the parties hereto may deem advisable; (2) A National Chairman; (3) Such number of Co-Chairmen as the parties hereto may deem advisable; (4) A Treasurer; (5) Two Associate Treasurers, one of whom shall be designated by Keren



Hayesod, and Keren Kayemeth; (6) An Administrative Committee consisting of the above mentioned officers and such additional members as may be designated by the parties hereto; (7) An Executive Committee consisting exclusively of the officers hereinbefore mentioned.

21. The said officers and Administrative Committee shall have full authority, control and mangement of the conduct and affairs of the Campaign, herein provided for, including the employment and dismissal of personnel. The Administrative Committee may delegate and assign to such of its members or sub-committees as they may name such duties and such authority as they may deem wise and necessary in the conduct of the Campaign.

22. It is agreed that all checks, draffs, or other instruments for the withdrawal of funds and all negotiable paper of UNITED PALESTINE APPEAL shall be signed by two officers, viz., by the National Treasurer and one of the two Associate Treasurers of UNITED PALESTINE APPEAL, or by one of the Associate Treasurers, and one of the National Chairmen.

23. The parties hereto agree to discourage the earmarking of contributions. In the event that, despite the reasonable efforts of each of the parties hereto to avoid earmarking, such contributions, shall be promptly reported to the national office of the UNITED PALESTINE APPEAL, and the contributions applied as directed by the donors. Such application of earmarked contributions to one or the other of the parties shall be taken into account in the distribution of the net proceeds of the Campaign by deducting said ear-marked sums from the share of the proceeds to which the party receiving the same may be entitled out of the proceeds of the UNITED PALESTINE APPEAL. It is understood, however, that earmarked contributions as referred to in this paragraph refer to amounts intended directly for the purpose of the Keren Hayesod or the Keren Kayemeth.

24. Each of the parties hereto hereby covenants and agrees to use its best efforts in every reasonable manner to further and assist UNITED PALESTINE APPEAL to the end that the largest possible sum may be secured in the Campaign herein provided for.



25. On or before October 1, 1939, the parties hereto shall on the call of either party as hereinafter set forth meet to determine whether or not the combined campaign herein agreed upon shall be renewed and continued for a further term of twelve months commencing January 1, 1940, and terminating December 31, 1940. At least five days' notice of the time and place of such meeting so to be held on or before October 1, 1939, may be given by either party to the other at any time between August 15th and September 15th. Such meeting shall be held in the Office of UNITED PALESTINE APPEAL, 111 FIFTH AVENUE, NEW YORK CITY. If no such meeting is called or takes place on or before October 1st, 1939, or if no agreement is reached by November 1, for an extension of this contract beyond December 31, 1939, then this agreement shall terminate and come to an end on December 31, 1939. In the event that the parties shall fail to renew this agreement, UNITED PALESTINE APPEAL shall continue to act as their agent and in their behalf solely to collect unpaid subscriptions or pledges to the Campaign conducted in and for the years 1936, 1937, 1938 and 1939. In the event of the termination of this agreement the Keren Kayemeth shall be given the right to receive copies of all records at the disposal of the UNITED PALESTINE APPEAL in the conduct of its campaign and that the Keren Hayesod shall have the same right to the records at the disposal of the Keren Kayemeth in the conduct of its campaign.

26. The parties hereto agree that in the event any question or dispute shall arise with respect to the interpretation of the provisions of this agreement, or with respect to any matter connected with the Campaign not covered by this agreement such question shall be submitted for determination in the first instance to the Administrative Committee of UNITED PALESTINE APPEAL, herein provided for, and if no agreement be reached thereon by said Administrative Committee, the question shall be submitted to an Arbitration Committee consisting of one person to be named by each of the respective parties hereto and a third person to be named by the two



so designated, and the decision of a majority such Arbitration Committee shall be binding upon the parties hereto.

27. Each of the parties hereto agrees to execute any further documents and todo any and all acts reasonably necessary for the carrying out of the provisions of this agreement.

28. It is agreed that no allocations or appropriations shall be made by the Administrative Committee of the UNITED PALESTINE APPEAL for any purpose not provided for in the agreement except with the consent of the Keren Hayesod and the Keren Kayemeth as separate entities.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

PALESTINE FOUNDATION FUND (KEREN HAYESOD) INC.



By



Chairman, Board of Directors

JEWISH NATIONAL FUND (KEREN KAYEMETH LE ISRAEL) INC.

By

President