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United Jewish Appeal, United Palestine Appeal,
Allotment Committee, 1940.

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SUPPLEMENTARY MEMORANDUM TO THE APPLICATION OF THE AMERICAN
JOINT DISTRIBUTION COMMITTEE SUBMITTED AUGUST 20, 1940
TO THE DISTRIBUTION COMMITTEE OF THE UNITED JEWISH APPEAL OF 1940

At the request of the Distribution Committee of the United Jewish Appeal of 1940, we submit herewith supplementary information with respect to the new appeals which have been received, the new situations which have developed, and the trend of relief requirements for the last quarter of 1940.

FRANCE

Our estimated minimum monthly budget for France was set at \$100,000. Since August, thousands of Alsatian Jews were expelled from their homes on three hours notice, and permitted to take with them one suit of clothes, one pair of shoes and a handbag of personal belongings. In some cases, families were permitted to take 500 francs; in other cases 5,000 francs. The Alsatian Jews were sent into unoccupied France, and the Ose, the medical-child care agency subventioned wholly by the J.D.C., has taken under their care in special homes 1,000 of the Alsatian children. The Ose requested a monthly budgetary grant of 100,000 francs for this purpose. Furthermore, although it was expected that the refugees who were encamped would be released, the fact remains that up to the present time there are still 12,000 Jewish refugees living in indescribably bad conditions in camps without adequate food, clothing and shelter. Typhoid, typhus, malaria and dysentery have broken out, and the requirements for camps alone are considerably in excess of our original estimates. At least \$125,000 a month is required to meet emergency needs in unoccupied France.

POLAND

Our estimated minimal budget for Poland was \$130,000 a month based on adult feeding, child feeding and medical aid. The requirements as presented to us by our Warsaw Committee included, in addition thereto, funds for the opening of trade schools and agricultural retraining. Recently urgent appeals have been received for \$50,000 monthly for Upper Silesia and the Lodz districts. Requirements for Poland are \$240,000 per month.

EMIGRATION

We had set a budget in our application at \$75,000 a month for emigration. Since then the following appeals have been received for transportation funds

A. The emigration of 1,000 Chalutzim now in Lithuania in possession of certificates to Palestine. This group can travel via Russia at a cost of \$105. per head to Istanbul, requiring\$105,000.
The Jewish Agency is prepared to pay \$40. a head from Istanbul to Palestine.

B. 290 Refugees in Sweden are in possession of visas, or can receive visas on showing that their transportation is assured. The Swedish Committee requires the sum of 70,000.
for their emigration via Siberia and Japan.

C. 500 Refugees in Holland are in possession of visas and can emigrate via Lisbon at a cost of \$250. per person requiring a total of 125,000.
C/F \$300,000.

- D. 1,200 Dutch refugees are now in France and can emigrate to the Dutch East Indies. Assuming that one-half the number can finance their own passage, it would require \$200. per capita for 600 people, or a total of 120,000.
- E. 140 Zionists and Polish leaders are in Lithuania in possession of special tourist visas to the United States. They require about \$60,000.
Thus far provision has been made for 20,000.
and the balance still to be secured is 40,000.
- F. There are approximately 3,000 Yeshiveth students and Rabbis in Lithuania for whom efforts are being made to facilitate their emigration to the United States. A special committee has been appointed to consider the possibility of emigrating the group to this country, but it would appear at the present time that this number cannot possibly secure visas. However, small numbers representing the various Yeshiveth are already in possession of visas or will receive them, and we assume that about 200 - 400 of the students and the teachers will be brought to this country. The cost per person is about \$400. via Siberia and Japan requiring the sum of \$80,000. to 160,000.
- G. There are 26 refugees in Denmark with visas to the United States, requiring a sum of \$16,000.
They, themselves, can provide 7,000.
and approximately 9,000.
is requested from the J.D.C.
- H. There are 400 emigrants stranded in Greece and Turkey on their way to Palestine. For relief needs and for their emigration, there is required approximately 12,000.
- I. As stated on page 11 of our application to the Distribution Committee, we estimated that there are 200 refugees who can emigrate monthly from France at a cost of \$250. per person making a total requirement for 1,000 people for the period August through December of 250,000.
..... \$811,000. to \$891,000.

On this basis, therefore, the emigration requirements per month for three months would average \$297,000.

LUXEMBOURG

We have received a cable from our Lisbon office that 2,000 Jews in Luxembourg face expulsion immediately from their homes. The cable reads:

"NUSSBAUM ARRIVED TO REPORT AUTHORITIES ORDERED ENTIRE POPULATION 2,000 OUR PEOPLE LEAVE HIS COUNTRY STOP YESTERDAY BODSON LUXMINJUSTICE ESAGUAY NUSSBAUM BERNSTEIN ROSEN DIJOUR MET DISCUSSED SITUATION STOP NUSSBAUM REQUESTS ARRANGEMENT TEMPORARY ASYLUM PORTUGAL WHICH ESAGUAY

PREPARED UNDERTAKE NEGOTIATE HIS GOVERNMENT PROVIDED FINANCIAL
GUARANTEE MAINTENANCE AND FURTHER EMIGRATION PROVIDED STOP
LUXGOVT NOW PORTUGAL WILLING RENDER MORAL SUPPORT BUT UNABLE
HELP FINANCIALLY NOT EVEN 800 LUXCITIZENS STOP OF 2,000 OUR
PEOPLE 500 JOINING RELATIVES BELGIUM OCCUPIED AND UNOCCUPIED
FRANCE 700 POLISH GERMAN AND STATELESS 800 LUXCITIZENS STOP
APPROXIMATELY 600 HAVE FUNDS BLOCKED UNITED STATES WHICH
BODSON BELIEVES CAN BE RELEASED MADE AVAILABLE MAINTENANCE
STOP PREPARING STATISTICAL REPORT WHICH AIRMAILING STOP
NUSSBAUM MUST RETURN THURSDAY"

We understand that the deadline had been extended to October 1st and so far as we know the expulsion has not yet taken place. As can readily be understood, the cost of guaranteeing maintenance of 1,500 people in Portugal and for their emigration as well, may run into a figure of \$1,000,000 or more. No provision has been made for this Luxembourg emergency, except the sum of \$2,000 a month for the regular refugee work in Luxembourg. We hope that the expulsion can be carried out under less drastic conditions and that emigration from Luxembourg can proceed on a more orderly and rational basis. This may enable us to help many of these people and mobilize resources on their behalf. This situation in Luxembourg is symbolic of the unforeseen emergencies with which the J.D.C. is constantly confronted and for which no provisions have been made in our budgetary estimates.

PORTUGAL

In our original estimate we stated that the sum of \$4,000 a month for refugee relief in Portugal would be sufficient. Since then additional refugees have poured into Portugal. There are now between 8,000 and 10,000 Jewish refugees in that country. Our soup kitchens are feeding 500 people daily and our budget has been increased to \$7,000 for the month of October. The needs, however, are considerably greater and are growing daily. We estimate that at least \$10,000 per month are required and which we will be obliged to meet. Many of these refugees are, of course, hopeful of emigrating to countries of permanent asylum. They have come out of France and are included in our budgetary estimates of 200 persons per month who can be emigrated from France.

ROUMANIA AND HUNGARY

The situation in these two countries has become extremely aggravated in the last weeks. Anti-Jewish decrees have multiplied and more and more Jews are being forced out of their homes. The economic conditions are deplorable; Jews are being dispossessed from their lands; aryanization of Jewish properties is taking place and the requirements of the native populations are constantly rising. Whereas we had set a monthly budget of \$16,000 for Roumania and Hungary, we believe that at least \$50,000 a month is required today for both countries.

LITHUANIA

Our original estimate for Lithuania was \$25,000 per month, and was made at a time when it was uncertain whether or not continued activities could be carried on. Since then our representative in Lithuania has arranged for the financing of part of the relief program through advances by the Lithuanian Red Cross, to be repaid at some time in the future. At the present time we are working on an emigration clearance arrangement whereby emigrants coming out of Lithuania will deposit lits for

local work and dollar payments will be made for their transportation by the J.D.C. Between 10,000 and 11,000 refugees are being fed daily and the native population is in great need. We, therefore, believe that the monthly budget for Lithuania should be reinstated at the figure which we had budgeted earlier this year, namely, \$75,000 a month.

SWITZERLAND

Our local committee in Switzerland have requested increases in their budget due to the fact that local collections have fallen considerably. The wealthier Jews have left the country and the needs of the refugees cannot be met by the budgetary appropriations made.

SWEDEN

In Sweden there is a local native Jewish population of 7,000 and a refugee population of 3,500. The Swedish community has thus far been able to meet the needs of the refugees through their own efforts. They have raised in the first six months of 1940 \$110,000 which includes a 30% grant from the Swedish Government. Due to the aggravated economic conditions in Sweden, the Jewish community has now felt it necessary to call upon the Joint Distribution Committee for enlarged assistance. The relief needs are over and above the funds required for the emigration of 290 refugees now in Sweden who have or can obtain visas.

PALESTINE

In addition to a large number of appeals received constantly from Palestinian institutions who are not recipients of funds from the Jewish Agency, we have received an appeal for child feeding from Dr. Judah L. Magnes. Dr. Magnes has requested a sum of \$300,000 to meet the relief needs of 19,000 persons for the coming year. Hadassah is prepared to meet part of this request and the J.D.C. has been asked to participate in providing the balance required. This appeal had to be denied in view of the lack of funds available to the J.D.C.

THE SS QUANZA

A typical situation is exemplified by the SS Quanza, a Portuguese boat, which left Lisbon with 83 refugees holding transit visas for Mexico enroute to South American countries. The Mexican Government refused to honor the visas and the refugees were faced with the return to Lisbon. Through the efforts of the National Refugee Service and the President's Advisory Committee, it was possible to land the refugees in New York on guarantee that all refugees in possession of valid visas to other countries would be re-emigrated and those not in possession of valid visas would be taken care of. 34 of the refugees required transportation to Central and South American countries. The cost will be about \$6,000 to \$7,000 which the J.D.C. is being asked to meet.

THE TREND FOR THE BALANCE OF THE YEAR

With the approach of winter the requirements for tens of thousands of Jews in Europe will naturally increase. A great need is clothing to meet the rigors of the winter as well as wood, coal, etc. to heat homes. We believe that the coming winter will likewise increase the need for medical assistance.

Epidemics have already broken out in the camps. Undernourishment and exposure will lower the resistance of thousands of refugees and make them susceptible to disease.

In Poland, particularly because of the destruction of thousands of homes during the war and the rationing of food as well as soap, clothing, fuels, etc., the situation of the 1,200,000 Jews in German-occupied Poland is a tragic one. The Polish winter will find many of the Jews undernourished, ill-clad and unable to withstand the ravages of the weather.

In order to make the picture complete, we must point out that should the United States break off diplomatic relations with Japan, and the route via Siberia and Japan for emigrants coming from Central Europe become closed, the requirements for emigration funds will be decreased to the extent that the route via Lisbon would not take care of the same numbers. Emigrants from Germany, Austria, etc. are being sent to Lisbon by air and bus and larger numbers may be expected to use this route in the future. Should public opinion in this country change so as to permit the Red Cross, with the consent of Britain, to send American foodstuffs to Europe, there is no doubt that Jewish refugees will be beneficiaries and to a certain extent, particularly in France, and perhaps in Poland, J.D.C. requirements may be lessened. This presupposes that a large relief program on the part of the Red Cross will be undertaken.

Generally speaking, however, one can anticipate a rising curve of need in Europe rather than a falling one so far as the balance of 1940 is concerned.

We attach hereto a table showing the estimated minimal monthly budgets as submitted to the Distribution Committee in our original application as compared to the estimated actual needs for October, November and December.

Schedule A

COMPARISON OF ESTIMATED MINIMAL MONTHLY BUDGETS AS
SUBMITTED TO THE DISTRIBUTION COMMITTEE ON AUGUST
20, 1940 WITH PRESENT ESTIMATED REQUIREMENTS MONTH-
LY FOR OCTOBER, NOVEMBER AND DECEMBER OF 1940.

	Minimal Monthly Needs as submitted in application to Distribution Committee	Present Estimated Requirements Monthly
<u>EMERGENCY NEEDS:</u>		
France	\$ 100,000.	\$ 125,000.
Poland	130,000.	240,000.
Emigration	75,000.	297,000.
	<u>\$ 305,000.</u>	<u>\$ 662,000.</u>
<u>CONTINUING PROGRAMS:</u>		
Germany	30,000.	50,000.
Austria	20,000.	40,000.
Bohemia-Moravia	7,000.	15,000.
Slovakia	6,000.	15,000.
Luxembourg	2,000.	?
	<u>\$ 65,000.</u>	<u>\$ 120,000. plus?</u>
Belgium	10,000.	10,000.
China	18,000.	25,000.
Holland	8,000.	—
Hungary	10,000.	25,000.
Italy	10,000.	15,000.
Lithuania	25,000.	75,000.
Roumania	6,000.	25,000.
Switzerland	10,000.	20,000.
Yugoslavia	6,000.	10,000.
Portugal	4,000.	10,000.
Various - Albania, Sweden, Finland, Greece, Turkey, etc.	6,000.	15,000.
	<u>\$ 113,000.</u>	<u>\$ 230,000.</u>
Central and South America	40,000.	55,000.
Cultural Activities	8,000.	10,000.
	<u>\$ 531,000.</u>	<u>\$ 1,077,000.</u>
Total		
Administration Overseas	10,000.	10,000.
Administration New York	15,000.	15,000.
Special Functional Service, Regional Conferences, Publicity, Junior Division, Campaign Stimulation, Surveys and Research	10,000.	10,000.
	<u>\$ 566,000.</u>	<u>\$ 1,112,000. plus</u>
GRAND TOTAL		

*Included under Emigration

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SCHEDULE "B"
 THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.
 STATEMENT OF APPROPRIATIONS
 APPROVED FOR THE MONTHS OF AUGUST & SEPTEMBER 1940

	AUGUST	SEPTEMBER
1. <u>AT DISPOSAL OF EUROPEAN OFFICE:</u>		
A. FOR PROGRAM IN GREATER GERMANY - for direct emigration from:		
Germany.....	\$ 15,000.00	\$ 12,000.00
Austria.....	10,000.00	5,000.00
Bohemia-Moravia.....	5,000.00	2,500.00
Slovakia.....	5,000.00	2,500.00
Slovakia.....	2,000.00	1,500.00
Luxembourg.....	37,000.00	23,500.00
B. FOR WORK IN POLAND & IN BEHALF OF POLISH REFUGEES	\$ 65,000.00	\$ 40,000.00
C. OTHER COUNTRIES:		
Belgium.....	\$ 7,000.00	\$ 7,000.00
China.....	14,000.00	14,000.00
France.....	50,000.00	35,000.00
Holland.....	5,000.00	4,000.00
Hungary.....	6,000.00	5,000.00
Italy.....	10,000.00	5,000.00
Italy.....	5,000.00	4,000.00
Roumania.....	10,000.00	7,000.00
Switzerland.....	25,000.00	15,000.00
Hicem.....	5,000.00	--
Ose.....	20,000.00	15,500.00
Various countries and miscellaneous.....	\$ 157,000.00	\$ 111,500.00
D. ADMINISTRATION:		
Overseas Offices.....	\$ 10,000.00	\$ 10,000.00
TOTAL AT DISPOSAL EUROPEAN OFFICE	\$ 269,000.00	\$ 185,000.00
11. <u>AT DISPOSAL OF NEW YORK OFFICE:</u>		
A. Program in Central and South America.....	\$ 30,000.00	\$ 30,000.00
B. At Disposal of Cultural Committee, New York:		
For Cultural Activities.....	\$ 5,000.00	\$ 5,000.00
Special Grant for Rabbis.....	--	2,000.00
	\$ 5,000.00	\$ 7,000.00
C. One-Time Grants:		
Commission for Polish Relief.....	\$ --	\$ 20,000.00
President's Advisory Committee.....	--	2,500.00
Research, Surveys.....	--	20,000.00
Administration Reserve Fund Committee....	--	12,000.00
	\$ --	\$ 54,500.00

	<u>AUGUST</u>	<u>SEPTEMBER</u>
II. AT DISPOSAL OF NEW YORK OFFICE (Continued)		
D. Administration:		
New York Office.....	\$ 15,000.00	\$ 15,000.00
Functional Service.....	10,000.00	10,000.00
	<u>\$ 25,000.00</u>	<u>\$ 25,000.00</u>
<u>TOTAL AT DISPOSAL OF NEW YORK OFFICE</u>	<u>\$ 60,000.00</u>	<u>\$ 116,500.00</u>
<u>GRAND TOTAL</u>	<u>\$ 329,000.00</u>	<u>\$ 301,500.00</u>



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CONFIDENTIAL

MINUTES OF MEETING OF ALLOTMENT COMMITTEE
OF THE UNITED JEWISH APPEAL
Revised After Comments
by Members of the Allotment Committee
September 6, 1940

Present: Messrs. Harris Perlstein, in the Chair
James H. Becker
Louis Lipsky (for Dr. Abba Hillel Silver)
Dr. Solomon Lowenstein
David M. Watchmaker
Henry Wineman
Dr. Stephen S. Wise
Elisha M. Friedman

Present by invitation: Messrs. William Rosenwald
Albert Abrahamson
Dr. William Haber
Joseph Kalafa
Moses A. Leavitt
Henry Montor
Bernard J. A. Reiss

ORGANIZATION QUESTIONS

Though the Committee meets in executive session, there were present besides members of the board, invited members representing the three organizations whose opinion was desired in connection with the aim and scope of the Inquiry of the Allotment Committee. To set up a permanent organization, Mr. Perlstein was elected as Chairman and Mr. Friedman as Secretary.

DISCUSSION OF AGENDA - ANY FIXED PRIORITIES?

On the question as to whether any of the three organizations had a priority, or whether they are all to be considered as subject to pro-ration, the Committee, on motion of Dr. Lowenstein, voted that the J.D.C., the U.P.A., and the N.R.S. are alike subject to the allotment decisions of the Committee. The question of any allotment now was not discussed since it did not seem feasible for the Committee to act before the pertinent information was available. Transmitting the views of Dr. Silver in his absence, Mr. Montor stated that the representatives of the United Palestine Appeal had wired to Mr. Perlstein that they did not feel able to attend a meeting of the Distribution Committee if there were to be considered at this time the distribution of funds to any organization before the research work had been completed.

QUANTITATIVE APPROACH VERSUS IMPONDERABLES

The question arose whether the Inquiry should proceed along purely quantitative lines based on accounting, or purely imponderable lines, or whether both should be considered. In the opinion of Mr. Loavitt, some other approach may develop as the material is assembled.

After discussion of the value and limitations of the statistical approach and the consideration of imponderables, it was voted, on motion of Dr. Lowenstein and Mr. Watchmaker, to combine both methods of study.

FIRST DRAFT TO BE SHOWN TO EACH ORGANIZATION

Dr. Wise suggested that each of the organizations be advised of the contents of its section of the report before the full and final report of the Inquiry Sub-Committee is submitted. The Inquiry is to be free to form its own opinions without regard to the views of the three organizations, but the organizations should know about them before a meeting is called to consider them. It was the intention of the Inquiry Sub-Committee to consult with each of the organizations, as was done in the case of the four drafts, on which their comments were helpful. Each organization will informally and unofficially receive a draft to correct obvious errors of statement and to point out what seem to be errors of opinion or appraisal. The Inquiry Sub-Committee, however, is not bound to change its opinion because of any comment by one of the organizations. It would, of course, correct any errors of fact. The Inquiry Sub-Committee would be free to take note, and if it wished, to record in its report dissent from its views on the part of the constituent organizations.

MATERIAL AVAILABLE

The data on the N.R.S. is fairly complete and available. The data on the J.D.C. is partly impounded in Europe. The data on the U.P.A. affecting the U.P.A. itself has been made available to the research staff of the Allotment Committee. The other data arising out of the expenditures of the agencies in Palestine which receive funds from the U.P.A. is in Palestine and has been cabled for. Dr. Lowenstein as Secretary pro tem, wrote to each of the organizations, asking that Mr. Friedman and his staff be given full access to all records. He had formal replies from the N.R.S. and the J.D.C. but no reply from the U.P.A. Dr. Lowenstein assumed that the U.P.A. wished the same rule to apply as to the other organizations. Mr. Montor then asked whether the books of the U.P.A. had been opened to the accountants, and Mr. Friedman stated that they had been. When Mr. Montor was asked whether the data of the subsidiaries would be available, Dr. Wise said that the question need not be asked, for it goes without saying that they will be.

PROCEDURE

On the section of the agenda entitled Procedure, it was agreed that the task was first to analyze the needs as submitted in the budget, and second, to verify them and their urgency, and third, to take the closed books of

the last year, to find whether the books are in good shape, and attempt to reconcile the actual expenditures with the estimates made by each organization.

ORDER OF WORK - BRIEF OR EXTENDED STUDY

The nature of the Inquiry and the expense would depend upon whether the study will end on November 1st or is to be extended. This would affect (1) the direction of the study, (2) the size of the staff, and (3) the selection of a successor to the Director. At the suggestion of Mr. Watchmaker, seconded by Mr. Becker, it was decided to continue the investigation beyond November 1st, particularly since the funds appropriated would be adequate. Even if there should be no joint campaign, some of the local communities which run combined drives will expect guidance such as the Allotment Inquiry is expected to furnish. Even on the basis of this partial cooperation in local communities, all the agencies agreed to open their books to the Inquiry Committee.

Mr. Perlstein stated that it was the consensus of opinion that this is to be considered as a long-range study so far as our appropriation will permit; to which Dr. Wise added that the understanding was that by the first of November we would have as full a report as possible on that date. Dr. Lowenstein added that it is important for the record that this date be set because of difficulties of all the agencies. It was recognized that for the November 1st interim reports there will be insufficient material to furnish the basis of such fully studied judgment as is hoped will be possible after the inquiry is completed - but probably enough data to guide the allotment of the residue of the funds raised by the 1940 campaign.

NAME OF COMMITTEE

Because the word "Distribution" is already associated with the J.D.C., it was voted to change the name of the committee to "Allotment Committee", particularly since the word "allotment" implies demands greatly in excess of the funds available, therefore requiring allotment or pro-rating.

DISCUSSION OF THE INQUIRY MEMORANDUM ON AIM AND SCOPE

Parallel organizations: Dr. Lowenstein and Mr. Lipsky felt strongly that there should be a review of all the activities that relate to the entire field in which each of the agencies operate, so that the Inquiry would cover not merely the three organizations, but the other organizations in the field in which the three organizations operate. This was obviously a large task. The facts are assembled at the Council of Federations and Welfare Funds, and the Inquiry Sub-Committee would have to appraise them, including the application of strict accounting principles for the verification of the facts presented to the Council of Federations by the reporting organizations.

PRINCIPLES OF ALLOTMENT

The Committee wished to take into account the amounts raised by other organizations (Messrs. Becker and Perlstein) and whether the allotments shall be affected by the size of the sum raised or the funds collected outside the United States. On the necessities versus luxuries, Dr. Lowenstein thought it was impossible to answer that question. As for the effect of old deficits and maturing debts in its effect on the allotments, that would depend on what purpose the deficits and debts were incurred. *old deficits*

Concerning principles of benefits received, Mr. Perlstein asked whether these were conclusions, and the answer was no. The whole memorandum was merely a form of questionnaire for the Inquiry. The only decision wished now is, does the Allotment Committee authorize the Inquiry to ask these questions.

SHALL THE REPORT RECOMMEND DEFINITE ALLOTMENTS

The Inquiry staff asked whether: (1) they were merely to give a set of facts; (2) or cite conflicting claims of the several organizations; (3) or make concrete recommendations; or (4) whether a precise set of allocations be furnished. Mr. Watchmaker felt that the Inquiry report should not recommend definite allotments, because if the Allotment Committee decided differently, the news would leak out and prejudice the results. Dr. Lowenstein stated emphatically that as a result of years of experience in Federation, it was invariably the rule to have concrete percentages or allotment figures given for each of the constituent organizations. Then the question is threshed out in committee, but there usually is not any very great divergence from the conclusions of their own Distribution Committee.

With reference to our own Allotment Committee, Dr. Lowenstein felt that the recommendations of the Inquiry would not be conclusive and binding, but merely a starting point for discussion and decision. Mr. Watchmaker said that he would want merely the benefit of the information but would not be guided by the conclusions of the Inquiry.

Mr. Becker tried to reconcile the two conflicting points of view and stated that he wanted both facts and opinions, reserving complete independence of judgment on the part of the Allotment Committee as to whether they would follow the Inquiry recommendations or not. As a remedy, the Inquiry staff suggested that the recommendations could be submitted verbally and in confidence, and that it would be drafted solely by the Director and his consultant and the accountant.

Dr. Lowenstein disagreed strongly. He thinks that the publicity by the Allotment Committee, and of course not by the Inquiry, would be a corrective of an unpopular decision and that the constituency is entitled to know how the decision was arrived at. The Allotment Committee really is a trustee for the communities throughout the country.

INFLUENCE OF THREE ORGANIZATIONS ON OPINION OF INQUIRY REPORT

Speaking on behalf of the official representatives of the U.P.A. who had left the meeting, Mr. Mentor expressed the belief that it would be unfortunate if the Research Committee were to permit itself to be influenced by the constituent organizations in the examination of these organizations and in the formulation of conclusions. All the agencies should be approached for all the material that they have available, but he thought it would be contrary to the original purposes for which the Allotment Committee was created if pressure applied by one organization or another were to compel the Research Committee to modify its conclusions.

Dr. Abrahamson felt that the draft would be submitted not for censorship but merely for amendment as to inaccuracies of fact, and that the Inquiry is not under any obligation to include or heed any criticism or comments, but that submission of the first draft of its section of the report without expression of opinion is only fair to the organizations concerned.

Mr. Friedman stated that to accept all the criticisms would make the report a hodge-podge and to ignore them would be to make it inaccurate. When criticisms are important, the Inquiry is at liberty to accept them or to merely publish them as a reservation or dissenting opinion by one of the three organizations.

On motion of Dr. Lowenstein, the Committee voted (Mr. Watchmaker dissenting) to include not merely the facts and the evaluation and the conclusion, but also definite allotments as a basis of discussion, and to submit the first draft of its section of the report without any expression of opinion or any indication of allotment for comment and criticism to each of the three organizations. The report is to be submitted confidentially and the Committee is to be free to act as it sees fit. v it

The meeting was adjourned at 5:10 P.M.

Respectfully submitted,

Elisha M. Friedman
Elisha M. Friedman, Secretary

October 1, 1940

EMF:BJ

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Dec. 6, 1940

THE U.P.A. POSITION

ON THE REPORT OF ELISHA M. FRIEDMAN TO THE ALLOTMENT COMMITTEE OF THE
UNITED PALESTINE APPEAL

- - - -

THE REQUIREMENTS OF THE U.P.A.

The United Palestine Appeal, as the fund-raising organization in America for the Jewish Agency for Palestine and for the Jewish National Fund, has a continuing responsibility for all phases of the program for the rebuilding of the Jewish National Home in Palestine. It is a responsibility which began years ago and which does not derive from ~~of~~ the campaign of 1940. It has entered into commitments with Palestine so that programs of colonization, of land purchase, of development might be financed over a period of years. When the United Palestine Appeal combined with the Joint Distribution Committee to form the United Jewish Appeal it was abandoning none of its commitments; on the contrary, it has been made continuously clear that the obligations, previous and present, connected with the work in Palestine require increasing sums of money from the Jews of America through the United Palestine Appeal.

The United Palestine Appeal, in approaching the Allotment Committee of the United Jewish Appeal of 1940, has made two requests in support of its application for funds beyond the first allotment of \$2,500,000:

(1) it has asked that American Jewry give its proper share of the expenditures incurred in Palestine in the period from January through September, 1940 (the last nine months of the fiscal year of the Jewish Agency and the Jewish National Fund), although recognizing that the actual rate of expenditures was affected by the original limitation of a first allotment that was not determined by scientific inquiry but by a yielding in bargaining in order to constitute the U.J.A.

The actual rate of what America has remitted during those nine months is 62% (plus).

(2) It has asked that for the last three months of 1940 (October, November, December) (which are the first three months of the 1940-41 fiscal year of the Jewish Agency and the Jewish National Fund), American Jewry should take into account: (a) the new budget which represents the new requirements on the basis of various war, emergency and normal problems, and (b) the disappearance of various European Jewish communities which previously supported the Palestine funds but from which no aid may now be expected. The figures show that from now on 80% of the total expenditures in Palestine is a fair estimate of what American Jewry should now provide,

Accordingly, the United Palestine Appeal has submitted data, including new material received by cable on December 5, 1940, which shows the following:

(A) In addition to what it has been allotted, and in addition to the Jewish National Fund traditional collections, the U.P.A. must have a supplementary sum of \$2,818,647.51 to meet its responsibilities to Palestine.

(TABLE I) This figure is on the assumption that America should provide only 62% of the expenditures based on the old, 1939-40 budgets of the Jewish Agency and the Jewish National Fund.

(B) If, as the UPA believes justified, American Jewry were to assume 80% of the responsibility, at least as regards the expenditures beginning with October 1, 1940 (and this is justified by Appendix B, showing the sharp upward rise in Palestine expenditures in October), then it would require a supplementary sum of \$3,680,295.51 (TABLE II)

(a) A cable received from Eliezer Kaplan, Treasurer of the Jewish Agency for Palestine, on December 5, 1940 (Appendix B), conclusively shows the sharp upward rise in actual expenditures, in that during the month of October, 1940, the first month in the 1940-1941 budget, the Jewish Agency (Keren Hayesod) and the Jewish National Fund spent LP145,469. (\$581,876).

(b) In his cable of December 5, 1940 (Appendix B) Mr. Kaplan, discussing November, 1940 expenditures of the Jewish Agency and the Jewish National Fund, states, "November accounts not yet ready but some items already indicate sharp increase result large constructive activities undertaken behalf unemployed refugees, industry which will be reflected November and December accounts."

(c) The extraordinary emergencies under which the Jewish Agency operates were vividly illustrated on December 4, 1940, when the Palestine Government announced that the 1771 passengers who were to be deported on the Patria, and who were then interned at Atlit, are to be released under the recognition of the Jewish Agency for Palestine, whose entire relief and rehabilitation program is thus enlarged far beyond anticipation. Under the rules applying to such illegal immigrants the overwhelming majority of whom are penniless and many of whom are ill and undernourished, the Jewish Agency guarantees to assure that they will not become public charges.

In the Report submitted by Mr. Elisha M. Friedman to the Allotment Committee of the United Jewish Appeal, certain statements are made and certain conclusions drawn which--though not supported by the accounts and the statistics which are available-- are at variance with the conclusions stated above. To examine the validity of Mr. Friedman's position, it is necessary to analyze the premises which he has used. Accordingly, an effort is here made to cite the facts which invalidate Mr. Friedman's conclusions.

I

THE UNITED PALESTINE APPEAL

"Adequacy of Accounts"

Mr. Friedman refers on several occasions in his report to the "inadequacy of accounts of the UPA," despite the fact that the material made available to him, and the tables in the UPA section which he himself reprints, contain a more comprehensive picture of the actual status and of actual

cash expenditures and income than do those of either the JDC or the NRS.

It should be noted that every question that was addressed to the UPA was answered to the Inquiry Committee. All supplementary information that was provided by cable from Palestine came as the result of independent inquiry of the United Palestine Appeal, in its efforts to make maximum information available. On no single occasion did the Inquiry Committee address a request to the UPA for information on Palestine accounts beyond that voluntarily supplied by the UPA, and all other requests for information were promptly met.

It should be observed that the tables contain a comparative statement of income, disbursements and expenditures of the UPA for 1937, 1938, 1939 and 1940. The tables also give the balance sheets of the Keren Hayesod; comparisons of Jewish Agency expenditures; the Keren Kayemeth balance sheets; comparisons of expenditures, etc., etc.

How Determine Allotments?

Mr. Friedman on page 16 raises the fundamental question as to the principles that should govern the Allotment Committee. He states, "the sums actually spent thus far in 1940 may be considered as one practical test and measure of minimal requirements." Two facts are ignored in this criterion insofar as Mr. Friedman's report is concerned.

(1) The UPA in relation to the JDC started off the year 1940 with a lesser amount, as between \$2,500,000 and \$5,250,000. The Jewish Agency in Jerusalem was apprised of the amount to which it might look forward as a minimum in 1940, with the result that its expenditures had to be pared accordingly. Now, after having constricted its expenditures, it is to be penalized because it did not spend more. It should be remembered that the original allotments to the JDC and the UPA were not based on any scientific inquiry but were the result of bargaining procedures. They provide no standard of comparison, therefore, between expenditures actually incurred.

As regards "sums actually expended," Mr. Friedman does not at any time give us a report of the amount "actually expended" by the JDC, but accepts as spent what he himself recognizes as being solely "commitments," with no indications in any of the tables or statistics that these "commitments" represent cash withdrawn from the treasury of the JDC in New York City, or, having been withdrawn from New York City, were actually spent in the countries to which funds were presumably sent. (Report Reiss -)

These questions are pertinent because the entire analysis of the UPA position and that of its agencies in Palestine is based exclusively on cash income and expenditures.

Responsibility for Past Work in Palestine.

Mr. Friedman has decided that "deficits" are no obligation of the UJA.

On this basis, he has written off \$2,000,000 from the expenditures of the Jewish Agency and the Jewish National Fund in 1940. He recognizes that the money was spent, but merely says that these constitute obligations of the past for which the current 1940 United Jewish Appeal can bear no responsibility. He thus ignores the fact that the UPA, as an autonomous body which entered into the UJA to meet all its requirements, whatever they might be, is thus deprived of meeting its moral ^{legal} responsibility to the agencies in Palestine which have been incurring expenditures on the proper assumption that the Jews in America, through the UPA, would sustain them.

For the UJA to take the position that obligations incurred in the past cannot and ought not to be met is to involve the UPA in the actual repudiation of its share of responsibility for a great part of the work that has been done in previous years by the Jewish Agency and the Jewish National Fund. It is to sanction bankruptcy. The JDC, too, has a "deficit" in the form of commitments. Table D I - items q-r-s-t-u- totaling \$968,700, represent the "commitments" by which the JDC regards itself as bound. Is the JDC to be asked to repudiate these "deficits"?

Against Land Purchase

It is when Mr. Friedman is discussing land requirements in Palestine that his views become most pronounced. He thus makes invidious comparisons between land purchased in Palestine and the necessity for feeding starving people in Europe. On page 12 Mr. Friedman remarks that "land in Palestine will always be there but the Jews in Europe may starve."

The same objection might be raised against such a project as settlement in Sosua. Thus, \$1,000,000 spent on the Dominican Republic plan might feed 30,000 refugees in Europe for a year at 10 cents a day.

Aside from the illogical standards of comparison that Mr. Friedman has used, he has, of course, failed to take into account the very fundamental purpose of the United Palestine Appeal itself; that is, the building of the Jewish National Home in Palestine with all that it represents. It is on that basis that the U.P.A., by itself or through the U.J.A., appeals to American Jewry for support.

Mr. Friedman has not considered the special significance of land acquisition ^{even} in relation to the whole refugee problem. More land is necessary in Palestine for (a) the settlement of the refugees already in the country and those who continue to come; (b) the strategic necessity of linking existing Jewish colonies more closely together; (c) the vital necessity of expanding food production so that, particularly in this war period, the colonists may achieve self-sufficiency in their requirements. Already great progress has been registered during the past year in this direction.

Provision for Past Commitments

In computing the expenditures of the Jewish Agency for Palestine, Mr. Friedman eliminates the item of loan repayment totalling \$216,640. In dealing with the JNF there is a similar elimination of the amounts involved in "loan repayment". With respect to the JNF, this involves the sum of \$1,821,000, or a total in excess of \$2,000,000, which Mr. Friedman removes

from the range of expenditures of the KH and KK, thus providing an inaccurate basis upon which the share of the UPA's responsibility for Palestine expenditures is to be computed.

Facts on Land Purchase

The U.P.A. cannot, by the very nature of its existence, accept the conclusion of Mr. Friedman that there is no responsibility for the undertakings of the Jewish National Fund in the past, when obligations for land acquisition were undertaken on the definite conviction and assurance that American Jewry, through the U.P.A. would help meet these commitments over the period of years for which they were contracted. Thus, to eliminate payments on previous commitments, as Mr. Friedman does, is to reject the moral and even legal responsibility that the U.P.A. has.

In the U.P.A. section, page 5, of his report, Mr. Friedman insists on an interpretation of the figures involving Jewish National Fund and Jewish Agency expenditures which are not supported even by his own statistics. The contrary is true. He states that when the Jewish National Fund reports the amount expended for "land purchases", it does not mean what it says but the "total cost of the land, even though it was not fully paid for."

Appendix A (giving the cash income and expenditures of the Jewish National Fund in the cable of December 3, 1940), Appendix D (a cable from the U.P.A. asking for exact information on this point) and Appendix C (a cable from Jerusalem on December 5, 1940) disproving Mr. Friedman's contention) provide the facts in the situation.

Some of the deductions of Mr. Friedman with regard to the other expenditures of the Jewish National Fund must be revised in the light of supplementary information received by the U.P.A. (Appendix A--showing in more detail the nature of the expenditures).

(7 a)

This cable shows that the cash account for the period from October 1, 1939 through September 30, 1940 totalled.....£1,224,989 and at the end of the year, that is, on September 30, 1940, the JNF in Jerusalem had a cash balance of.....£ 58,053 which can only mean that during the year 5700 (Oct. 1939-September 1940) the JNF used cash amounting to.....£ 1,166,936.

On page 7 of report (UPA) Mr. Friedman gives his views on the validity of land purchase in Palestine and states that "purchases of land hereafter should be reduced". First, Mr. Friedman would have the UPA forsake its fundamental purposes; secondly, Mr. Friedman ignores the fact that there is still more land available in Palestine than the JNF will be able to buy with funds raised in America for many years to come.

The Budgets of Palestine

In analyzing the budget submitted by the Jewish Agency and the Keren Kayemeth for 1940-1941, representing a grand total of \$13,640,000, Mr. Friedman declares that this amount is twice what it was in the previous year, but instead of assuming as he does, in the case of the JDC, that the Jewish Agency and the Keren Kayemeth budgets represent a careful estimate of actual requirements, Mr. Friedman ignores these budgetary figures in drawing up estimates of what the UPA should receive. At no time does he take these requested requirements into account, although he accepts the JDC requested requirements at face value.

He insists upon paring the Jewish Agency and the Jewish National Fund budgetary estimates for 1940-1941 to 25% of the stated value, and yet in his own tables on (UPA) page 4, he shows that the amounts actually expended by the two agencies exceeded the budgets drawn up at Geneva for 1939-1940.

Thus, for the Jewish Agency actual expenditures of 1939-1940, according to Mr. Friedman's table on page 4, of \$3,165,440, the Geneva minimum budget of the Jewish Agency for 1939-1940 was \$2,242,000.

The actual expenditures of the Jewish National Fund, again on Mr. Friedman's own figures in the table on (UPA) page 6 for the period of 1939-1940 were \$4,325,568, while the minimum Jewish National Fund Geneva budget for 1939-1940 was \$3,800,000.

Despite these facts Mr. Friedman undertakes to cut to one-fourth the budgeted figures of the Jewish Agency and the Jewish National Fund for the 1940-1941 period.

Mr. Friedman, in discussing "needs" quotes from the UPA Memorandum of Application which remarked that "one might use as a criterion for current needs the actual expenditures incurred for the period beginning October 1, 1939," and (UPA section, p. 7) "the Allotment Committee of the United Jewish

Appeal must use some standard to guide its judgment as to the responsibility of the UPA to the Palestine upbuilding program. What more practical guide than the expenditures made, together with the new emergency requirements that have arisen?"

But the fact is that: (a) Mr. Friedman has ignored the "actual expenditures" by eliminating the share of the UPA responsibility in the repayment of commitments for both the Jewish Agency and the Jewish National Fund, and moreover has completely ignored "the new emergency requirements that have arisen", as well as the normal expanded budget of the Jewish Agency and the Jewish National Fund for the period from October through December, 1940.

What The JDC Should Get

An analysis of the ratio of expenditures by the JDC ("commitments" and not cash expenditures are meant), as compared with the original amounts budgeted and announced, shows that the JDC constantly has appropriated only 25.66% (Table DIV) of the amount budgeted. If Mr. Friedman were to apply the same criterion of reckoning only one-fourth of these figures, as he has done with the Keren Hayesod, Jewish Agency and Keren Kayemeth budgets, the "extra requirements" of the JDC for the last three months of 1940 would be not \$1,638,000, but \$409,500.

Tables of analyses elsewhere will indicate that Mr. Friedman did not use the same basis of reckoning for the two organizations; thus, the expenditures of the JDC for the first nine months are accepted on a "commitment" basis, while those of the UPA agencies are completely on a cash basis. Mr. Friedman has accepted the JDC anticipated expenditure for the last three months of 1940 at face value, while saying with respect to the Jewish Agency and the Jewish National Fund budget for the last three months of 1940 that these must be discounted at 75%, thus giving to the UPA only 25% of what was asked.

The only basis provided by Mr. Friedman for this form of approach is that in his judgment he does not believe that any more should be given to Palestine than has been forthcoming in the previous nine months, even though his report contains statements with respect to increased various needs in Palestine that should serve to bolster the validity of the Palestine requirements.

The needs of Palestine increase on all sides. Mr. Kaplan's cable of December 5, 1940, describing the sharp rise in expenditures for October, November and December in relation to refugee, relief and industrial requirements; such new and extraordinary obligations as arise out of the Patria incident; the obligations developing out of a war-time economy -- all these are patent. Why, then, does Mr. Friedman choose to ignore these facts and slash the 1940-41 budget to twenty-five percent. without any statistical basis for that action?

On page 7 (UPA) he declares: (a) "increased funds needed to take care of these immigrants," referring to the influx of refugees into Palestine.

(b) "Relief needs have increased," he states, on page 8.

(c) He describes the setback to the citrus industry and the resultant unemployment, on page 9.

(d) He comments upon the "collapsed areas," on page 10, and adds that "the proportion to be raised from the United States has to be increased significantly," but despite these observations on pages 7, 8, 9, and 10, which justify the plea of the Jewish Agency and the Jewish National Fund for increased amounts in 1940 and 1941, Mr. Friedman ignores his own statements in setting up a ratio of 61% as the amount which Palestine has the right to expect from America, and simultaneously eliminates the increased budget on which this 61% should be based.

Traditional Collections of JNF

It is characteristic of the approach of Mr. Friedman to figures on Palestine that when the inclusion of the Jewish National Fund traditional collections in the UPA income would indicate a higher ratio for the UPA in comparison with the JDC he excludes these traditional collections, but when he is trying to show that Palestine is receiving too much money, he includes the traditional collections uniformly.

One fundamental fact has been ignored by Mr. Friedman--and that is: the reason why the Jewish National Fund collections are not part of the United Jewish Appeal and, under the terms of the agreement constituting the United Jewish Appeal, are distinctly understood to have no relation to it, except for a report ~~on~~ on net income that might be requested.

The reason why the United Palestine Appeal agreed to accept a first allotment of \$2,500,000 from the 1940 UJA -- a share which it considered inadequate -- was because the traditional collections would represent for the UPA an additional source of income above and beyond any allotments it might receive from the United Jewish Appeal itself. The Jewish National Fund is now being used to penalize the UPA when, if this had been spoken of originally when the UJA agreement was considered, the United Palestine Appeal would never have consented to accepting the lower ratio of \$2,500,000 in the first allotment from the UJA.

Fund-Raising for Palestine

Beginning with page 25 (UPA) and on subsequent pages Mr. Friedman is concerned with one fundamental objective: to prove that America raises more funds for Palestine than for the JDC and related purposes. Although he has included all the major agencies in the field of fund-raising for Palestine, he has ~~deliberately~~ omitted the work of other organizations which are raising funds for so-called JDC work or for activities which are presumed to be fi-

nanced by the NRS. Thus, there is no reference in expenditures incurred "for Europe and other JDC countries" of amounts obtained by the Dominican Republic Settlement Association, nor by the Refugee Economic Corporation, nor by the Joint Reconstruction Foundation. In the field of fund-raising for refugee purposes in America, no reference is made to the fund-raising for these activities of the Council of Jewish Women, the Committee for the Aid of Displaced Scholars, nor the Committee for the Aid of Displaced Scientists, nor the University in Exile, etc., some of which the NRS subventions, but all of which obtain independent funds of their own. Moreover, there are in this country various so-called nonsectarian refugee relief organizations whose funds are devoted to the field in which the National Refugee Service operates. There is, for example, the International Refugee Association, the American Committee to Aid Refugee Writers in the United States, etc., etc.,

Mr. Friedman insists (on p. 27) that, "from 1936 through 1938 the amounts raised by the United Palestine Appeal, Hadassah and the National Labor Committee showed fairly uniform increases," adding that in "1939, the first year of the United Jewish Appeal, the income of the UPA increased more sharply." Mr. Friedman fails to point out that American Jewry increased its contribution for American and overseas purposes by 250 to 300%, while the UPA share in that increase, as between 1938 and 1939, was less than half of that.

Cash Balances

In his report, Mr. Friedman makes references to cash balances in the UPA and in the Keren Hayesod and Keren Kayemeth accounts. Several facts must be taken into consideration in judging this inference. First, it must be emphasized that they do not represent surpluses. Usually, balances in the UPA account at any particular time represent deposits awaiting clearance that will be transferred automatically to the UPA'S constituent agencies. One or two of the agencies in the United States sometimes keep balances at the direct instruction of Palestine, because of emergency conditions involving the fluctuations of exchange, orders to purchase materials in America for Palestine, etc.

On Page 29, Mr. Friedman reports that "including PFF and JNF, the total cash of the UPA was \$825,000 on September 30th and \$924,000 on October 31st. "

The subsequent tables (UPA 1) make clear that this cash consists of \$107,000, which was the amount in the treasury of the UPA on September 30th awaiting distribution to the respective agencies; \$64,000 in the treasury of the Keren Hayesod, which was preparing to remit the funds (as present-day balances will indicate); \$303,000 constituting the loan fund obtained by the Keren Hayesod in order to enable the Jewish Agency in Jerusalem to have at its disposal in America ready cash for emergency problems; \$167,000 in the Jewish National Fund account awaiting transmission to Palestine; \$9,000 in the special loan fund of the Keren Kayemeth; \$105,000 in the sinking fund to enable the Keren Kayemeth to redeem bonds which it had issued in America to enable the Keren Kayemeth to carry on during an especially critical period.

II

JOINT DISTRIBUTION COMMITTEE

Certain observations must be made with regard to Mr. Friedman's report insofar as it deals with the Joint Distribution Committee, since standards of comparison are invoked.

One fact stands out in the treatment of the JDC accounts. These are accepted at face value. Statements and facts submitted by the JDC are not once questioned with respect to any item in as broad a program as that of the JDC. The same is essentially true with respect to the NRS.

Any comparison between the budgets of the UPA and the JDC suffers from the inconsistency of Mr. Friedman's approach. The statements of the JDC, it must be emphasized, are uniformly on a commitment basis and not on a cash basis as is the case with the UPA. The tables of the JDC (DIII, e.g.) speak of "commitments" from January 1 to September 30, 1940 ~~xxx~~ totalling \$5,216,500 but once again there is no indication of what was actually spent in cash from New York City, nor how much is actually held in balances in countries to which funds were dispatched, since these figures too are on a "commitment" basis.

Responsibilities of JDC

In order to examine the basis of these "commitments", it is necessary to appraise Mr. Friedman's understanding of the responsibilities of the JDC.

Thus, on page 7, he states that "the JDC is practically the sole foreign agency for the relief of Jews in Europe (92%)". On Page 3 (JDC), he describes the JDC problem and refers to 9,714,050 Jews in Europe. It is clear, of course, that the JDC can do nothing for the 5,400,000 Jews in Soviet Russia. The inclusion of this figure is likely to be misleading.

Mr. Friedman, on page 20, deals with the "collapsed European sources of funds" but fails to make clear that all the Jewish communities in Europe continue to bear the major part of the responsibility for the maintenance of

(a) not merely of their networks of local educational and philanthropic institutions but (b) of relief programs associated with assistance for and emigration of refugees in those countries.

In order to obtain a more accurate and up-to-date picture of what is being done for and by the Jewish communities in Europe, we cabled to Dr. Richard Lichtheim in Geneva. Dr. Lichtheim is not only the representative in Geneva of the Jewish Agency but has maintained continuous contact with all the relief organizations and with all the countries in Europe throughout the war until this very moment. His figures on typical countries are based on telegraphic inquiries to the communities concerned, which he in turn relayed to us.

Under the date of November 30, 1940, he cabled as follows:

"FOLLOWING FIGURES DO NOT INCLUDE EXPENSES FOR HOSPITALS ORPHAN ASYLUMS AND OTHER ORDINARY SOCIAL WELFARE INSTITUTIONS SUPPORTED BY COMMUNITIES OR SOCIETIES BUT ONLY SUCH RELIEF MOSTLY NECESSITATED BY PERSECUTIONS AND WAR CONDITIONS IN WHICH JOINT TAKES PART STOP

"SWITZERLAND MONTHLY BUDGET SOCIAL WELFARE 180,000 FRANCS, MAINLY FOR
LY
MAINTENANCE REFUGEES STOP CONTRIBUTION JOINT PREVIOUS/BETWEEN FORTY AND FIFTY
PERCENT NOW REDUCED TO TEN THOUSAND DOLLARS OR 25% STOP

"JUGOSLAVIA ANNUAL BUDGET TWENTY FIVE MILLION DINARS OF WHICH ONE MILLION
HACHSCHARAH TWO MILLION OTHER LOCAL NEEDS SIXTEEN MILLIONS KLADOWA SIX
MILLIONS OTHER REFUGEE CAMPS CONTRIBUTION JOINT TEN MILLIONS OF WHICH ONE
HALF FOR KLADOWA STOP

"FRANCE NOW ON REGULAR BUDGET VARIOUS INSTITUTIONS TRYING REORGANIZE
RELIEF STOP CONTRIBUTION JOINT SINCE JULY UNIMPORTANT WILL NOW GRANT ABOUT
TWENTY THOUSAND DOLLARS FOR IMMEDIATE NEEDS STOP

"WARSAW JEWISH COUNCIL ANNUAL BUDGET NINE MILLION ZLOTY RAISED FROM
MEMBERS COMMUNITY STOP LOCAL CONTRIBUTION JOINT UNIMPORTANT OTHER TOWNS NO
FIGURES AVAILABLE

The figures with respect to France are particularly interesting, since the JDC has requested of the Allotment Committee \$100,000 monthly for use in France during the months of October, November and December, 1940.

Inasmuch as the JDC places so much emphasis on its work in Poland, the figures with respect to Warsaw are especially interesting.

On December 4, 1940, Dr. Lichtheim cabled from Geneva as follows:

"GERMAN JEWRY (REICHSSVEREINIGUNG) SPENT FIRST NINE MONTHS THIS YEAR

FOR EMIGRATION PALESTINE.....	525,000 MARKS
EMIGRATION OTHER COUNTRIES	3,100,000 "
RELIEF	15,200,000 "
PREPARATION EMIGRATION	2,190,000 "

JOINT GAVE ADDITIONAL \$388,000 WITHOUT RECEIVING COUNTERVALUE,
AND ALSO \$275,000 AGAINST REICHSMARKS* "

*Reichsmark- \$.40 $\frac{1}{2}$ in United States; \$.25 in Germany.

Expenditures in Germany

The figures for expenditure in Germany indicate two things: (a) that the overwhelming bulk of the funds spent in Germany for relief and associated purposes is provided by the German Jewish community itself, and (b) that the contribution of the JDC toward these activities has been not only small, but actually less than it has claimed credit for in its figures publicized in America. The comparison shows over 21,000,000 marks spent in Germany, with the JDC providing about 10% (ten) of the total.

Cash Resources

Although Mr. Friedman has itemized the cash resources available in the United States to the several agencies of the UPA he did not direct equal attention to the fact that the JDC had in its possession on September 30, 1940 in the form of cash in banks and similar assets \$590,289.85 (Table DI), nor did Mr. Friedman refer to the large cash balances or assets available in the affiliate organizations and subsidiary accounts of the JDC, as, for example, the Agro-Joint, the Joint Reconstruction Foundation, etc., from one of which the JDC was able to borrow \$600,000 during the year, repaying the amount.

Bases of Comparison

On page 26 Mr. Friedman shows the trend of fund-raising of the Palestine agencies from 1936 through 1939 but fails to indicate at the same time that the income of the JDC has shown far sharper rises. Thus, for example, the "appropriations" of the JDC rose from \$340,000 in 1932 to \$8,923,000 in 1939.

The table on page 23 showing a comparison of the fund-raising between the JDC and UPA from 1934 through 1939 is correct insofar as it shows the UPA's share in relation to that of the JDC as having declined from 49% in 1934 and 52% in 1935 to 35% in 1939, and will be even lower in 1940.

Again Mr. Friedman refers on (UPA-1) to the expense of fund-raising of UPA, which declined from about 10% in 1937 to 3 1/2 % in 1939. Mr. Friedman fails to make similar observations for the JDC and neglects to point out that administrative expenses of the JDC have been maintained at a high level despite the fact that the cost of campaigning has been absorbed by the UJA. Thus, Mr. Friedman might have inquired why it is essential for the JDC to employ a staff of 81 in its New York offices.

These items are cited solely to indicate that in his observations, Mr. Friedman has chosen to express his views only with regard to the UPA.

III

NATIONAL REFUGEE SERVICE

Cash Priority for NRS?

Mr. Friedman urges consideration for the cash requirements of the NRS. The UPA and probably the JDC are in exactly the same position, inasmuch as the cash available from the UJA is not equal to the allotments already made to the respective organizations. Each of the bodies has had to undertake borrowing. Thus, for example, the Palestine Foundation Fund in America had

to borrow some \$400,000 on behalf of its constituent agency in Palestine. It has not addressed any request to the UJA or to the Allotment Committee to give the UPA priority in order to enable it to clear off these loans. The \$3,500,000 already allotted to the NRS does not come within the competence of the Allotment Committee of the United Jewish Appeal, but is the exclusive concern of the JDC and the UPA through whose agreement the NRS received \$3,500,000 in 1940. Therefore, any decision with respect to priority in cash to the NRS is outside the jurisdiction of the Allotment Committee. That was determined by the original agreement between the JDC and the UPA.

Responsibility For Refugees

In describing the requirements of the National Refugee Service, Mr. Friedman states that "the 100,000 Jewish refugees in the United States are a great responsibility." He takes no account of the fact that a great majority of these individuals are either people who have funds, or who are earning their own livelihood, or who are maintained by relatives.

Amounts Spent Locally for Refugees

Referring to the amounts expended locally for refugee assistance, Mr. Friedman uses the figures of \$904,000 as having been allotted in 1940, taking the figure given by the NRS itself, although the NRS claims only that the \$904,000 was budgeted by the communities which "replied" to its inquiries. In other words, there are scores of additional communities which have made contributions for local refugee services, but Mr. Friedman did not take these figures into account because the figures were not given to him by the NRS, and he has not made any independent inquiry. The figures of local expenditures for refugees is undoubtedly closer to \$2,000,000.

in the various communities outside of NY

\$374,000 Surplus for NRS

Table JI shows further interesting figures with respect to the NRS: In 1940 the NRS has already received in the form of allotments and other contributions the sum of \$153,151.88 more than its expenditures for the whole year of 1940. Its receipts and allotments total..\$3,591,625; it has budgeted expenditures of.....\$3,438,473.12 leaving a balance of.....\$ 153,151.88

It should also be noted (NRS 1) that the NRS ended the year 1939 with a surplus of \$228,000, which it could apply to 1940.

These figures are arrived at in this way: The NRS received, from the UJA.....\$2,600,000, not including additional income from foundations; it spent the sum of.....\$2,372,000, and therefore had a surplus of..... 228,000.

Thus, the NRS during the two years, 1939 and 1940, will have received in excess of its actual expenditures a total sum of \$374,151, when the other agencies cannot even obtain funds to meet their minimum budgeted expenditures.

5.280.000 →

5.880.000
200
530

Aug 31.

Aug 31.

6.511.000

8000

4/500.000
360



17.000

Cash

4.860.000 =
1620
0

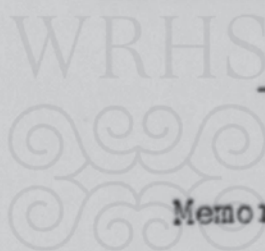
6.450.000
5250
1,230,000

United Jewish Appeal
342 Madison Avenue
New York City

xerox *ell*

ALLOTMENT COMMITTEE INQUIRY

ITS AIM AND SCOPE



Memorandum

to Allotment Committee
from Elisha M. Friedman

Official Draft
Approved by the Committee
on Sept. 6, 1940
and Revised by Letters
October 1, 1940

- CONFIDENTIAL -
Not for Publication

(Kindly return previous draft)

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I. PURPOSE AND PLAN OF INQUIRY

A. Purpose of Inquiry

The terms of reference defined in the minutes of the meeting of the Committee on Distribution of the United Jewish Appeal on July 5th and August 5th, 1940 are as follows:

"The purpose of the study with reference to the three organizations which constitute the United Jewish Appeal is:

- "1. To secure an evaluation of such information as is now available with respect to them, financial and other data.
- "2. The placing of their program in perspective in relation to current war problems.
- "3. The evaluation of the quality of the available data, and recommendations for improvement and the securing of additional information, and
- "4. Furnishing a program of research for future years."

B. Distribution Agreement for 1940

The agreement of February 8, 1940 between the Joint Distribution Committee and the United Palestine Appeal constituting the 1940 United Jewish Appeal allocated "an amount not in excess of \$25,000 to be used during 1940, in connection with budget studies, personnel and other overhead expenses, to the end that the said Distribution Committee shall have for consideration all material which may be pertinent to a thorough analysis of all matters before it."

"No agencies other than the U.P.A., the J.D.C. and the N.R.S. are to be beneficiaries of distributions made by the Distribution Committee; and no such other agencies shall be included in the United Jewish Appeal without the prior consent of the J.D.C. and the U.P.A.

"This agreement between the J.D.C. and the U.P.A. and the joint campaign which is the subject thereof, shall be deemed to have commenced on January 1, 1940. Any proposal for an agreement for fund-raising in a 1941 campaign shall be considered not later than October 31st, 1940."

C. Plan of Inquiry

1. Quantitative approach

(See paper of Taylor and Fletcher on Unit Costs in Social Work)

- a. What data can be measured statistically

- b. What per capita bases can be worked out

I. (PURPOSE AND PLAN OF INQUIRY - Cont.)

- C. 1. c. Value and limitations of statistical comparisons.
Principle not universally applicable. Low cash
per capita paid by service organizations as N.R.S.

2. Imponderables

a. Unmeasurable factors

1' Home aspects

a' Absorption of refugees to avoid

- 1" Concentration as distinctive group
- 2" Psychological inferiority and resultant attitude

b' Public reaction to

- 1" Jewish refugees - Valuable element, not nuisance
- 2" All refugees - anti-alien attitudes?
- 3" Jews of United States

a" Take care of our own problems

b" "Home security"

c" Insurance against prejudice

c' Efficiency and prestige of Jewish philanthropy and
community organizations

- 1" Service to local community on refugee aid
- 2" Communities' organization and cooperation to
help refugees are useful to general Jewish work

d' Goodwill of contributors to U.J.A. and to Federations

e' Relation to non-Jewish refugee organization

- 1" Cooperation on Jewish and general refugee question
- 2" Jewish organization encouraging others

2' Foreign aspects

a' Settlement in normal life

- 1" Freedom from risk of new persecution
- 2" Close to soil and stable economy
- 3" Ease of absorption in new society

b' Opinion of governments and public on

- 1" Jewish settlers or colonists as creators
- 2" Jewish colonizing agencies

(I. PURPOSE AND PLAN OF INQUIRY - Cont.)

C. 2. a. 2' c' Prestige abroad of Jews of United States

d' Approval of United States contributors and success of future United States campaigns

b. Basis for evaluation

1' Good accomplished to beneficiaries

2' Permanent vs. temporary results

3' Risks taken by agencies and errors inevitable in a crisis

4' Avoidance of dangers to Jews, as a group or as individuals contributing

3. Comparison of experience of other similar international organizations

a. American Red Cross

1' Allotment principles

2' Budget and accounts

b. Rockefeller Foundation

1' Allotment principles

2' Budget and accounts



D. Spirit of the Inquiry

1. The Inquiry merely seeks facts pertinent to its purpose.

2. The staff is not attempting to get minimum or maximum allotments for any organization, but only facts underlying a just and reasonable allotment policy.

3. Suggestions by Inquiry staff for improvement of the presentation of the facts might be welcomed by organizations surveyed.

4. Final results will depend upon the tact of the staff in creating and holding the goodwill of the three organizations.

E. Difficulties of Allotment

1. Functions cover the whole range of life of Jews

a. As individuals

b. As a social group

(I. PURPOSE AND PLAN OF INQUIRY - Cont.)

E. 2. Problems beyond human capacity to assess

- a. The Yom Kippur services ascribe to the Almighty alone the wisdom and power to make these decisions, "Who shall live, who shall die, who shall starve and who shall be sated, who shall wander and who shall rest".
- b. Recognition of the difficulties of the task.

F. Information Required

In the margin will be noted the following terms:

- Necessary - Information needed before November 1, 1940 as a basis of allotting 1940 balance.
- Desirable - Information helpful for this purpose. If not available, omit.
- Future Research - Information necessary but not available, which must be studied as part of a longer range research program.

II. MAJOR FUNCTIONS OF CONSTITUENT ORGANIZATIONS IN THE UNITED JEWISH APPEAL
Description of functions of J.D.C., U.P.A., N.R.S. (called constituent organizations) along following functional lines:

Necessary An organization chart showing parent organization and all subsidiaries partly, Research - classified by functions, as noted below:

A. Relief of Individuals - local relief shown separately from refugee relief

1. Recurrent

- a. In cash
- b. In kind - say, kitchens, clothing
- c. Medical and child care

2. Temporary - occasional help (single payments)

3. Emergency - crises of war and anti-Semitism - U.S.A., Europe and Palestine - Sudden catastrophe, e.g., bombing, Haifa; S.S. St. Louis; Roumania, etc.
(Upsets fixed principles; prevents checking budget against audit)

B. Migration of Individuals

1. All costs until refugee passes immigration authorities
2. First few days in new country (Hias)

C. Resettlement and Readjustment as Individuals (an expense item)

(II. MAJOR FUNCTIONS OF CONSTITUENT AGENCIES - Cont.)

- C. 1. Training and retraining
- 2. Resettlement in established community - singly or in small groups
- 3. Loans to individuals
- 4. Employment
- 5. Capacity to help others later
- D. Reconstruction as a Jewish Group (a capital item)
 - 1. Purchase of land for colonization
 - 2. Colonization - e.g., Palestine Santo Domingo
 - 3. J.D.C. - Foreign countries
 - a. Health
 - b. Schools
 - c. Social welfare
 - d. Vocational training
 - e. Credit cooperatives
 - f. Community organization
 - g. Immigration
 - h. Service (like N.R.S.)
 - 4. Palestine - Economic, political and spiritual aspects
U.P.A. affiliates operate entirely in one geographical area, therefore can be surveyed as a unit; the effect of the U.P.A. affiliates on the economic, social and political life of Palestine and morale of Jews persecuted in Europe and contributors in U.S.A.

III. ALLOTMENT PRINCIPLES

Necessary &
Future Re-
search

A. Needs

- Most Ur- gent 1. Presented by the three constituent organizations for rest of 1940;
compared to preceding quarter of 1939; after 1940. Trend of new demands; appeals deferred or rejected by per cent or in amounts.
- 2. Emergency needs created by war, exile or revolution.
 - 3. Where needs overlap, what is relative responsibility? Define functions and scope of each organization, thus limiting the responsibility - NRS, UPA. J.D.C. received relief appeals for Palestine and requests for emigration costs from all of Europe to Palestine.

(III. ALLOTMENT PRINCIPLES - Cont.)

B. Total Sums to be Allotted

1. World needs of three constituent organizations and other unaffiliated organizations. 1939, 1940 to date.
2. Budget demands of three constituent organizations. How were totals built up from per capita base? 1939, 1940 to date.
3. Actual receipts of three organizations, cash and also local "matched" contributions classified by continents, South America, Africa, etc. Also local N.R.S. contributions deducted. 1939, 1940 to date.
4. Actual expenditures by the three organizations and by local committees abroad and other unaffiliated organizations by function, by countries. 1939, 1940 to date.
5. Are American allotments affected by sums collected by unaffiliated and uncontrolled organizations in U.S.A., local or national, and by local committees outside United States?
6. Reconcile amounts budgeted with amounts actually spent in 1939 and 1940 and explain important modifications and differences.

C. Amounts Raised (See IV A on accounting aspects)

1. Shall the size of the sums collected affect the quota for each type of service - relief, migration, refugee, resettlement, reconstruction?
2. Shall the amounts raised outside the U.S. affect the U.S.A. allotment ratios?
3. Necessities vs. luxuries in philanthropy - allowing for factors mentioned (III E 4)
4. Effect of surplus cash on hand
5. Effect of old deficits
6. Effects of maturing debts

D. Factors of Elasticity

1. Reserves for contingencies - cash kept in treasury
2. Borrowings at banks after cash disbursed
3. Budget quarterly? To allow for unforeseen crises?
4. Or fixed minimum annual budget plus flexible supplement allotted quarterly?

(III. ALLOTMENT PRINCIPLES - Cont.)

E. Principles of Benefits Received

1. Number benefited
2. Nature of benefit - cash given vs. advice and service and imponderables
3. Scale of payments
 - a. Per capita comparison, relative to the several countries; percentage of total receiving help; effect on anti-Semitism of large number not helped.
 - b. Standard of living and of relief - many imponderables, not statistical.
 - 1' Percentage of local standard attained
 - 2' Previous standard of European Jews
 - 3' Effect of sub-standard relief levels for refugees
4. Standards of relief to refugees in U.S. compared with private relief to Americans
 - a. Effect on the prestige of U.S. Jewry
 - b. Effect on the refugees' liability to deportation or preventing citizenship
5. What are the principles of allotment inside the constituent organizations? Can they be applied to other organizations? Or will it interfere with organizational autonomy? Priorities in each of three organizations:
 - a. J.D.C.
 - 1' Need, as prepared by the local committee
 - 2' What sources of income, aside from J.D.C.
 - 3' Pro-rate money to save from starvation, the baseline
 - 4' Emergencies
 - b. U.P.A.
 - 1' Relief - 18,000 Jews of Europe absorbed since war broke out
 - 2' Colonization
 - 3' General development and increasing absorption capacity

(III. ALLOTMENT PRINCIPLES - Cont.)

E. 5. c. N.R.S.

- 1' Relief
- 2' Resettlement
- 3' Employment

Prefer to move them.

Employ those who can't be moved.

Relief - a last resort - and temporary presumably.

F. Priorities by Groups

1. Age - children preference
2. Sex - women first
3. Vocation - productive individuals like artisans vs. unproductive

G. Effect of Collapse of European Source of Funds on U.J.A.

1. Increasing number of refugees and rising costs of living
2. Blockade and food supply
3. Money transfer difficulties - offset by clearing arrangements
4. Decreased demand from Russian Poland offset by increased demands from newly invaded countries, and demand to save political and religious declassées such as Social Democrats, rabbis, yeshivah students in Russian Poland.
5. Duties of United States
 - a. To compensate for reduced contributions and other changes abroad
 - b. To continue American aspects as before
6. American aspect
 - a. Are Jewish refugees a greater responsibility in U.S.A. than elsewhere? (NRS) How about Jewish prestige in South American countries (JDC) and in Palestine? (UPA)
 - b. Have refugees in U.S. prior claim on U.S. funds?

H. Past Quotas

1. Cite recent distributions - have they any binding value?
2. Relative weights of established quotas vs. future needs - history vs. emergency.

(III. ALLOTMENT PRINCIPLES - Cont.)

- Fu- I. Efficiency of Operation of the Organization or its Department
ture Re-
search
1. Shall there be greater allotment to stimulate efficiency in broadest sense?
 2. Shall quotas vary to induce organizations to improve data or operations?

IV. ACCOUNTING REQUIREMENTS

Necessary

A. Compare the Bases of (See III C on allotment aspects)

1. Budget allotments
2. Cash actually received against pledges. (Is it true that pledges are 96% collected? Add experience table for recent years.)
3. In distributing funds, is curtailment pro-rata or otherwise?

Ne- B. Uniform System of Accounts and Classification, Statistics and Terminology
cessary Scientific allotment impossible in the present overlapping of accounts
partly & and confusing terminology and imponderable factors.

Future Re-
search

1. Uniform accounting year - Some of the agencies report for the calendar year and some for the fiscal years ending March 30th, June 30th and September 30th. Interim reports should be published to December 31st bringing all the accounts to a like period, so as to facilitate comparisons and analyses.
2. Distribution or priority of allotment, depends upon comparative standards of performances. To obtain such standards, there must be some unit in terms of which performance can be measured. Otherwise, conclusions are merely guesses or bias. Benefits per capita - either dollars given per capita or jobs found per capita - might be the standard for comparing the usefulness and the efficiency of the departments within the organization and between organizations.
3. N.R.S. differs in function. Imponderable factors not subject to such precise analysis.
4. U.P.A. differs from other agencies. Politics of relations to Arabs and to British government. Spiritual aspects not mathematically analyzable.

Ne- C. Classify Expenditures Functionally

cessary

partly & 1. Direct cash paid out; direct service to refugees

Future Re-

search

2. Overhead at the point of distribution
3. Other overhead - U.S.A. and abroad

(III. ALLOTMENT PRINCIPLES - Cont.)

Fu- D. Compare Dollars Paid by Contributor and Cash Received by Ultimate
ture Re- Recipient
search

1. Cost accounting analysis by departments
2. Number of persons benefited and per capita benefit
3. Per capita overhead, point of distribution; indirect overhead at home and abroad; case inquiry overhead or administrative overhead.
4. The contributor's dollar is raw material of the enterprise. The recipient's dollar is the finished goods of the enterprise. The "expense" is really cost of production, of converting raw material into finished goods.

No- E. Single, Consolidated Statement for U.J.A. Combining Constituent
cessary Organizations

1. Supported by other consolidated statements, segregating each of constituent organizations.
2. Classified also by function, relief, etc.

De- F. Is an Efficiency Investigation Part of This Study?
sirable
& Future
Research

1. Incidentally only. Investigation as complete as time permits.
2. Overlapping functions. How did N.C.C. coordinate overlapping activities of its own constituents?
3. Shall accountants go beyond the parent organization books to the details of the subsidiaries?

G. Time Limit Restricts Scope

Since accounting time limit is October 14th, scope of the Inquiry must be curtailed to meet this limit, and the rest is subject to future research. Avoid unnecessary detail and all non-essential reports.

V. PARALLEL ORGANIZATIONS

Desirable Minutes of meeting of August 5, 1940 state: "The work should be primarily
& Future related to the three participating agencies and consider the others only
Research incidentally as the work may be related to duplicating that of others".

A. Sums Raised by Parallel but Unaffiliated Organizations for Similar
Purposes, such as:

- | | |
|--|-----------------------------|
| 1. Ort | 7. New Zionist Organization |
| 2. Federation of Polish Jews | 8. Mizrachi |
| 3. Hias | 9. Pioneer Women |
| 4. Hadassah | 10. Jewish Nat'l Fund boxes |
| 5. Hebrew University | 11. World Jewish Congress |
| 6. Jewish Labor Committee - Gewerkschaften | 12. War-Torn Yeshivahs |

(V. PARALLEL ORGANIZATIONS - Cont.)

B. World Survey

Consolidation of statements of the three American affiliated and the numerous unaffiliated American disbursing organizations, comparing total sums raised, including and excluding the unaffiliated agencies on the basis of

1. Countries served
2. Functions performed
3. Is their cooperation possible in raising funds and in disbursing them?
4. Funds raised by
 - a. Jewries in Canada, Argentina and other neutral countries for similar purposes
 - b. The three organizations outside the U.S.A.

C. Basis for Research Already in Files of Council of Federations

1. Need to adapt this material to present purpose
2. Possibly use Council's research man on special assignment

VI. TIME SCHEDULE AND FORM

A. Time schedule

The due dates follow:

1. Accountants' Analysis on October 14th
2. Statistical analysis on October 14th
3. Committee report, preferably final, at least first draft, November 1st. The present agreement expires October 31st.
4. Final report, outside limit, November 15th.
5. When shall Allotment Committee meet to discuss Inquiry report?

B. Format

1. Letter of transmittal; condensed summary, one to two pages, including consolidated financial statement.
2. Factual summary and recommendations - four to five pages.
3. Text of report - not too long

(VI. TIME SCHEDULE AND FORM - Cont.)

C. Organization

The staff will be held to the minimum size capable of doing the job. Monthly estimate of cost follows:

1. Chief accountant	)	
	)	\$1,050
2. 4 junior accountants	)	
3. 3 organization contacts:		
J.D.C. - Messrs. Hyman or Leavitt		
U.P.A. - Mr. Montor		
H.R.S. - Messrs. Haber or Greenleigh		
4. Chief statistician	)	
	)	
5. 4 assistant statisticians	)	1,350
	)	
6. Analyst of non-affiliated organizations	)	
covered by Council of Federations	)	
7. 3 stenographers		<u>360</u>
Estimated Monthly Total about		\$2,760
Exclusive of fee to consulting accountant		

M E M O R A N D U M

October 10, 1940

Subject: Procedure of the Inquiry and Time Schedule

To : Messrs. Hyman, Leavitt
Montor
Haber, Greenleigh
Lurie

From: Elisha M. Friedman

For Information of Allotment Committee
Chairman: Harris Perlstein
James H. Becker
Dr. Solomon Lowenstein
Dr. Abba Hillel Silver
David M. Watchmaker
Henry Wineman
Dr. Stephen S. Wise

Attached is the official draft, as approved by the Allotment Committee, of the Memorandum on Aim and Scope of the Inquiry. Will you kindly keep it in your files so that you can check its queries against the Interim Report to the Allotment Committee, which is due about November 1st. This may also be of some help to you in preparing supplementary data for the Inquiry in connection with your Detailed Application to the Allotment Committee.

The Inquiry Report should consist of three parts:

- 1) Summary of facts - including accounting and statistical data
- 2) Appraisal by the Inquiry
 - a) Concerning allotments - (for the Allotment Committee)
 - b) Concerning internal factors - (for your own administrative use)
- 3) Recommendations
 - a) General
 - b) Suggested allotment

The accounting report will be shown only to the organization surveyed. No one else will see it. Criticism of your organization on the accounting data and the Inquiry comments will be appreciated.

After the receipt of your comments, a first draft appraisal will be prepared by the Inquiry which will be submitted to you alone for comment. Where there is difference of opinion on any important matter, your dissent from the Inquiry conclusion will be pointed out in the first appraisal to be submitted to the Allotment Committee. The same applies to the recommendations of the Inquiry.

Each organization will then receive a copy of the revised report, for a last editing. It will then be sent to the members of the Allotment Committee for consideration. The subsequent meeting of the Allotment Committee will be held about November 1st.

Whether the Inquiry should make suggestions as to the definite allotment quotas has been questioned after the meeting, though the Allotment Committee ordered it to do so. Therefore, the Inquiry will not mail its allotment suggestions to the members of the Committee. But if at the meeting, the Committee again decides that the Inquiry recommendations as to definite allotments should be considered, the quotas or allotments will be available and submitted at the meeting.

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, Inc.

100 EAST 42nd STREET, NEW YORK CITY

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ISIDOR COONS, *Director of Fund Raising*

October 14, 1940

The Allotment Committee,
United Jewish Appeal For 1940,
342 Madison Avenue
New York, N. Y.

Gentlemen:

Supplementing our application of August 20, 1940 to you for an allotment in accordance with the terms of the agreement covering the United Jewish Appeal for 1940, we submit herewith a memorandum setting forth the present situation of the Joint Distribution Committee.

In our application we estimated monthly requirements for the J. D. C. for the five months period August through December at \$566,000 per month. For the months of August and September the Joint Distribution Committee appropriated \$329,000 for August and \$301,500 for September. It was clear to us that these sums were totally inadequate to meet the needs. It was felt, however, that we could not make any larger appropriations for these two months unless we had greater assurance as to the probable income of the United Jewish Appeal as a result of the Fall campaigns, and the funds available to the Allotment Committee for distribution.

You will note that our appropriations to July 31st	
amounted to	\$4,700,500.
Subsequently further cancellations were effected on account	
of appropriations previously approved totalling	90,000.
leaving a net of	\$4,610,500.
Adding August and September appropriations of	630,500.
we arrived at total appropriations for the first nine	
months of the year of	<u>\$5,241,000.</u>

You will therefore, observe that the fixed sum allocated to the J. D. C. of \$5,250,000 has practically been appropriated for the first nine month period of 1940. It was this fact that made our Executive Committee hesitate to increase budgetary appropriations for August and September beyond the figures stated above.

The requirements for the winter months, as detailed in the memorandum, are naturally much greater than other periods of the year. There are increased needs for clothing and shelter, fuel, medical assist-

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ance as well as more adequate feeding. This problem is presently engaging the serious consideration of our Executive Committee, and it is our belief that considerably larger sums will have to be made available for the last three months of 1940 as compared with the budgetary appropriations for August and September. As against the estimated monthly allotment of \$566,000 submitted in our original application, we now find, as a result of the rising trend of needs and of the emergency situations which have arisen, that a minimum of \$1,000,000 a month will be required for the last three months of 1940. These requirements are summarized in Schedule A attached to the memorandum.

In order to complete the record of our appropriations made thus far, we attach herewith Schedule B showing appropriations for the months of August and September.

We bespeak your most careful consideration and generous allotment to the Joint Distribution Committee.

Sincerely yours,

AMERICAN JEWISH
ARCHIVES
Paul Baerwald
Chairman

PB:FG

MEMORANDUM OF ANALYSIS ON APPLICATION OF
NATIONAL REFUGEE SERVICE TO THE ALLOTMENT
COMMITTEE OF THE UNITED JEWISH APPEAL

It is clear from the application which the National Refugee Service has submitted that no further funds are required from the 1940 United Jewish Appeal by the National Refugee Service.

On page 1 of its application to the Allotment Committee of the United Jewish Appeal, Mr. Rosenwald states that the National Refugee Service expenditures for 1940 "will have amounted to \$3,528,000 by the end of the year."

The income of the National Refugee Service for the year 1940 is as follows:

From the national United Jewish Appeal.....	\$2,500,000
(of which the bulk will have been received by the end of 1940)	
From the New York City United Jewish Appeal.....	1,000,000
(from which it will have received probably the full amount by December 31, 1940)	
From Hofheimer Foundation.....	40,000
From Baron deHirsch Fund.....	25,000
From New York Foundation.....	25,000
In addition the National Refugee Service had an income in the form of "refunds" (appendix III) of.....	75,192.47
	<u>\$3,665,192.47,</u>

or a total in excess of its own requirements as stated by Mr. Rosenwald in his letter of October 18, 1940. Therefore, no additional money is even needed from the United Jewish Appeal Allotment Committee, insofar as 1940 operations are concerned.

The National Refugee Service speaks of a "cash deficit"--but all organizations are similarly affected by the fact that pledges made to the United Jewish Appeal by campaigns throughout the country are paid over an extended period of time. The knowledge that this money is definitely forthcoming permits borrowing by the respective agencies. By April 30, 1941 the National Refugee Service will have received from the United Jewish Appeal the full amount of the \$2,500,000 allowed to it for 1940, in cash. Therefore, to say that the "cash deficit" of the National Refugee Service at the end of April 30, 1941 will be \$1,623,000 is contrary to the facts. The National Refugee Service, moreover, is not taking into account the income that will accrue to it in any event in the months of 1941 on account of the 1941 campaigns.

On page 2 of its application, the National Refugee Service asks for money "for development of essential services" and "working capital to begin 1941". Such a request is distinctly outside of the province of the 1940 United Jewish Appeal Allotment Committee.

Insofar as the availability of funds for the National Refugee Service is concerned, it is to be noted that in 1940 it was able to borrow \$450,000 from various foundations, and \$450,000 from the Joint Distribution Committee. Is there any reason why these same sources are not to continue to lend money to the National Refugee Service, especially since the cash is definitely anticipated on the allotment of \$2,500,000 made from the National United Jewish Appeal, and \$1,000,000 that will have been received in cash by the end of 1940 from the New York City United Jewish Appeal. The loans made by the National Refugee Service in 1940 were repaid. The National Refugee Service on page 2 of its application speaks of the reduction of relief budgets, and discusses the "social implications of our failure to meet minimum needs of destitute refugees".

It might be noted that of \$3,528,000 appropriated by the National Refugee Service for its 1940 expenditures, two principal items were:

Personnel costs.....	\$ 858,763.65
Administrative and office expense.....	290,177.36
Total.....	1,148,941.01

The question that must be answered by the Allotment Committee is whether the National Refugee Service alone has responsibility for the refugee tasks it has outlined.

Aside from the huge sums spent locally for refugees, the National Refugee Service is making subventions to other organizations which themselves raise additional money. In the case of the Council of Jewish Women, for example, the total it has available and does make available for the work involves very substantial amounts. The activity of the National Refugee Service in financing other organizations which have other sources of support shows:

National Council of Jewish Women.....	\$ 65,000.00
Emergency Committee in aid of Displaced Foreign Medical Scientists.....	35,000.00
Emergency Committee in aid of Displaced Scholars (schedule 2).....	70,000.00
	<u>\$ 170,000.00</u>

These three organizations, for example, have a right, and exercise that right, to go outside to ask for funds,--a privilege that is denied to both the Joint Distribution Committee and the United Palestine Appeal. A man not wishing to give to the United Jewish Appeal can nevertheless aid the National Refugee Service by giving to these separate bodies without deduction being made from the National Refugee Service.

In Appendix III, under "Total Relief, Special Projects, Subventions and Reserves", the National Refugee Service speaks of reserves without specifying the nature of these reserves. Why should a reserve be kept, when cash funds are said to be so urgently required?

Inasmuch as the National Refugee Service by its own figures shows that it is receiving in 1940 more than it has appropriated for expenditure, there is no basis for any application to the Allotment Committee of the United Jewish Appeal for 1940. The National Refugee Service should rather apply to some outside agency or a bank to borrow in anticipation of the cash it has already been promised.

October 25, 1940.