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United Jewish Appeal, United Palestine Appeal, Keren Hayesod,
1940.

K E R E N H A Y E S O D

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TOTAL NET RECEIPTS DURING THE FIRST HALF OF THE YEAR 5700-		LP. 272,884
(as against LP.260,167 during the same period in 5699).		
TOTAL NET RECEIPTS SINCE INCEPTION OF THE KEREN HAYESOD		7,628,919
<u>RECEIPTS</u>		<u>EXPENDITURE</u>
	<u>of the Keren Hayesod</u>	
For the regular budget	LP. 261,900	Remittance to Jewish Agency 206,947
For earmarked purposes	10,984	Settlement of German Jews 6,030
		Repayment to Lloyds Bank 26,336
		Expenditure of Headoffice and of delegates 18,524
	<u>of the Jewish Agency</u>	
Total Receipts	LP. 280,058	Budget: LP. 391,622
of which:		
From the Keren Hayesod	206,947	
From other sources	73,111	

Total net receipts for the period 1.10.1939-31.3.1940 were	LP. 272,884
of which:	
For the regular budget	LP.261,900
For earmarked purposes	<u>10,984</u>
	LP.272,884

United States of America	LP.173,619
South Africa	15,744
Great Britain	12,686
Eretz Israel	5,950
Australia	4,715
Holland	4,275
Canada	4,026
The Argentine	3,706
Other countries	37,179

During the first half of the year 5700 the Keren Hayesod remitted a total amount of LP.206,947 to the Jewish Agency, of which LP.201,503 for regular budgetary purposes and LP.5,444 for earmarked purposes. In addition, the Keren Hayesod handed over to the Department for the Settlement of German Jews the sum of LP.6,030 (received from Canada) to be used for Youth Immigration purposes.

3. JEWISH AGENCY RECEIPTS

From the Keren Hayesod: a/c the regular budget	LP.201,504
earmarked purposes	5,443
" the Keren Kayemeth (American Bitzaron funds) for colonisation in the Beisan area	22,545
" South Africa for investment in public utility companies (see December 1939 Report)	22,000
" Government grant for Agricultural Research Inst.	2,153
" Vaad Leumi	3,364

From South Africa for Wizo purposes	LP.3,895	
" Income of Immigration Department	1,608	
" Repayments of previous Keren Hayesod loans (of which LP.3,075 from Keren Hayesod settlements)	6,460	
From Various receipts	<u>11,086</u>	<u>LP.280,058</u>

4. EXPENDITURE OF THE JEWISH AGENCY +)

I. AGRICULTURAL SETTLEMENT (including Agricultural Research Institute	LP.151,019	
II. SETTLEMENT OF GERMAN JEWS	2,729	
III. HOUSING AND PUBLIC WORKS	85,715	
IV. IMMIGRATION AND TRAINING	20,861	
V. NATIONAL ORGANISATION AND SECURITY	64,269	
VI. EDUCATIONAL AND CULTURAL ACTIVITIES	17,531	
VII. TRADE, INDUSTRY AND URBAN SETTLEMENT	38,879	
VIII. ADMINISTRATION	<u>10,619</u>	<u>LP.391,622</u>

I. AGRICULTURAL SETTLEMENT

A. Direct Expenditure

(a) Moshavim - Moshavoth	LP. 38,402	
(b) Cooperative settlements	73,874	
(c) Individual farmers	949	
(d) Girls' Farms	1,608	
" " (Through Wizo, S. African rec'ts)	5,904	
(e) Investments	1,881	
(f) Instructorate, Technical Office, Organisation expenditure, etc.	10,762	LP.133,380
(g) Agricultural Research Institute		17,639
		<u>LP.151,019</u>

ad (a) The amount of LP.38,402 was distributed among 61 Moshavim and Moshavoth for the erection of dwellings and farm buildings, purchase of dead and live inventory, irrigation, plantations, etc., of which:

28 settlements established before 1927 received	LP.7,959
17 " " between 1928 & 1936 received	8,503
4. " " " 1936 & 1939 "	3,301
12 " " during 1939 & 1940 "	18,639

Of these moshavim and moshavoth:

18 established by the Histadruth (Gen. Labour Fed.) rec'd	LP20,203
26 " " middle-class settlers	7,773
3 " " Sephardi settlers	5,313
6 " " Mizrachi	2,512
4 " " Yemenites	1,156
1 " " General Zionists A	635
1 " " General Zionists B	486
2 " " Revisionists	324

+) The incongruity between the figures listed under the following items and the figures under the corresponding items in our March Report is accounted for by the change which was introduced in the classification of these expenses as shown in our remarks to the various items.

ad (b) For the same purposes LP.73,874, were granted to 51 cooperative settlements, as follows:

4	settlements established before 1927	received	
12	"	"	LP. 6,117
17	"	between 1927 & 1936	received
18	"	"	8,833
		1936 & 1939	"
		1939 & 1940	"
			22,398
			36,526

Of these:

44 settlements	"	by the Histadruth	"	
2	"	" " Mizrachi	"	58,262
2	"	" " General Zionists (Akiba)	"	7,103
2	"	" " General Zionists A'	"	2,946
1	"	" " General Zionists B'	"	1,847
various	"	" on Pica land	"	1,216
				2,500

ad (c) 22 individual farmers received loans to a total of LP.949.

ad (d) The sum of LP.1,608 was spent on Girls' Farms in Petah Tikva, Nachlat Yehuda, Shechunath Borochoy, Ayanoth and Afuleh.

In addition, the sum of LP.5,904 out of the South African receipts was turned over to Wizo for the same purposes. Wizo's annual expenditure on Girls' Farms amounts to LP. 25,000.

ad (e) Investments:

Acquisition of additional shares of "Mekoroth" Water Co. LP.	1,000
" " " " " " "Rassco"	19
Road construction and repairs	862

ad (f) Instructorate

Technical Office	LP.2,748	LP.4,292
Less income	<u>2,249</u>	
Organisation expenses		499
Consolidation of settlements		2,602
Preparation of land for new settlement		450
Subsidy to Association for the Promotion of Palestine Produce		409
Digging for wells		475
Sieff Institute		215
Repayment of an old debt to the Keren Kayemeth		250
Miscellaneous (Research in cattle & poultry diseases, surveys, cultivation of castor-oil trees, geological researches, etc.)		625
		<u>945</u>
		LP 10,762

ad (g) Out of the total of LP.17,639 spent on the Agricultural Research Institute in Rehoboth LP.7,967 went for the construction of new buildings. The balance is accounted for by the expenditure of the various departments of the Institute, such as: chemical, pathological, entomological and physiological sections, the climatological garden, experiments in field and garden, plantations, dairy, well, library, publications, wages and salaries, travelling expenses, postage, telegraphs, telephone, watchmen, etc.

B. Indirect Expenditure

During the first six months of the current fiscal year the share capital of "PASA" (Palestine Agricultural Settlement Association) remained static, totalling LP.136,966 like at the end of the previous year. The Keren Hayesod is the sole holder of the shares of this company. Various "PASA" reserve funds increased from LP.31,970 as at 30.9.1939 to LP.32,302 as at 31.3.1940 - i.e., an increase of LP.322. In addition, LP.8,272 was derived from the sale of 4% debentures, bringing the total amount at the disposal of the company from the sale of its debentures up to LP.213,080 as at 31.3.1940.

During the six months under review "PASA" granted the following loans:

To Moshve Ovdim	LP.15,158
" Cooperative Settlements	7,498
" Middle-class Settlers	4,641
" Irrigation Plants	8,536

From the time of its inception the company has granted loans totalling LP.319,286.

II. SETTLEMENT OF GERMAN JEWS

As is well known, the Jewish Agency has a special Department for the Settlement of German Jews, its separate budget deriving from various sources. During the period under review the income of this Department amounted to LP.109,571 and its expenditure to LP.109,849.

The largest item of expenditure during these six months was Youth Immigration. 5334 boys and girls were brought over from Germany, Austria and Czechoslovakia and placed in agricultural settlements or educational institutions. At present, 3510 youths are being cared for by this Department. LP.69,561 were spent for passage, clothing, and maintenance in agricultural settlements and educational institutions, LP.8,993 on construction of buildings to house the youths in the agricultural settlements, and LP.7,176 for vocational training, subsidies and organisation - making a total of LP.85,730 spent for Youth Immigration. The remaining items of expenditure of the Department are Agricultural Settlement, Initial Care of Immigrants and their Vocational Training, subsidies to scholars and students, Loans for Constructive Enterprises, etc. Administration expenses (Jerusalem and London offices) amounted to LP.2,625 for the period under review.

III. HOUSING AND PUBLIC WORKS

1. Housing of Workers: Buildings	LP. 3,722	
Tents	5,812	
To Loan Funds for construction of dwellings	1,341	
Workers' camps	1,891	
Provisional housing	39	LP.12,805
2. Loan Fund for Auxiliary Farms:		
Through Workers' Bank	2,000	
" "NIR"	1,600	
" Kupat Milveh in Haifa	200	
For unorganised workers	81	
Loans for seeds and fertilizers	1,613	5,494
3. Instruction in and Promotion of Work:		
To contracting offices		LP. 1,100
Promotion of maritime and fishing industry		2,247
Loans to growers for promoting Jewish labor in the citrus plantations		7,567
Vocational training of workers:		
Through Agricultural Centre, Histadruth	1,648	
" Women's Council	1,263	
" Hapoel Hamizrachi & others	292	
Vocational training of working youth	723	3,926
Transfer of workers to site of work		1,997
To Labor Exchanges:		
Joint exchange in Tel Aviv	300	
20 joint exchanges in the colonies	2,457	
Exchanges of various organizations	383	3,140
Expenditure in connection with Government works		665 LP. 20,642
4. Promotion of works to relieve unemployment:		
Guarantees to Bitzur for loans granted for various public works	12,466	
Participation in construction of road at Moledeth	75	LP 12,541
5. Mishan Loan Fund: Through Vaad Leumi	23,163	
In the towns:		
Through Histadruth Unemployment Fund	3,620	
" Hapoel Hamizrachi	212	
" General Zionists	250	
" Yemenite Organization	250	
" Agudath Israel	125	
" Various organizations	186	
In the colonies:		
Through Agricultural Centre of the Histadruth	2,400	
" Hapoel Hamizrachi	250	
" Agudath Israel	100	30,556
6. Medical Care		1,212
7. Organization & Miscellaneous Expenditure (travel, postage, telegraph, telephone, Haifa maritime dept., control office over the Joint Labor Exchanges in the colonies)		2,465
		LP.85,715

ad (1) Two dwelling-houses, several huts and a dining hall were built, sanitary equipment installed and repairs carried out in various settlement points.

During the period covered by this report, 840 tents were acquired to accommodate 3360 persons. These were used for people engaged in military workers, for workers in the citrus groves near the colonies and for refugees.

The sum of LP. 1,891 spent for workers' camps was distributed as follows:

Kfar Syrkin	LP.549
Neveh Chaim (Hedera)	516
Ain Ganim	366
Petah Tikvah	345
Czechoslovakian immigrants	115
	LP.1,891

ad (2) -a) The Jewish Agency participated to the extent of 50% in Loan Funds for Auxiliary Farms which were set up by the Workers' Bank and "Nir".

b) For seeds and fertilizers supplied to various workers' groups by "Hamashbir" (Co-operative Purchasing and Marketing Ass'n for the agricultural settlements) the Jewish Agency advanced LP. 1,613. The workers' groups undertook to repay this sum to the Jewish Agency after the harvest and signed promissory notes for the said amount.

ad (3)- a) The contracting offices of the Histadruth handled the picking of the citrus crop this year which totalled about one million cases.

b) The Anglo-Palestine Bank issued a loan of LP.1000 to the Citrus-Fruit Packers' Union "Haorez" and a loan of LP.500 to the Union of Carpenters engaged in citrus-fruit packing. These loans were issued at the beginning of the picking season so as to provide the Unions with the necessary revolving capital. The Jewish Agency guaranteed the full amount of the two loans to the Anglo-Palestine Bank.

c) The Workers' Bank issued loans totalling LP.4,000 to a number of planters for the carrying out of works aggregating the sum of LP.5,000. The Jewish Agency assumed the guarantee for possible losses up to 2/3 of the amount of the loans, i.e. to a maximum of LP.2,667.

d) After careful deliberations through an arbitration committee, the President of the Vaad Leumi decided that in this crucial year the citrus planters should reduce the daily wage of their Jewish workers from 200 to 170 Mils. But in order to safeguard the workers' standard of living a special Fund was established with equal participation of the Jewish Agency and the Vaad Leumi (using Emergency Tax funds) to cover the difference of 30 Mils per day. During the period under review the Jewish Agency contributed LP.3,000 towards this Fund.

e) An average of 620 persons per day were given instruction by 90 instructors in picking, pruning and hoeing of citrus groves.

f) 640 youths (about half of them unemployed) benefitted from courses in mechanics, locksmith work, soldering, sewing, etc.

g) The absorption of refugees into the economic life of the country and their employment as agricultural workers was facilitated mainly through the training given them.

In January 1940 about 5000 workers were instructed by 220 instructors;

" February "	"	7000	"	"	"	"	285	"
" March "	"	9000	"	"	"	"	350	"

h) More than 300 girls received instruction and training in the various Women's Farms. This was done through the intermediary of the Women's Council of the General Labor Federation and of the Hapoel Hamizrachi.

i) Subsidies were granted to the District Schools at Yagur, Givat Hashlosha and Kfar Yeladim for agricultural instruction.

j) Transfer of workers to sites of work accounted for LP.1,997 (of which LP.1,070 for refugees). More than 5500 workers were placed in labor camps and agricultural settlements. This was carried out in coordination with the training and instruction mentioned above.

k) The Joint Labor Exchange in Tel Aviv handles an average of about 11,000 workers per month.

By the end of 1939 there were 20 Joint Labor Exchanges in the colonies assisting about 6000 unemployed each month. Between January and the end of March 1940 these Labor Exchanges distributed 364,130 days of work.

ad (4) The Jewish Agency guaranteed to "Bitzur" the following loans which were granted by the latter for public works:

					Jewish Agency
a)	<u>Road Construction.</u>	<u>Cost</u>	<u>Working Days</u>	<u>Amt. of Loan</u>	<u>Guar'tee</u>
1.	Rishon Lezion	LP.200	400	LP.150	up to LP. 62
2.	Bnai Brak	905	1610	300	" " 150
3.	Kfar Saba	3600	7400	1800	" " 550
4.	Beth Hakerem	700	1400	700	" " 310
5.	Participation in construction of road at Moledeth - LP.75				

b) A loan of LP.6,200 was granted by "Bitzur" for the levelling of sands in Tel Aviv, the Jewish Agency assuming the guarantee for possible losses up to the amount of LP.3,200.

c) The "Leviathan" Hide Factory was hard hit by the disturbances and compelled to suspend operations for some time. When the factory was reopened it was decided to erect 20-30 dwelling houses for the workers, both as a measure of security and in order to save time in commuting to work from the city. Each house involves an expenditure of LP.120 towards which a loan of LP.80 was granted by "Bitzur". The entire project will necessitate about 1700 working days. The Jewish Agency assumed the guarantee for possible losses in respect of the above loans to an amount not exceeding LP.767.

d) The Mador Building and Finance Co. obtained a loan of LP.5,000 from "Bitzur" for the construction of two houses on a plot of land in Jerusalem which was leased for a period of 99 years. This loan is secured by a mortgage on the leasehold and is to be repaid, together with interest, by the end of 1950 in quarterly instalments. The cost of construction will total LP.25,000 and 20,000 working days will be required. The Jewish Agency guaranteed both the loan and the interest to "Bitzur" but only to an amount up to LP.4500.

e) A loan of LP.1,500 was granted by "Bitzur" to the Workers' Sick Fund for the construction of an ambulance shed in Kfar Saba, the Jewish Agency assuming the guarantee for possible losses up to the amount of LP.600.

f) The Jewish Agency also assumed the guarantee for possible losses to an amount not exceeding LP.1,933 in respect of the LP.2,000 loan which was granted by "Bitzur" to the "Mizrachi Talmud Torah" for the construction of a school building in Jerusalem.

g) A loan of LP.1,000 was granted by "Bitzur" to the "Aviron" Co. for the construction of buildings. The Jewish Agency assumed the guarantee towards "Bitzur" for an amount not exceeding LP.393.

ad (5) Relief funds totalling LP.74,830 were distributed by the Vaad Leumi between 15.10.1939 and 31.3.1940 as follows:

a) Through the Municipality of Tel Aviv	LP.10,001
b) " 59 Municipal and Village Councils	22,949
c) " Workers' Organizations:	
Of the General Labor Federation	LP.21,502
" Hapoel Hamizrachi	2,228
" the Revisionists	1,984
" General Zionists	1,099
" Agudath Israel	977
" Yemenite Organization	917
" Sephardi Organization	418
" Others	867
d) For children's welfare	4,420
e) Participation in public works	1,650
f) To Yeshivoth and refugee students of same	1,423
g) To Mifdeh Ezrachi	510
h) To the Retail Merchants Association	150
i) To hospitals in Haifa and Tiberias	300
j) Miscellaneous	3,435
	<u>LP.74,830</u>

IV. IMMIGRATION AND TRAINING

1. Assistance to Immigrants:

a) Maintenance in hostels- immigrants	LF. 904	
refugees	<u>3,002</u>	LP.3,906
b) Medical care and insurance through Kupat Cholim - for 517 immigrants	382	
" 2022 refugees	1,285	1.667

c) Loans - to 436 immigrants	547	
" 3156 refugees	<u>6,291</u>	6,838
d) Transfer to site of work-401 immigrants	78	
1766 refugees	<u>215</u>	<u>293</u>
		12,704
2. Training Abroad:		
Expenditure of Halutz Organizations and Training Centres in Roumania, Lithuania, Hungary, Latvia, Jugoslavia, Bulgaria, Estonia and Egypt; expenditure for delegates and instructors	2,480	
3. Immigration institutions of Yemenites & Greek Jews	29	
4. New Immigrant Hostel in North Tel Aviv (Charelik Fund)	771	
5. Palestine offices abroad & immigration offices as home	<u>4,877</u>	LP20,861

V. NATIONAL ORGANIZATION AND SECURITY

1. Political Department:		
a) In Jerusalem	LP.12,823	
b) In London	8,833	
c) Geneva Office	<u>366</u>	LP.22,022
2. Security:		
Supernumerary police and security measures in various settlements		39,238
3. Religious Purposes		1,999
4. Press Bureau ("Palcor")		338
5. Information Office		447
6. Subsidies to Athletic Organizations (Maccabi, Hapoel)		225
	LP.	<u>64,269</u>

VI. EDUCATIONAL AND CULTURAL ACTIVITIES

1. To Vaad Leumi, as contribution to its educational budget	LP.	12,280
2. To Mossad Bialik		1,778
3. To Mossad Rav Kuk		625
4. To Haifa Technion		423
5. To Nautical School of the Haifa Technion		725
6. Subsidies: Habima	LP.1,132	
Ohel	225	
Palestine Orchestra	<u>75</u>	1,432
7. To Youth Organizations		268
		<u>LP17,531</u>

ad (1) The Jewish Agency contributes LP.30,000 annually towards the educational budget of the Vaad Leumi. During the first six months of the year 5700 the Jewish Agency remitted LP.12,280 on account.

The network of schools under the supervision of the Vaad Leumi includes:

189 kindergartens
194 elementary schools
13 secondary schools
6 teachers' seminaries
5 polytechnical and other vocational schools
making a total of 407 schools with 4137 teachers and 56,056 pupils (comprising 75% of the total student population). Of these 407 schools 174 are general public schools, 77 belong to the Mizrachi and 156 to the General Labor Federation.

ad (2) The annual budget of Mossad Bialik is LP. 3,000. During the period under review LP.1,778 were expended as follows:

For publication of books	LP.577	
" Vaad Halashon	356	
" subsidies to literary & scientific journals and societies	432	
Guarantee to "Bitzur" in respect of its loan to Dvir Publishing House	383	
Miscellaneous	<u>30</u>	LP.1,778

ad (3) Mossad Rav Kuk issues the monthly review "Sinai" and has as its object the publication of works, old and new, dealing with national and religious matters. Its annual budget amounts to LP.2,500, towards which the Jewish Agency contributes LP.1,000. During the first six months of the year 5700 the Jewish Agency remitted LP.625 on account.

ad(4) The Hebrew Technion's budget for the year 5700 amounts to LP.21,000. During the period under review the Jewish Agency remitted LP.423 on account of its annual contribution of LP.2,000 towards the budget of the Hebrew Technion.

ad (5) "Habima" has a monthly budget of LP.1140. During the six months covered by this report "Habima" received LP.1132 in cash and guarantees.

VII. TRADE, INDUSTRY AND URBAN SETTLEMENT

1. Investments	LP. 9,136	
2. Expenditure of Department for Trade & Industry	20,483	
3. " " Economic Research Institute	2,760	
4. " " Dept. for Retail Trade & Crafts	5,074	
5. Miscellaneous	1,426	<u>LP.38,879</u>

ad (1) The Jewish Agency assumed the guarantee for the loan of LP.9,104 issued by "Bitzur" to the Palestine Marine Trust and to be invested later on in the purchase of shares.

An additional sum of LP.34 was invested in the new wing of the Jewish Agency building.

ad (2) Various Guarantees:

- a) To the Anglo-Palestine Bank a/c of the guarantee totalling LP.11,500 which the Jewish Agency assumed in connection with the Loan Fund for the laying in of raw materials for industrial purposes. (So far a total of LP.169,300 has been paid out in loans which are granted against charges on merchandise, the value of the stock in the warehouses now amounting to LP. 220,000.....LP.10,699
- b) Additional contribution to the Industrial Loan Fund of The Anglo-Palestine Bank (Total contribution to March 31st, 1940 - LP. 27,754; Loans issued; LP.66,090)... 2,500
- c) Guarantee to the Anglo-Palestine Bank for the LP.6,000.. loan to Ashdot Yaacov and Givat Brenner for their industrial undertaking fulfilling a Government order 1,500
- d) Loan to Naaman Brick Factory in Haifa Bay 350
- e) Further contribution to Industrial Bank Loan Fund for small manufacturers (total contribution to 31.3.30 = LP.6,640; loans granted - LP.13,911)..... 1,500
- f) To Foreign Trade Institute 915
- g) Subsidy to Institute for Promotion of Local Products: contribution towards expenses on exhibitions (Palestine Pavilions in Smyrna and New York), etc..... 1,621
- h) Organization expenses & Miscellaneous..... 1,398

ad (4) Additional direct loans and contributions to 9 Loan Funds for small traders and artisans (total loans granted to 31.3.40 - LP.18,743, and a capital of about LP.75,000 mobilized) 3,944

Small Loan Fund	612
Subsidy to artisans' unions	108
Organization and Miscellaneous expenses	<u>410</u>
	5,074

ad (5) Statistical Office LP.1,075
Zionist Information Bureau for Tourists 351 1,426

VIII. ADMINISTRATION

Administration expenditure together with various small expenses of the Jewish Agency amounted to LP. 10,619 during the first half of the year 5700.

Rural and Suburban Settlement Company "Rasco" Ltd.
Balance Sheet
as at 31st March 1940

<u>L I A B I L I T I E S</u>	LP.	LP.
Share Capital		
Authorised:		
30.000 6% Preference Shares of LP 1.- each	30.000.000	
20.000 Ordinary shares of LP 1.- each	20.000.000	
	<u>50.000.---</u>	
Issued and Paid:		
29864 6% Preference Shares of LP 1.-each	29.864.---	
10080 Ordinary shares of LP 1.-each	10.080.---	39.944.---
Debentures, secured by a floating charge on all the company's assets:		
5% Debentures 1939/1943	17.066.---	
LP 500.-repurchased are subject to re-issue		
4% Debentures 1941/1955	10.990.---	
LP 200.-repurchased are subject to re-issue		28.056.---
Debenture Interest accrued due, secured by a floating charge on all the company's assets		2.780.450
Sundry Creditors	8.451.724	
Bills Payable	2.037.---	
Payments by settlers on account of settlement	<u>20.308.406</u>	30.797.130
Contracts to be carried out (including reserves for sundry liabilities)		14.355.599
Income received in advance & reserves		629.107
Profit & Loss Account		
Debit Balance (loss) on the 1st of April 1939	2.880.557	
Profit for the year ended 31st March 1940	<u>3.199.018</u>	318.461
		<u>116.880.747</u>
Guarantees given		2.173.500

<u>A S S E T S</u>	LP	LP.
Cash in hand	237.016	
Cash at banks	<u>6.564.378</u>	6.801.394
Promissory Note Jewish National Fund		3.390.970
Debtors & debit balances		
Debtors open accounts	7.941.233	
Settlers	10.151.321	
Bills receivable	<u>882.866</u>	
	18.975.420	
less: reserve for doubtful debts	<u>844.032</u>	18.131.388
Loans and long term Debtors		
Loans to settlers on mortgage	1.492.333	
Loans to settlers (mortgages since registered)	1.800.430	
Sundry long term debtors	<u>1.314.305</u>	4.607.068
Goods in stock at or below cost, as certified by the managing directors of the company		17.033.206
Shares and Bonds, at or below cost		295.400
Immovable Property, on freehold and leasehold land, at cost	38.083.982	
Part of the freehold land is registered in the name of the Keren Hayesod Development and Settlement expenses on freehold and leasehold land, at cost	<u>12.561.921</u>	50.645.903
Work in progress on account of settlers and others		15.010.418
Interest and expenses paid in advance		275.---
Furniture & Tools, at cost less depreciation	267.390	
less: depreciation	<u>77.390</u>	190.---
Preliminary Expenses	750.---	
less: written off	<u>250.---</u>	500.---
		<u>116.880.747</u>
On behalf of the Board of Directors:		
DR. ABRAHAM LANDSBERG, Director		
DR. HERBERT FOERDER, Director		

We have audited the Accounts and Balance Sheet of the Rural and Suburban Settlement Company (Rassco Ltd.) as above set forth and having obtained all the information and explanations we have required, report that in our opinion the above balance sheet is properly drawn up, so as to exhibit a true and correct view of the state of the company's affairs at the 31st March 1940, according to the best of our information and the explanations given to us and as shown by the books of the company.

BAWLY & MILLNER
Public Auditors

Tel Aviv, 29th September 1940

for the period 1st April 1939 to 31st March 1940

		LP.
General Expenses		4.706.164
Interest on debentures		1.359.915
Taxes and sundries		285.653
Expenses in connection with transfer agreements		343.244
Discount on debentures		50.---
Depreciations		
Furniture and tools	77.390	
Doubtful debts	61.132	
Preliminary expenses	<u>250.---</u>	388.522
Profit for the year		<u>3.199.018</u>
		<u>10.332.516</u>



LP.

Operating profit on settlements	6.865.209
Interest & Sundries	767.985
Sundry Income	2.695.322



10.332.516

THE EREZ ISRAEL (PALESTINE) FOUNDATION FUND KEREN HAYESOD LTD.
(COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
BALANCE SHEET AS AT THE 31ST MARCH 1940

<u>L I A B I L I T I E S</u>	LP. Mils	LP Mils
<u>SUBSCRIPTIONS</u>		
Amount received since the Incorporation of the Company (23rd March 1921) to the 31st March 1940 (NET)		
March 1921 to March 1939	6,972,998.706	
April 1939 to March 1940	639,433.166	
	<u>7,612,431.872</u>	
<u>LESS/-</u> Trust and Earmarked Funds not allocated	<u>11,814.425</u>	7,600,617.447
<u>DEDUCT/-</u>		
1. Transfers to The Jewish Agency and other Institutions for current Budgets, Investments and Capital Expenditure in Palestine (Includ- ing LP.64,965.657 mils out of Assets realised and Dividends received)		
March 1921 to March 1939	6,766,247.028	
April 1939 to March 1940	556,625.229	
	<u>7,322,872.257</u>	
<u>LESS/-</u> Investments etc. retrans- ferred to Keren Hayesod Ltd. by The Jewish Agency	<u>1,882,937.533</u>	
	5,439,934.724	
2. Administrative Expenses of Keren Hayesod Head Office, Delegates to Branches etc. (NET) LP. Mils		
March 1921 to March 1939 609,759.140		
March 1939 to March 1940 32,293.018	642,052.158	6,081,986.882
		<u>1,518,630.565</u>
<u>CAPITAL REFUND RESERVE</u>		
Appropriations by way of Dividends and Bonus received from Haifa Bay Develop- ment Co. Ltd. (Subsidiary Company)		23,700.000
<u>TRUST AND EARMARKED FUNDS (See Contra)</u>		
Council for German Jewry	241,732.501	
Sundries	<u>11,814.425</u>	253,546.926
<u>LOANS</u>		
Joint Loans from Lloyds Bank Ltd., and The Anglo-Palestine Bank Ltd., secured by Debentures giving specific and floating charges on the Assets of the Company	541,969.576	
Other Loans (of which LP.11,171.201 mils is secured by Mortgages on Immovable Property of the Company)	<u>18,636.858</u>	560,606.434
<u>Carried Forward</u>		2,356,483.925

<u>A S S E T S</u>	<u>LP</u> <u>Mils</u>	<u>LP</u> <u>Mils</u>
<u>LONG TERM LOANS</u>		
As certified by The Jewish Agency		
Agricultural Settlements in Emek, Judea. Sharon and elsewhere (including Sundry Settlers)		
By The Jewish Agency for Palestine	970,291.550	
By the Central Bureau for the Settlement of German Jews	<u>151,414.560</u>	1,121,706.110
<u>VARIOUS URBAN MORTGAGE LOANS</u>		
Under Administration of The General Mortgage Bank of Palestine Ltd.		1,003.609
<u>LOANS TO IMMIGRANTS AND SUNDRY ADVANCES, AFTER PROVISION FOR BAD AND DOUBTFUL DEBTS</u>		
As certified by The Jewish Agency		
Immigrants	59,143.748	
Various Institutions and Individuals	<u>170,305.902</u>	229,449.650
<u>AMERICAN ZION COMMONWEALTH INC. AND MESHEK COMPANY LTD.</u>		
Advances in connection with Land Purchases	82,381.404	
Other accounts	<u>1,158.322</u>	
	83,539.726	
<u>LESS/- Reserve</u>	<u>6,455.420</u>	77,084.306
<u>LAND AND BUILDINGS ETC.</u>		
At Cost	110,781.799	
At Cost less Depreciation, as certified by The Jewish Agency	18,454.967	
At Cost, as certified by The Jewish Agency		
Acquired by the Central Bureau for the settlement of German Jews	<u>6,037.105</u>	135,273.871
<u>INVENTORY AND EQUIPMENT</u>		
At Cost less Depreciation, as certified by The Jewish Agency		31,273.383
<u>LIVE STOCK</u>		
At Cost, as certified by The Jewish Agency		1,342.500
<u>INVESTMENTS, at Cost</u>		
Shares and Debentures	184,515.717	
Capital Investments	20,300.497	
Shares in Subsidiary Companies	<u>214,764.661</u>	419,580.875
<u>DEBTORS AND DEBIT BALANCES</u>		
(Including 900 mils due by a Subsidiary Company and LP.445.045 mils being Balance of Advances to Managing Directors, totalling LP.853.066 mils)		23,840.591
	<u>Carried Forward</u>	<u>2,040,554.895</u>

THE EREZ ISRAEL (PALESTINE) FOUNDATION FUND KEREN HAYESOD LTD.
(COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
BALANCE SHEET AS AT THE 31ST MARCH 1940

<u>L I A B I L I T I E S</u>	<u>LP</u>	<u>Mils</u>
<u>Brought Forward</u>		2,356,483.925
<u>CREDITORS AND CREDIT BALANCES</u>		12,884.580
<u>THE KEREN HAYESOD EMPLOYEES' INSURANCE AND</u> <u>MUTUAL BENEVOLENCE ASSOCIATION (See Contra)</u>		1,658.877

DIRECTORS NOTES: *

- 1) All Assets described herein as being certified by The Jewish Agency are as at the 30th September 1939 (the end of The Jewish Agency's fiscal year) and movement thereon since that date, which is recorded in The Jewish Agency's Books, will, in accordance with usual procedure, be given effect to as at the 30th September 1940.
- 2) There is a Contingent Liability amounting to LP.803.- in respect of Guarantees, of which LP. 410.- is in respect of a Managing Director. (The total amount of Guarantees in respect of such Managing Director was LP. 510.-)

ON BEHALF OF THE BOARD OF DIRECTORS:

(Sgd.) Arthur Hantke.....DIRECTOR:

(Sgd.) L. Jaffe.....DIRECTOR:

LP. 2,371,027.382

We have audited the Balance Sheet of The Erez Israel (Palestine) Foundation Fund Keren Hayesod Ltd., as at the 31st March 1940, as above set forth, and have obtained all the information and explanations which we have required. In respect of those Assets which are under the Administration of The Jewish Agency and shown above as being certified by them, we have received a Certificate from the Auditor of that Agency that the amounts are in accordance with the relative Accounts kept by the Agency. In our opinion the above Balance Sheet is properly drawn up so as to show a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the Books of the Company.

RUSSELL & CO.
CHARTERED ACCOUNTANTS
AUDITORS

Jerusalem, 30th September 1940

<u>A S S E T S</u>	<u>Brought Forward</u>	<u>LP Mils</u>	<u>LP Mils</u>
			2,040,554.895
<u>LLOYDS BANK LTD.</u>			
Redemption Reserve Account			22,800.000
<u>FILMS OF "LAND OF PROMISE" ETC.</u>			
Balance of Investment in connection with Film Production			1,027.117
<u>FURNITURE AND FIXTURES</u>			
At Cost less Depreciation			476,732
<u>TRUST AND EARMARKED FUNDS (See Contra)</u>			
Long Term Loans out of Council for German Jewry Funds, as certified by The Jewish Agency	LP Mils	241,732.501	
Cash at Banks	4,212.733		
Sundries	7,601.692	11,814.425	
			253,546.926
<u>CASH AT BANKS AND ON HAND</u>			
Ordinary Funds		14,962.835	
Fund Earmarked for Repayment of Bankers' Loan		36,000.000	50,962.835
<u>THE KEREN HAYESOD EMPLOYEES' INSURANCE AND MUTUAL BENEVOLENCE ASSOCIATION (See Contra)</u>			
Cash at The Anglo-Palestine Bank Ltd., Jerusalem		39.577	
In Debentures of The General Mortgage Bank of Palestine Ltd.		1,619.200	1,658.877
			LP. 2,371,027.382

STATEMENT PURSUANT TO THE COMPANIES ACT, 1929

No dividends were paid or declared by Subsidiary Companies within the year ended the 31st March 1940. Provision exists for losses sustained by one Subsidiary Company, but no provision has been made for losses of two other Subsidiary Companies.

ON BEHALF OF THE BOARD OF DIRECTORS:

(Sgd.) Arthur Hantke.....DIRECTOR:

(Sgd.) L. Jaffe.....DIRECTOR:

THE EREZ ISRAEL (PALESTINE) FOUNDATION FUND KEREN HAYESOD LTD.
(COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL)
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED THE 31ST MARCH 1940

Dr.	LP	Mils	LP	Mils
<u>To GENERAL ADMINISTRATIVE EXPENSES</u>				
<u>Salaries and Insurance of Staff</u>				
Managing Directors	2,310.098			
Organization Department	3,501.060			
Treasury Department	2,689.110			
General Staff	488.400			
Indemnities to discharged Employees	227.000			
Insurance, etc. of staff	427.048		9642.716	
<u>Office Expenses</u>				
Cables, Postages and Telephones,				
Stationery, Office Supplies and				
Sundry Expenses	2,290.196			
Travelling and General Expenses	1,575.532			
Pensions	968.156			
Clerical Assistance	519.167			
Rent, Rates, Lighting, Heating, etc.	203.877			
Watching of Office Building	424.540			
Repairs of Office Building and				
Upkeep of Garden	217.966			
Depreciation of Furniture and Fixtures	158.910			
Auditors' Fee	150.000		6,508.344	
<u>Card Index and Issue of Certificates</u>			20.219	
<u>Propaganda Expenses</u>				
Press Propaganda and Subscriptions				
to Newspapers	1,208.322			
Films and Exhibitions	429.536			
Pamphlets and Maps	2,599.476			
Tourist Information Service	122.535			
Photographs and Blocks	357.375			
Propaganda among Religious Jews	365.714			
"Hamassad" Bi-Monthly Editon	765.850			
Propaganda among Youth	2,911.797			
Zionist Propaganda Institute, Prague	66.846			
Propaganda among German Immigrants	350.000			
Propaganda Activities in India	172.682			
Subvention to the Vaad Arzi for				
Propaganda purposes	300.000			
Miscellaneous Expenses	216.350		9,866.483	
			25,037.762	
To <u>EXPENSES IN CONNECTION WITH THE 21ST</u>				
<u>ZIONIST CONGRESS IN GENEVA</u>			736.704	
To <u>EXPENSES IN CONNECTION WITH KEREN</u>				
<u>HAYESOD CCNFERENCE IN ANTWERP</u>			102.183	
To <u>BAD DEBTS WRITTEN OFF</u>			5,000	
To <u>SALARIES AND EXPENSES OF TRAVELLING</u>				
<u>ORGANISERS</u>				
Salaries	4,684.167			
Expenses	2,155.935			
Indemnities	200.000		7,040.102	
			LP33,921.751	

		<u>Cr.</u>
	<u>LP Mils</u>	<u>LP Mils</u>
By <u>INTEREST AND DIVIDENDS</u>	<u>2,949.808</u>	
<u>LESS/-</u> Interest received from "Bizur Ltd." Debentures and from Banks' Deposits transferred to The Jewish Agency	<u>1,734.339</u>	1,215.469
By <u>DIFFERENCE ON EXCHANGE LESS BANKERS' AND TRANSFER CHARGES</u>		413.264
By <u>BALANCE</u>		
Being excess of Expenditure over Income for the year ended the 31st March 1940, transferred to the Balance Sheet		32,293.018



R E P O R T

of activities during
The period April 1st, 1939 - March 31st, 1940

The following report covers the period from April 1st, 1939 till March 31st, 1940. More than half of this period coincides with the first months of the war. During this time the Rural and Suburban Settlement Co. Ltd. was confronted with considerable difficulties.

The previous year closed with a noticeable loss to the Company. This loss was due to the fact that a number of settlement agreements which had been concluded in foreign countries, and towards the realization of which all necessary steps had been taken in Palestine, could not be carried out owing to the growing difficulties of emigration and immigration.

The outbreak of war after the first five months of the period under review added new difficulties to our work. The Company had concluded a considerable number of settlement agreements in various European countries a large number of which could not be carried through owing to the cessation of all possibilities of capital transfer and the difficulties of immigration. These difficulties were partly counter-balanced by the growing tendency among middle-class residents in Palestine to settle on the land. At the beginning of the war especially a certain tendency to leave the towns and settle in the country in some form or other was noticeable. We have endeavored by suitable measures to strengthen this tendency among all classes of the Jewish population. During recent months the establishment of auxiliary farms on relatively small plots played a considerable role besides the settlement on complete farm units, the additional requirements of the small-scale settlers being derived from capital interests or labor earnings.

In this way the Company was capable of notably extending its activities, an extension which would have been considerably larger had the war not intervened.

The balance sheet shows a profit of LP 3,199.018

so that after the deduction of last years
loss of
a profit of

2,380.557
LP 318.461

is carried forward into the new business year.

A comparison with the balance sheet of the previous year shows that income from settlement activities has increased to a considerable extent. Outstanding debts are considerably reduced in comparison with last year's balance sheet. "Outstanding debts" include short-term investments to the amount of several thousand Palestine Pounds realizable at any time. Owing to the war situation the Company had to increase its stocks of building and irrigation materials. The stock, including pre-war purchases, has been valued at cost price. The item "Immoveable Property" shows but a slight change since new purchases of land almost equal sales. Plans for the utilisation of the Company's lands at Summiel and Afule could not be carried out owing to the outbreak of war.

II.

The developments of the various settlements proceeded as follows:

a) Rassco's principal activities during the period under review were connected with the establishment of Beth Yzchak, on the road to Nathania, which was started in November 1939. Beth Yzchak is named after the late Yzchak Feuerring who died in Palestine a few years ago and from whose estate the "Feuerring Fund" amounting to LP10,000.-- was established which considerably assisted in the upbuilding of Beth Yzchak. A number of settlers lacking sufficient capital for the establishment of a complete farm unit received long term loans from the "Feuerring Fund" at very favorable conditions (28 years amortization and 2% interest per annum). The "Feuerring Fund" also contributed towards the building of the road within the settlement, a communal hall and a synagogue.

Up to date 87 families have been settled at Beth Yzchak, 20 of which are from Czechoslovakia.

b) During the period under review Kfar Shmaryahu, the first settlement of Rassco, has been considerably extended. In Kfar Shmaryahu where the land is held in private ownership, there are now 90 dwelling houses and 350 inhabitants. Lately, sales of building plots in Kfar Shmaryahu have considerably increased. The settlement which originally comprised of but 600 dunam, has been extended by the acquisition of a further 150 dunams land.

During the period under review the construction of "Shmaryahu Levin House" with its communal hall, synagogue and library was completed. This was rendered possible through the generosity of the Sieff, Marks and Sacher families, of London, and by other contributions from friends in England, America and Palestine. Upon the completion of this building a park was laid out with the help of funds donated by General Sir Arthur Wauchope, former High Commissioner for Palestine.

c) In Shavei Zion 15 additional houses and all farm buildings, including a cooperative cowshed, were constructed, in addition to a communal hall, synagogue and school, last three from funds donated by the family Marx-Taenzer. There are now 150 people in Shavei Zion.

d) In Haifa district the establishment of the auxiliary farms at Kiryath Bialik was completed. The Company also commenced with the establishment of a new settlement, Kiryath Benjamin, where 20 auxiliary farms, each on a $1\frac{1}{2}$ dunam plot, have so far been established.

e) Altogether 97 new complete farm units were established by Rassco during the first year of the war, each unit on an area of between 10 and 15 dunam of irrigable land. During the same period 59 auxiliary farms were set up on plots ranging from 1 to 7.5 dunam in size.

During the first year of the war LP 120,000.-- were invested in the Company's various settlements, - this amount being derived partly from the settlers' private capital, partly from loans, and partly from preliminary investments of the Company.

III.

Despite the enormous difficulties caused by the continuation of the war, Rassco may look forward to the coming year with a certain amount of confidence. Owing to suitable arrangements made with regard to stocks, and the experience gained during previous years, Rassco is capable of extending its activities and adapting them to the requirements of middle-class residents in Palestine. This task is facilitated by the fact that the Company holds considerable land reserves in existing settlements, as well as extensive areas of Keren Kayemeth land near Raananah and Tel Zur, and private land near Afule, in favorably situated and well developed Jewish surroundings. These reserves render the establishment of future settlement possible.

Rassco is going to take all possible steps to strengthen the tendency among middle-class people to settle on the land, and spread the idea that such settlement - even on auxiliary farms or building plots - gives a middle-class family far greater economic security than does the expensive and frequently unproductive life in town.

Middle-class settlement, however, should not remain the privilege of wealthy elements; and for that reason the Company is endeavoring to create opportunities of settlement for wider circles by providing Keren Kayemeth land for various settlement schemes. This task would be greatly facilitated if public funds could provide suitable settlers with insufficient capital at their disposal with additional loans on favorable terms.

IV.

Rassco has carried out its settlement activities for the last four years. During this period the following settlements were established:

- 1) Kfar Shmaryahu, founded in 1936. The number of the dwelling - houses is 90, the number of inhabitants 350. The settlement was named after the late Dr. Shmaryahu Levin in whose memory a communal hall and park have also been set up there. Kfar Shmaryahu has shown rapid and successful development. The settlement is situated on land, the greater part of which was purchased by Rassco from American owners who had previously acquired this land from the American Zion Commonwealth LTD.
- 2) Sde Warburg, established on Keren Kayemeth land in 1937, in memory of the late Professor Otto Warburg, consists of 40 families, of 150 people in all.
- 3) Shavei Zion, founded in 1938 and situated north of Acre, is a middle-class settlement established on a collective basis. Each settler has his own dwelling house, but all farming activities are carried out cooperatively. The settlement consists of approximately 200 people.
- 4) Beth Yzchak, founded in 1939, was established during the first year of war and consists at present of 90 families with 300 souls.

Auxiliary farms are in

5) Kiryath Bialik, near Haifa,

6) Kiryath Benjamin, near Haifa,

7) Kfar Ono, in the vicinity of Tel-Aviv.

The auxiliary farms are established on 1 - 2 dunam plots.

The settlers derive their additional income from outside work, the majority of them working in Haifa and Tel-Aviv respectively.

8) A suburban settlement at Kiryath Bialik, and

9) A residential quarter on Mount Carmel.

V.

During the four years of its work, Rassco has invested approximately more than LP 300.000.---, this amount being derived partly from the settlers' private capital, partly from the above mentioned institutions, and partly from preliminary investments of the Company.

During the first year of the war, i.e. from September 1939 till September 1940, Rassco erected 158 dwelling houses, mostly on complete farm units, the rest on auxiliary farms, in suburban settlements and residential quarters. During this period LP 120.000.--- were invested in the Company's various settlements.

VI.

The experiences of the first year of war have shown that the war encourages middle-class residents in Palestine to take up farming. It will be the task of Rassco to settle on the land as many families as possible, who have hitherto unsuccessfully tried to find their place in town. Rassco, backed by years of experience, is capable of fulfilling this task and guiding these settlers and their children to a productive life on the soil. The accomplishment of this task will at the same time strengthen our national economy.

SUMMARY OF PROCEEDING OF Z.O.A. EXECUTIVE HELD ON WEDNESDAY, OCTOBER 30, 1940
AT THE KEREN HAYESOD BOARDROOM, 41 EAST 42ND STREET, N.Y.C. - 4:00 P.M.

PRESENT: Messrs. E.I. Kaufmann (in the Chair); Isadore Breslau, Jacob Fishman, Daniel Frisch, Abraham Goldberg, Abraham Goldstein, Israel Goldstein, Cecil R. Gordon, Murray I. Gurfein, Mordecai Konowitz, Israel H. Levinthal, Irving D. Lipkowitz, Emanuel Neumann, Louis P. Rucker, Charles Rosenbloom, Morris Rothenberg, Bernard G. Rudolph, Carl Sherman, Robert Szold, Stephen S. Wise; Morris Margulies; Alfred J. Kahn (representing Avukah); Natanel Cohen (representing Masada).

Excuses for Absence: Messrs. Robert M. Bernstein, Barnett R. Brickner, Henry Ellenbogen, Edward L. Israel, Harris J. Levine, Louis E. Levinthal, Julian W. Mack, Aaron Riche, Ezra Shapiro, Simon Shetzer, Mrs. Moses P. Epstein (representing Hadassah).

After opening the meeting the Chairman called upon Rabbi Isadore Breslau to report on the activities of the Z.O.A. since the last Executive meeting.

I.

SECRETARY'S REPORT: In terms of actual reenrollment of members the situation is about the same as in the similar post-holiday period last year. Some Districts like Atlantic City have started with a bang -- with the initial reenrollment of 500 members. Others have not done as well are still waiting for us to give them a push. On the other hand in organizational technique, preparation and planning we are considerably in advance of last year, despite the more difficult situation we had to face. In taking over the reigns of office we were under obligation to initiate new programs to develop new departments, change old departments, etc. During the holiday month we have succeeded in completing the departmentalization of the Z.O.A., at least for the immediate present. We have set up the following eight departments.

1. Palestine Department and Dos Yiddishe Folk - under the direction of Dr. Simon Bernstein and Abraham Goldberg respectively. The work of this Department is being continued from New York.

2. Department of Youth and Education - under the direction of Rabbi Samuel Blumenfield with Dr. Shlomo Bardin as assistant. This Department which has established close relationship with the Youth organizations has formulated a comprehensive program designed to fill the needs of youth and education. Although youth organizations retain their autonomy, Rabbi Blumenfield has assumed supervisory authority over the youth programs. There are almost daily meetings between Rabbi Blumenfield, Dr. Bardin and representatives of youth organizations. Last month the Department issued to all Districts an outline of cultural programs for the year, and now the Department is sending to all Districts prepared material that can be used for the first month. This will be continued throughout the year. Provision will be made for the participation of this department in all future National or Regional conferences. Its program has been prepared in due recognition of the character of service that it can render to the general membership and the movement.

3. The New Palestine - Two issues of The New Palestine have appeared to date. With the holiday period past The New Palestine will resume weekly publication in November. Reaction to the first two issues has been mixed although following the second issue the response has been in the main favorable. Mr. Carl Alpert, its Editor, has continued to hold frequent consultations with myself and members of the National Board and Publications Advisory Committee. Joint meetings of the last two groups are being held at regular intervals. The Editors are taking a deep interest and are assuming positive responsibility both in preparation and contribution of material as well as of supervision of the issues.. The Editorial Board now consists of Rabbi Ira Eisentain, Prof. Oscar Janowsky, Rabbi David de Sola Pool, Dr. Alexander Kohanski, Abraham G. Duker, Dr. Solomon Goldman and Rabbi Edward L. Israel. The Board still in the process of formation, will be enlarged with editorial personnel. The Editor has received very fine responses from numerous Jewish authors and scholars in reply to his request for manuscripts.

4. Department of Public Relations - under the direction of Mr. Ernest Barbarash. It will be his function to keep in close touch with the press particularly with the Anglo-Jewish and English newspapers to service them with Zionist information and materials, with Zionist articles and with suggestions for editorials. He will correlate his work with the organizational program - aiding, in particular, the Department of Membership. In the matter of releases and preparation of material for propaganda purposes, he will cooperate with the Department of Youth and Education.

5. Department of Membership -under the direction of Mr. Morris Margulies, as National Director of Membership. This will be his exclusive duty. Freed from other matters, that formerly diverted him, he will give his full attention to the Districts; initiate membership drives, keep close touch with local activities, check on the regularity of local District meetings; prepare and distribute aid and suggestions for re-enrollment and enrollment of new members; keep regular reports on District's progress and in every possible way, stimulate regularity of activity among all the Districts. In an intensive membership campaign for the next six weeks, we are making an effort to enroll the help of Rabbis and congregations, community centers and center leaders, special key people as well as regular Zionist groups and leaders.

In line with our desire to meet the particular situation in New York City, the Finance Committee has authorized the engagement of Mr. David Tannenbaum for special membership work. Mr. Tannenbaum will act as Director of Membership in the Metropolitan area and will devote himself primarily to the development of new Districts. It will be his purpose not so much to increase the size of the already large Districts, but rather to establish new groups. He will naturally cooperate in every way with the existing Districts and Regions in the metropolitan area, will give them help in the formation of their own membership campaigns and will, with our assistance, inaugurate a campaign for new enrollment for the creation of new Zionist groups.

He will work in close harmony with Mr. Margulies' Department and will act there as its field man and representative. The Finance Committee feels that he will be able to establish his office alongside the Department of Youth and Education, which will function as common headquarters.

6. Speakers Bureau - This Department has now been organized and is under the direction of Mr. Hyman Schulson. This Bureau will centralize the business of securing speakers, placing speakers, and servicing meetings arranged at the initiative of the Department of Membership or at the initiative of an individual District or Region. It will attempt also to develop a selected number of speakers that can give the organization service on a professional basis.

7. Department of Finance - This Department is under Mr. Zvi Levavy as Comptroller and Manager of office personnel and routine.

8. Executive Department - under the direction of the President and under the general supervision of Rabbi Breslau. In addition to supervising all other activities, Rabbi Breslau will have as his special function that of dealing with Regions and Regional problems. Pending the final solution of the question of reshuffling the Regional set-up, he will proceed to negotiate with each Region separately for an understanding of its relationship in its natural structure. He hopes that in the course of the year he will have a chance to meet with all Regional Executives. It will be Rabbi Breslau's purpose to stimulate Regional activity along constructive lines, to consult with them in the preparation of their respective conferences and consideration of program. He visited last Sunday with the Connecticut Regional Executive and conferred at length with the Regional leaders on the problems confronting the Region.

The Region submitted a number of proposals including a request that the Z.O.A. engage a Field Director for the Region who is to be responsible to the National office. In return the Region is to relinquish their right to the \$1.00 refund. The Regional Executive agreed also to raise in Connecticut an administrative fund of about \$2,000 to help cover the cost of the venture.

II.

NATIONAL MEMBERSHIP EFFORT - The Chairman announced that a national membership goal of 150,000 members has been set for the next two years. The membership activities will be conducted under the direction of Mr. Margulies. The Chairman felt that this figure could be reached if every one of the present members of the Z.O.A. could be enlisted in a vigorous membership campaign and would undertake to enroll at least one new member.

III.

REGIONAL PROBLEMS - A discussion ensued relative to proposals regarding arrangements with Connecticut and New England Regions. Rabbi Breslau asked for authorization to conclude arrangements with the Connecticut Region. Mr. Goldstein proposed that the Regional Director to be engaged be not only accountable to the national administration but should also be responsible to the Regional Executive Committee. Rabbi Breslau suggested that the question of relationship between the Director and the National Administration and the Regional Executive be considered by a joint Committee.

Mr. Gordon read a communication from the President of the New England Region requesting a more substantial subvention to the New England Region. In addition to the present Regional Director the Region also desires to engage two additional Youth Directors. Rabbi Breslau pointed out that the Z.O.A. is now spending about \$25,000 a year upon its Department of Youth and Education and that the extension of Youth activity must be done through that Department.

Mr. Kaufman said he believed that the New England Region should have at least 20,000 members and that with its present membership of only 4,500 it could hardly expect additional funds from the National Organization.

Mr. Daniel Frisch expressed the opinion that the Regional question should not be considered individually but from the point of view of the entire country.

It was finally moved by Mr. Rucker that the Administration be given full power to proceed with the reorganization and organization of Regions in such manner as is most suitable to the Regions themselves.

IV.

ZIONIST "YOUTH HOUSE": The Chairman called attention to the project for opening a Zionist Youth House in New York City, which shall serve as a center for all Zionist youth organizations. This project was proposed by Mrs. Irma Lindheim. Rabbi Breslau reported that Mrs. Lindheim found a building which can be purchased for about \$12,000 and that Hadassah agreed to share to the extent of \$6,000 if the Z.O.A. would contribute the other \$6,000. Mrs. Lindheim has also endeavored to interest certain individuals in the project. It is estimated that it would cost about \$2,000 a year to maintain the building. Supplementing Rabbi Breslau's remarks, Mr. Kahn of Avukah said that a memorandum has been prepared and submitted to the President stressing the importance of having a Zionist "Youth Center" which would house the three general Zionist youth groups, Masada, Avukah and Young Judaea. Mr. Cohen said that his organization had accepted the plan enthusiastically.

Following a discussion participated in by Messrs. Neumann, Rosenbloom, Frisch, Rudolph, Sherman and Goldberg, Dr. Wise MOVED THAT the Executive favor the proposal to establish a Zionist "Youth House" in New York and authorize the Chair to form a small committee which in conjunction with the Finance Committee shall study the question and report back to the next meeting of the Executive. The motion was unanimously carried.

V. AMERICAN ZIONIST GUILD: Rabbi Breslau called attention to a recently organized association of Zionist executives known as "The American Zionist Guild". The Guild has now made a request for a meeting with the President of the Z.O.A. or with representatives of the Z.O.A. Executive in order to take up among other things the question affecting a former member of the staff as well as to discuss the relationship between the Guild membership and the Z.O.A. as well as other Zionist bodies. Mr. Frisch MOVED THAT a committee be appointed to meet with representatives of the Guild. The motion was CARRIED.

VI. CONTRACT WITH ORDER SONS OF ZION: It was decided to authorize the committee to sign the revised contract with the Order Sons of Zion. The contract does not differ much from the contract signed last year.

VII. KEREN HAYESOD: Following reports by the Chairman and Messrs. Rucker and Szold it was moved and seconded that the President be authorized to take such steps as may be necessary to see that the Z.O.A. has the representation to which it is entitled on the incoming Board of the Keren Hayesod.

VIII. REVISIONISTS - The Executive then took up the activities of Revisionists in this country. Rabbi Breslau reported that Revisionists in Pittsburgh had enlisted the cooperation of the Chairman of the Tri-State Region for their project. Rabbi Breslau suggested that a letter go out to all Districts informing them that they do not engage in any functions in behalf of Revisionists. Mr. Margulies proposed the publication of a strong editorial thereon in The New Palestine.

IX. INTER-PARTY COMMITTEE: Mr. Szold reported in behalf of a Committee appointed by the President, on negotiations with other parties in regard to inter-party relations. In the meantime a similar committee is being appointed by the Emergency Committee. The Z.O.A. Committee will, therefore, work in conjunction with that of the Emergency Committee.

X. ZIONIST FINANCIAL INSTITUTION - Mr. Szold reported on a project for the establishment of a Zionist Financial Institution. He said that the President of the Z.O.A. has become deeply interested in such an institution for the furtherance of constructive economic work in Palestine. It was planned to name the institution "American Zionist Bank" inasmuch as one of its main objects would be to provide needed credit for industries and colonies in Palestine. It was thought that such an institution formed with the cooperation of the Z.O.A. President might be in a position to raise ~~large sums~~ and would be a demonstration of faith in the Yishuv and in our movement. There was no intention of competing with any existing organization but rather to supplement it. The institution would not compete in any manner whatsoever with the U.P.A. or engage in any campaigns. He said that Mr. Kaufmann felt that the institution would be of great aid to the economic structure in Palestine. Mr. Szold added that the question of the amount of shares, loans, investments and other financial details are still in the process of discussion.

In the ensuing discussion, Mr. Fishman suggested that a comprehensive memorandum be first presented on the subject. Mr. Rocker felt that the proposed Bank was not needed at the present time. He was of the opinion that the existing Palestine Development Corporation in America could do the work suggested. Mr. Szold said that it is necessary to judge the proposal in the light of the following aspects: its value as a Zionist project; its effect on campaigns; and its value as a project to Districts. Mr. Margulies felt that the Districts needed a definite and concrete project and that such a project would be very helpful to the activities of the Z.O.A. However, the response by Districts would depend upon the manner in which the project is presented to them.

Mr. Kaufman stated that Mr. Dickstein of Palestine conferred with him several months ago regarding the bank. The purpose of the institution as formulated would be to advance loans to the Keren Hayesod, Keren Kayemeth, Hadassah and the Gewerkschaften. Mr. Kaufmann added that before taking any definite steps he will be guided by Mr. Szold's investigations and opinions.

Mr. Goldberg thought that the proposal was worth while and believed that Districts would welcome it. He suggested the naming of a committee of financial experts to study the question. Judge Rothenberg expressed the opinion that Districts were usually lukewarm to business proposals and that they would rather consider some general project that would arouse their enthusiasm although this should in no way minimize the importance of the project. He said that he could see great responsibilities for the institution if it were made a project of the General Zionists of America and not that of any other organization.