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United Jewish Appeal, United Palestine Appeal,
national budgeting, 1940-1941.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS INC.

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MEMORANDUM FOR THE COMMITTEE ON THE
STUDY OF NATIONAL BUDGETING PROPOSALS

(Not for circulation)

September 1940

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STUDY OF NATIONAL BUDGETING PROPOSALS

(Prepared by Council Staff)

Following resolutions by several of the regions and requests from local Jewish welfare funds, the Board of Directors of the Council, at its meeting in Pittsburgh on May 18th, provided for a special committee to study the problem of national budgeting, under the following resolution:

That the President of the Council appoint a committee, including representatives of large and small welfare funds and of unorganized cities, to study and report to the Board of Directors on proposals for national budgeting, collect facts with reference to the agencies involved and consult with national and overseas agencies concerning the desirability and the methods of procedure that might be involved if a national budgeting process were to be established.

This committee was also authorized to enlist other members for the committee in addition to those mentioned in the resolution and to secure necessary funds for its work outside of the regular budget of the Council.

Membership of Committee

The following have been appointed as members of the Committee:

Jacob Blaustein, Co-chairman
William Rosenwald, Acting Co-chairman

Mrs. Dora Ehrlich, Detroit
A. Richard Frank, Chicago
Samuel Goldhamer, Cleveland
Samuel A. Goldsmith, Chicago
William Haber, New York City
Joseph C. Hyman, New York City
George Levison, San Francisco
Solomon Lowenstein, New York City

Henry Montor, New York City
Stanley C. Myers, Miami
Ben M. Selekman, Boston
William J. Shroder, Cincinnati
Edward M. M. Warburg, New York City
James L. White, Salt Lake City
Rabbi Abba Hillel Silver, Cleveland
Ira M. Younker, New York City

Responsibility of Committee

The task of the committee is to study the desirability of, and proposals for, developing a national budgeting procedure.^{*} It is not its function to establish a national budgeting process. Such action, if recommended by the committee will require the approval of the Board and the member agencies of the Council.

^{*} See Appendix A for a brief statement of previous interest in the subject of national budgeting.

GENERAL STATEMENT OF PROBLEM

The development of Jewish welfare funds has created new processes of raising and distributing funds to national* and overseas agencies. The national and overseas agencies set their own goals independently, plan and budget their own programs and secure funds by various methods of appeal to welfare funds and to contributors outside of welfare funds and in unorganized cities. With Jewish problems constantly changing, welfare funds have been receiving appeals from an increasing number of national and overseas agencies and projects.

A local Jewish welfare fund is primarily a central instrument for fund raising with a local trusteeship in behalf of contributors and their contributions. The local welfare fund system calls for decisions on the selection of beneficiary agencies, the determination of the amounts each is to receive, the establishing of local fund raising goals, and other activities related to central fund raising. To discharge their responsibilities, welfare funds have established local budgeting processes, with varying degrees of thoroughness and numerous variations in procedures.

Contributions to welfare funds in the majority of instances are made without specific earmarking by individual contributors. Budgeting of beneficiary agencies is therefore a central process. From the beginning, local welfare funds have sought answers to a series of questions, such as:

What is the total responsibility of a generous community for support of Jewish causes?

✓ What agencies are eligible for local support?

✓ 4 What are the respective merits and values of various agency appeals?

How are specific agency appeals interrelated, both within and outside the welfare fund?

What should each of the beneficiary agencies receive from the total fund?

When one considers the large number of appeals, the difficulties of securing accurate and unbiased information on all of them, the functional division of agencies in the same fields of work and the controversial and partisan sponsorship of some of the national agencies, it is evident that local decisions on these and similar questions depend on factors outside the respective communities. Welfare fund leaders have sought to consult each other on an inter-city and regional basis and have increasingly turned to the Council of Jewish Federations and Welfare Funds for assistance and guidance.

Though the history of local federations and chests extends for more than thirty or forty years and a close alignment between central fund raising and administration of local services has developed gradually in local communities, national agencies operating in the same general field of service have only recently begun to develop cooperative relationships on programs and fund raising. (See Appendix A. "Previous Interest in the Subject of National Budgeting") Any attempt to transfer standard federation procedures to the national agencies will present many difficulties and new problems. In a local setting the interests of

* The term "national" applied to agencies will be used to include agencies engaged in overseas work.

contributors and of responsible active leaders of individual agencies can be more easily integrated, because of the opportunities that exist for frequent and close contacts. The inherent structure of national agencies makes for a geographical separation between agency and contributor.

National agencies have established varying kinds of local relationships and may hold various opinions on the effectiveness of their present procedures. They differ in character and extent of fund raising machinery. Some of the smaller national agencies have asked the Council to help them in securing adequate local support and in deciding upon relationships in program and in fund raising with other agencies operating in the same field. No formal policies on these requests have been established by the Council and doubt has been expressed by several members of the Council Board as to whether the Council should assume responsibility in these areas.

To aid the committee in its study of these various problems, we have assembled some material organized as follows:

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PART I. - THE CURRENT SITUATION

1. Development of Central Budgeting in Local Communities

Cooperative fund raising and central budgeting have been accepted as standard practice in local philanthropic work. The Jewish federation was the forerunner of this movement, followed by the growth of non-sectarian community chests, now operating in more than 400 American cities. In some instances, planning councils of social agencies preceded the organization of financial chests. In others, chests and councils were established together and are working either as separate or as integrated bodies. The system of budgeting in use is a phase of the initial organization in the various cities, the budget committee being appointed by the chest or through joint action with the council of social agencies. In essence, budgeting in local federations and chests consists of a method whereby each prospective beneficiary agency submits its budget to an appropriate committee in which its plans and requirements are judged in relation to the aims and financial requirements of all other agencies eligible to support.

Whether the budgeting process is established primarily under chest or council of social agencies auspices, the general effect is to create an awareness of the unity of social work programs and interrelationships of the various separate functional agencies. A few federations consider themselves solely as fiscal bodies rather than agencies for social work planning, but even in these, the budgeting process has important repercussions on the social work program.

Within the chest structure, individual agencies remain autonomous, and non-sectarian chests support anywhere from 25 to 150 or more separate agency units. Among Jewish federations especially in the smaller cities, the federation is frequently an administrative as well as a central fund raising and fund distributing body, but separate agencies with separate boards or committees continue as the general pattern. Central budgeting appears to be applicable to the operations of autonomous agencies as well as to agencies combined into a single administrative unit.

Central budgeting in local federations and chests has been operating for many years and though differences of opinion remain, local agencies in general have accommodated themselves to the give and take of local budgeting. The major advantages and criticisms of local central budgeting may be summarized as follows:

A. Advantages (As expressed by community chest and federation leaders)

a- Local central budgeting tends to establish essential relationships between the different parts of the social work program.

b- Central budgeting leads to cooperative planning and brings about greater unity in social work programs.

c- It establishes a reviewing body for deciding upon relative agency needs rather than having these determined solely by the fund raising capacities of individual agencies.

d- It furnishes a basis for adjustments to changing local needs and programs and to fluctuating philanthropic contributions.

e- It has proven satisfactory to contributors who were formerly confused by the multiplicity of agencies and causes and unable to reach competent judgments concerning the relative needs or merits of the multiple appeals.

B. Criticisms (As expressed by chest and social agency leaders and others)

a- Central budgeting by federations and chests is an imperfect process, and may create a tug of war between individual leaders and agencies for funds within a body which may be some distance removed from the actual interests or wishes of contributors.

b- Certain agencies or contributors may dominate the budgeting process to the detriment of equally valid but less forcefully promoted causes.

c- It breaks the contact between the contributor and the agency or cause. (This is a criticism of central fund raising as well as budgeting.)

d- A central body determining the support to be given to social agencies may be unduly conservative and hence not responsive to changing conditions and to new or controversial problems.

Community chest and federation leaders are mindful of these criticisms and imperfections, but are inclined to minimize their importance and seem to feel the advantages far outweigh the disadvantages. Important national agencies in the non-sectarian field are not wholly sympathetic to local chests and central budgeting methods.*

2. BUDGETING BY NATIONAL AND OVERSEAS AGENCIES

If we recognize budgeting as involving the advance planning of expenditures in relation to available income, it is apparent that such processes exist in only a few of the national and overseas agencies. The income of some national agencies fluctuates more sharply than others. In some instances, expenditures do not vary greatly from year to year. Other agencies, however, are dealing with rapidly changing needs and emergency situations. The potential area of service of a national or overseas agency may far outrun available resources. In such cases, budgeting consists primarily of making commitments or decisions on expenditures from time to time, as receipts increase or are curtailed and as needs and possibilities for meeting them arise. In preparing Council reports for our member agencies, we have found that many national and overseas agencies do not prepare a definite budget for the work of the coming year, except for administrative or fund raising expenditures. Some agencies do not plan even these functions in advance of the year's work, but make adjustments as funds become available.

Because of these facts, the campaign goals of many agencies cannot be defined in specific budgetary items, though an attempt may be made to suggest ways in which the funds could be expended in the event that they are secured. For example, an agency with reported expenditures of \$300,000 in 1939 sets its campaign goal at \$1,250,000 for 1940, in line with an ambitious desire to increase its program substantially. Asked for an interpretation of this increased goal, the agency responds by indicating various fields of work in which it could enlarge its expenditures. Actually, this agency may raise \$350,000 to \$400,000 and expenditures would obviously vary both from its current estimates and frequently from the specific items of the previous year's experience. Some agencies prepare quotas and supporting budgets several times as great as they actually expect to raise or to expend.

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*See The Cooperative Movement in Social Work by William J. Norton, Chapter 17, pp. 321-349, National Agencies and Cooperation, published in 1927.

Campaign goals and budgets are interrelated in varying degrees ranging from modest budgets based on anticipated minimum campaign results to overly ambitious plans that are not realistic but represent desires to impress welfare funds with the extent of problems and of unmet needs. Frequently both kinds of budgets may be presented by the same agency resulting in confusion to local budget committees. The budget or budgets as presented may be further modified in the course of the year as the result of actual pledges, changing needs and fund collections.

Since many of the overseas agencies raising funds in this country do not administer actual programs of work but supply funds to agencies administered abroad, budget planning for the basic agency may not be under the control or only partially under the control of the American offices securing support from Jewish welfare funds. In these instances, the amount indicated as the American quota may be determined by the central agency or by the auxiliary agencies established in this country or in other ways.* There are great variations between overseas agencies in the percentage of their total budget which they seek to secure in the United States.

Other special problems are presented by those agencies abroad receiving some assistance from large American fund raising bodies which do not assume complete budgetary responsibility for the agencies' program. Subsequently, many of these agencies make additional individual appeals to local Jewish welfare funds.** Another special problem arises from the fact that several American fund raising agencies may request support from welfare funds on behalf of the same overseas activity. The Jewish National Fund for Palestine is an example of multiple appeals.*** Women's Divisions may duplicate appeals of parent bodies for a part of the budget or campaign goal. The reported expenditures of organizations, therefore, frequently show subsidies and transfers of funds from separate fund raising agencies to various sections of the same organization.****

With new situations and emergencies, welfare funds have been receiving numerous appeals. Though the causes for which support is being sought may be valid, there appears in some cases to be large duplication in organization, if not actually in functions. There is a tendency to create specialized separate appeals. For example, there are aside from the theological institutions, six separate agencies that include in their programs support or aid to Hebrew scholarship or learning in the United States, in Palestine or in other foreign countries.

*Examples are World Ort Union, HICEM, Histadrut, Hebrew University, Jewish Agency, for Palestine, United Jewish Appeal, etc.

**Nearly all of the traditional Yeshivahs and charitable agencies in Europe and Palestine are in this category.

***The Jewish National Fund is a major constituent of the United Palestine Appeal which secures its funds through the United Jewish Appeal. By agreement with the UJA, the JNF continues to raise separate funds through its traditional collection methods. The JNF also receives contributions from other American fund raising bodies either directly or through subsidies to projects in Palestine which JNF supports. For example: Hadassah, Women's Pioneer Organization, Mizrahi Women's Organization, Zionist Youth Groups such as Young Judea, Avukah, etc., and occasional contributions from B'nai B'rith and other non-Zionist bodies that themselves secure welfare fund support. On the other hand, the JNF helps to maintain projects in Palestine that are the basis for fund appeals by separate agencies in the U.S.

****For example, the Wider Scope Campaign of B'nai B'rith contributes to Anti-Defamation League, which also conducts independent campaigns. Some welfare funds contribute to both efforts. The Jewish Labor Committee raises funds for a defense program and also for overseas relief agencies that make separate appeals to welfare funds. Numerous agencies secure funds that are later transmitted to the Jewish Agency for Palestine or to the causes which it assists.

There are no uniform policies on the handling of surplus funds. These may be transferred to reserves and used for future income deficits, though the current budget may not anticipate this source of funds. Similarly, earnings from invested funds may or may not be considered an offset to expenditures in presenting budgets to welfare funds. Capital needs and current maintenance funds may be combined or raised separately. Fund raising campaigns may be undertaken for the current year's needs or for the subsequent year's operations.* The item of fund raising costs may be included either as gross or net expenditures in the budget or fiscal statements.**

3. BUDGETING BY LOCAL WELFARE FUNDS

At the present time, individual welfare funds receive appeals from all or the majority of the fund seeking agencies. Exceptions occur where some national project prefers to solicit funds outside of welfare funds (or is unaware of the existence of established welfare funds or has foregone making an appeal because of lack of responsiveness in previous years.) Some welfare funds limit their scope and exclude some types of causes or entire fields of work.

The Board of Directors of the Council, May 23, 1936, adopted a set of minimum standards relating to the admission of appeals into local welfare funds, (See Appendix B. Suggested Minimum Standards for Agencies Included in Welfare Funds). These standards are similar to those used by non-sectarian local and national information and endorsing bodies. Since the Council has no authority over member agencies, these standards are solely advisory. They have been helpful to local welfare funds in determining the validity of new agencies and appeals. Council reports on newly created agencies, for example, the American Committee for the Relief of Jews in Poland and the Tel-Hai Fund call attention to one of these standards - "no avoidable duplication of the work of another efficiently managed institution" - and have helped to guide welfare fund decisions. It has not been a factor in decision on agencies that have been in existence and receiving support for many years from local communities but may parallel or duplicate the work of other agencies.

Though the Council urges national appeals to adopt the suggested standards, some agencies continue to receive support without eliminating objectionable practices, such as payment of commissions to solicitors, lack of a functioning board, etc. Several agencies engaging in defense work present a special problem, since they do not publish or make available to welfare funds properly audited statements of their accounts on the ground that various aspects of their program are confidential. Other agencies, with no such problem, for example, Menorah, have consistently refused to supply the Council or member agencies with auditor's reports. A number of welfare funds nevertheless continue to make grants to such agencies. (See Appendix D)

*Practices in the time interval between campaigns and disbursements are varied and complex. Fiscal years vary. Some organizations spend funds as received from the current or previous campaigns, others campaign for pledges to be used as source of funds in subsequent years, their current financing being based on income from former campaigns. Some agencies operate on a deficit basis and finance themselves in part through loans or withdrawals from reserve or trust funds.

**For example, auxiliaries of agencies may report only net receipts, not including costs of funds raising, but in some agencies part or all of the cost of operating auxiliary fund raising bodies is treated as an expenditure of parent body. Campaign costs for instance, in New York City, may or may not be recorded, depending upon whether the local campaign is considered as coming under the auspices of agency or operated wholly or partly as an independent body.

A. Beneficiary Agencies and Fields of Work

Jewish welfare funds in the United States in 1940 received appeals for funds from at least 82 organizations organized under Jewish auspices,* and 12 non-sectarian organizations with a specific Jewish interest. In addition, eight New York agencies, essentially local in character, made nation-wide appeals.

Agencies under Jewish auspices seeking funds include (in addition to the United Jewish Appeal which combines fund raising for the JDC, the UPA and NRS) the following: (See Appendix D)

(Figures below include receipts in 1939 from all sources)

- 13 agencies with overseas programs (four agencies, Ort, (\$294,656), War Torn Yeshivoh (NR), American Committee for Relief of Jews in Poland (\$81,163) and Jewish Telegraphic Agency (\$129,608), reported total receipts from all sources of more than \$50,000 each).
- 15 agencies with projects in Palestine** reported total receipts as follows - (Hadassah, Senior and Junior (\$1,709,823), American Friends of Hebrew University (\$260,439), National Labor Committee for Palestine (\$390,808), Mizrahi Women's Organization (\$80,034), Pioneer Women's Organization (\$209,138)). Other agencies probably under \$50,000.
- 6 agencies engaged in immigration and refugee service (HIAS reported \$439,606 receipts, other probably under \$50,000).
- 7 agencies engaged in health and welfare services (Total 1939 reported receipts \$1,287,720).
- 5 agencies operating for the protection of Jewish rights (American Jewish Committee - No Report - 4 others report total receipts \$662,093 in 1939).
- 28 Jewish cultural and religious agencies (17 of these reported an aggregate total receipts of \$931,711, World's Fair Palestine Pavilion not included).
- 6 engaged in work of coordination and research and in supplying information on matters of Jewish interest (5 agencies reported aggregate total receipts of \$236,000).

*Exclusive of the small local and national European and Palestinian agencies that regularly make collections in this country, directly or through welfare funds. The most recent Council Register of Palestinian Agencies contains information on 50 separate institutions. The Register of Eastern European Charitable and Educational Agencies contains information on 53 institutions.

**Jewish National Fund not included since it did not appeal directly to welfare funds in 1939. In a few instances, however, welfare funds contributing to the UJA made a separate designation to the JNF. Reported as raising \$354,188 from sources other than UJA for fiscal year ending September 30, 1938. Appeals for special "loans" are also not included in reports of Palestine agencies.

B. Inclusion of Agencies in Welfare Funds

In addition to listing the national and overseas agencies appealing to welfare funds, Appendix D summarizes information received from 84 cities on the number of welfare funds contributing to each of these agencies. There are upwards of 200 welfare funds in operation and it is possible that some agencies not receiving grants from one or more of the 84 reporting welfare funds receive income from local funds not included in our reporting list.#

The policies of local welfare funds vary considerably in making selections from the total number of appeals. A number of the outstanding causes are included in nearly all welfare funds and may therefore be considered as the basic agencies of Jewish interest. On the other hand, new appeals in various fields and older agencies concerned with special cultural and religious programs are accepted by welfare funds on a scattered basis.

National and overseas agencies receiving support from 50 or more of the 84 reporting welfare funds in 1939 include the following:

	Total Income(a)	Amounts Reported from Welfare Funds**	Number of Welfare Funds Con- tributing*
) Joint Distribution			
1. United Jewish Appeal (Committee, United Palestine Appeal, \$16,594,291(b) (National Refugee Service		\$7,509,620	83(d)
2. American Ort Federation	294,656(c)	194,622	79
3. Hias	439,606	98,442	78
4. B'nai B'rith Wider Scope	181,303	124,724	75
5. Council of Jewish Federations and Welfare Funds	108,960	63,919	73
6. American Friends of the Hebrew University	260,439	61,602	71
7. American Jewish Committee	NR	NR	69
8. Jewish Consumptives' & Ex-Patients Relief, Los Angeles	367,681	41,021	66
9. Leo M. Levi Memorial Hospital	84,944	20,913	66
10. American Jewish Congress	190,535	38,242	66
11. National Jewish Hospital, Denver	318,963	62,086	65
12. Ex-Patients Tubercular Home, Denver	61,304	11,629	57
13. National Farm School	109,120	16,704	56
14. Jewish Telegraphic Agency	129,608	42,260	56
15. Jewish Consumptives Relief Society, Denver	316,068	43,392	54
16. National Labor Committee for Palestine	390,808	52,488	52

* From reports submitted by 84 welfare funds. Agencies usually continue to raise money independently in cities in which they are not included in established welfare funds.

** From reports of agencies and therefore includes income from all welfare funds.

(a) Includes contributions and other income such as earnings, public funds and income from non-sectarian chests.

(b) As of March 14, 1940. (c) Outstanding pledges 1939 \$140,792.

(d) U.J.A. in separate campaign in one welfare fund city.

A recent report of the Council, National and Overseas Agencies Participating in Welfare Funds, published in October 1939, gives further details on most of the national and overseas agencies listed and is available for the committee. See also Welfare Fund Budgeting in 1939 - an analysis of 84 Jewish Welfare Fund Budgets - Council publication August 1940.

Beyond the above group of agencies, the number of welfare funds supporting other agencies dwindles rapidly, though agencies such as Hadassah and others that raise funds in practically all communities are being included in an increasing number of welfare funds.

C. Methods used by Local Budget Committees in Determining Allocations

(a) Requests from National Agencies

Not all national and overseas agencies ask for specific amounts from local welfare funds. In some instances, local funds are asked to give "the largest possible amount" or are merely asked to contribute without any suggestion as to the amounts desired. In other cases, the national agency suggests local quotas, based on past experience or on some computed distribution of the total amount sought, spread over the various local communities to whom it is appealing for funds. Frequently, national agencies may set a total goal far beyond realistic expectation and apportion local quotas totalling from 25 percent to 100 percent more than the announced total campaign goal. These practices are based upon an increasingly invalid assumption that the responses to quotas will vary from less than 10 percent to 100 percent or more of the amount requested.

Establishing equitable quotas presents other difficult problems. Communities vary greatly in economic levels and the numerical factor of Jewish population therefore cannot be used as the sole or primary yardstick. Since there are no actual censuses of Jews in the United States, population figures are largely estimates. Jewish communities vary considerably in the proportions of wage earners, lower and higher income groups and in the number of persons or families of outstanding wealth who happen to live in the particular community. Suburban centers or even large cities near metropolitan areas may have a large Jewish population, but the neighboring metropolis may have attracted and drained the smaller communities of their families of wealth and economic importance. For example, the City of A is estimated to have a Jewish population of 75,000. Its 1939 welfare fund distributed \$208,000 or less than 20 percent of amount raised in either B and C, cities of approximately the same Jewish population. It is estimated that New York City has 40 percent of the Jewish population of the United States. It has not yet been established whether it has more or less than this proportion of Jewish wealth.

(b) Methods of Selection - Beneficiary Agencies and Grants

The task of deciding upon agencies to be included and the amounts to be granted is usually entrusted to a local budget or allocations committee, responsible either to the welfare fund or the Jewish community council. In some instances, the budget committee is subdivided according to the various fields of work represented by the agencies appealing for funds. Increasingly, in the better organized cities, more and more time, thought and attention are being given by the local budgeting committee. In others, one outstanding person, such as a leading rabbi, the president of the fund or the campaign chairman may exercise the major responsibility for determining amounts to be allocated to the various causes.

Letters of appeal are received and referred to the budget committee or chairman. Original direct appeals or reinforcements of letter appeals may be made by local representatives of the national agency or by visiting representatives from the headquarters or major cities in the region.

A relatively small number of welfare funds have developed standard forms calling for information that is sent to the appealing agencies in advance of budgetary decisions. (See Appendix C for copies of forms used by local funds.)

In the history of direct fund raising by national and overseas agencies, there have been developed more or less intense local interests, individual partisans, local auxiliaries, committees and other elements. National agencies continue to stimulate and reinforce these contacts, which now serve as pressure groups that continue to urge the claims of specific agencies. For all of these reasons, the ratios of grants to national and overseas agencies reflect fluctuations in local response.

Appeals from non-sectarian agencies are one of the special problems in local budgeting that has not yet received careful study. Some of these agencies may be engaged in activities that are of special concern to the Jewish population, such as the Conference of Christians and Jews, the Peace Institutes of the Friends Service Committee and non-sectarian defense projects dealing with minority rights.

(c) Setting Local Budgets and Campaign Goals

Budgeting by local welfare funds is undertaken in some instances before, in others, after the campaign. In the former type, the local community studies the requests received from national and overseas agencies and for specific local needs not otherwise provided by the local community. Tentative allocations are established and a campaign goal is set to cover these items plus allowance for fund raising and administrative costs, shrinkage in collections and contingencies. Anticipated results of first campaigns are necessarily uncertain, but continued operation of welfare fund campaign results in more nearly approximating the amount budgeted. Nevertheless, fluctuations occur and welfare funds, budgeting in advance of campaigns, are sometimes compelled to revise preliminary budget allocations. Where the detailed budget is completed after the campaign, campaign publicity may state the agencies or causes to be financed or may indicate direction of emphasis and interest for later fund allocations. In some instances, campaigns stress special causes such as overseas relief or civic-protective work, but actual allocations may show wide interests and a different emphasis.

Subsequent to campaigns, budget allocations are reviewed and adjustments made in accordance with funds secured. Many welfare funds, in this process, recognize the relative importance of different causes and do not make percentage cuts or increases, but distribute the surplus funds or the deficits in relation to what they consider to be the qualitative ratings of the various agencies. A frequent criticism of local budgeting is that the priority given to local programs or overseas agencies or defense projects is detrimental to other participating causes,

Criteria for deciding upon grants vary greatly. Welfare funds are encouraged at the time of organization to secure information from the appealing agencies on the amount of income previously raised and names of contributors, so that past experience in local fund raising is a guide to budgeting in many cities. Some welfare funds, however, are discarding these precedents, since results were accidental and measured the effectiveness of previous fund raising methods, rather than comparative agency needs and importance of causes.

A number of cities have established some rough approximation of local percentages in relation to national goals. For example, City B has decided, on the basis of its Jewish population, weighted by other local considerations, that it will attempt to secure one percent of the total goal sought by the various

beneficiary agencies. The variety of practices of national agencies in setting goals, the importance of sources of income outside of welfare fund support and other factors detract in a large measure from the validity of this formula of local allocations.

Estimates of Jewish population, previous standards of local generosity and other more arbitrary items are factors used in setting campaign goals. With the collections and publication of specific information on welfare funds and national agencies by the Council and other sources, campaign quotas fixed by local funds are being based upon an analysis of previous fund raising experience. Local communities increasingly are using the reports of other cities of comparable size to gauge their own allocations. It should be noted that cities considerably above or sharply below the general level of giving may exert a profound influence upon the future allocations of Jewish welfare funds. There is also a tendency to use averages rather than to try to emulate the best local performance.

Emulation of selected welfare fund cities is tending to become one of the most frequently used guides to local budget committees. The publications of the Council furnish information for such practices and the Council office is called upon increasingly to supply data for cities of comparable size, to supplement our regular statistics of welfare funds. While this develops a degree of uniformity among local welfare funds, it adds questionable elements due to the fact that the decisions in the first instance are not based upon objective methods of measuring needs and local responsibilities. An averaging of errors is no safe guide to truth.

As local budget committees gain in experience, there is a tendency to establish more objective criteria for judging the amounts that should be granted to each agency from the total welfare fund receipts. Well organized and methodical local budget committees are giving consideration to such factors as the relative size of the national campaign goals, the agency's expenditures during the previous years, and the classification of previous income by source, such as local welfare fund contributions, earnings and other internal income, income from investments, the results of outside fund raising by memberships, auxiliaries, etc.

A number of beneficiary agencies participating in welfare funds continue independent fund raising, especially in those instances where nominal membership dues and small scale fund raising by auxiliaries or chapters has become a traditional practice. Generally, this is based upon formal agreements between the welfare fund and the agency. In some instances, the amounts budgeted by the welfare fund are considered the maximum to which the agency is entitled from the local community. Beneficiary agencies are obliged to report all additional funds secured from the community and these amounts may be deducted from the welfare fund grant or considered as additional funds included in the welfare fund total.

PART II - AN EXAMINATION OF THE PROBLEMS AND PROBABLE PROCESSES
IN NATIONAL BUDGETING

1. Objectives, Advantages and Disadvantages of National Budgeting

The main purpose of the proposed national budgeting process might be to develop carefully formulated decisions on the amount of funds sought by agencies found to be eligible for welfare fund support. Such decisions, presumably, would serve as a guide to local communities in determining inclusion and amounts to be allocated to participating agencies. The major work of such a committee might consist of conferences with national and overseas agencies as a basis for arriving at judgments concerning the validity of campaign goals. If agreements concerning goals and quotas could be reached, it would largely replace the present arrangements, which compel each national appeal to approach each community in isolation and therefore on a competitive basis with every other appeal.

A. Possible Advantages of National Budgeting

An effective central budgeting plan might make for orderly systematic plans in local budgeting. The product of such a process could be a complete national report, sent to member communities, drawn up by the national committee which has examined all budgets and arrived at decisions concerning the relative amounts that each agency should seek to secure.

(1) It might help to determine the aggregate goals and give opportunity for more competent prediction of funds available for necessary programs.

(2) It might lead to more specific budgets for each of the national and overseas agencies -- budgets which show a recognition of the relationships of their own program and expenditures to total needs and available incomes.

(3) It might stimulate cooperative relationships on programs and help eliminate unnecessary duplication among agencies operating in the same field and among the various Jewish causes for which the agencies have been organized, with its attendant advantages such as possible savings to the Jewish community on the total job and perhaps doing that total job more effectively.

(4) It might help to establish a better perspective concerning the varieties of programs and separate administrations of individual agencies.

(5) It might help to foster greater understanding between the national agencies and the local communities in the fund raising process, and might better satisfy contributors within the various communities (who may be questioning the need or extent of work to be done by the various agencies under the existing conditions, etc.) that a really objective review is being made by a competent committee.

(6) It might help to strengthen fund raising programs in the local communities, and to increase the efficiency of the community contact efforts of the agencies. This increased efficiency might be reflected in saving campaign costs particularly in the smaller agencies or it might be reflected in improved organization procedures.

B. Limitations and Possible Disadvantages

(1) Even if the work of the budgeting committee were assumed to be purely advisory in character, it might mean substitution of national judgments for local judgments. This might result in placing too much authority in the hands of a small group and restricting the participation and degree of influence of individual contributors and local views. There may be more corrective influences on national agency developments if they are dependent on multiple reactions and decisions than if they depend primarily on judgments of a small central body.

(2) Possible restrictions on the free flow of contacts between national agencies and local welfare funds, with especially adverse effects on small projects with limited appeals.

(3) Possible freezing of status quo of agencies and pressures for compromises in inter-agency relationships and programs.

(4) Possible restrictions on fund raising goals, since a national committee might tend to be overly protective of local fund raising agencies.

(5) A national budgeting committee might become an arena of conflict between controversial and partisan groups, and would result in more rather than less inter-agency friction.

(6) Pressures by some agencies on a small concentrated group might be facilitated and might lead to invalid decisions, recommending larger funds than they could justify by normal interests of local funds.

2. Policies, Procedures and Composition of a National Budgeting Committee

A. Policies

A national budgeting process would need to establish major procedures before actually undertaking to review agency budgets. The following are some of the pertinent problems:

(1) Shall a national budgeting process cover all legitimate agencies and fields of work?

It may be possible to proceed by taking one field at a time, beginning, for example, with general overseas, Palestine causes, refugee agencies, or the health field, or with the major agencies in these fields. Other fields of work, such as agencies for defense and migration programs, agencies for coordination, research and information service, cultural and religious agencies and miscellaneous and special activities could be dealt with in sequence. Selections will need to be made of the agencies within a given field. For example, in the overseas field, there are numerous small European and Palestinian agencies, usually subsidized, at least in part, by the JDC or by the major Palestinian agencies. Another problem is presented by agencies with a definite policy of organizing multiple appeals. There is no clear understanding on American appeals for many of these agencies and few restrictions in raising supplementary contributions. In a central budgeting process, these small local overseas agencies might be required to limit their appeal for American support to such extent as the major organizations consider valid. The budget committee would need to decide whether to give or to withhold approval for supplementary fund raising for these small foreign organizations.

The civic-protective agencies present a problem due to the special and confidential character of their work. If the budget process extends to this field, it may require the development of different relationships with local communities than those considered valid for other fields of work, especially in view of the conviction in some of the larger cities that funds for this field should be raised independently of organized community effort.

(2) A national budgeting process may or may not need to reach a decision on the total goals for all agencies. If they do, it would require some method for appraising anticipated fund raising results.

(3) If a decision on total goals is required, standards for determining local welfare fund goals would need to be established. Available experience would have to be reviewed and evaluated and quotas estimated for all communities with welfare funds. Allowances would have to be made for local allocations, shrinkages and failures to reach local quotas in some instances. Local standards would need to be subjected to constant review from year to year.

(4) In view of the standard method of one annual welfare fund campaign in each community, special provisions would have to be made for emergency needs and problems, particularly those included in overseas or civic-protective work.

(5) The financial and service programs of each of the participating agencies would have to be thoroughly studied, if the work of central budgeting is to be based upon accurate information and competent judgments. Uniform systems of reporting on finances and services would be required.

(6) Voluntary cooperation or at least acquiescence of national and overseas agencies is indispensable. No detached group, set up for central budgeting, can hope to make as much headway if the affected agencies are unwilling to experiment with the process. National agencies individually or collectively cannot be guaranteed that a national budgeting process will insure their present degree of success in securing funds from organized communities. Due to such uncertainties, many of them may feel that their aims and objectives can be best assured by bargaining with the individual communities. A clear understanding of the objectives of central budgeting will be required if the process is to function.

B. National Budgeting Functional Procedures

Assuming first, that workable decisions can be reached on some of the questions raised in this memorandum, and second, that a working national budget committee (discussed below) has been established with responsibility for the appointment of competent staff and services for the budgeting process and for major decisions on general standards and policies, the following is an outline of possible steps in a national budgeting process:

(1) Work with National Agencies

A preview of prospective fund raising goals of the agencies for the ensuing year and estimate of tentative total campaign results.

The preparation of budget material on each organization selected for the budget process, including individual budget hearings with included agencies.

Readjustment of total goal on the basis of budget study and hearings, including opportunities for reconsideration of decisions in cooperation with participating agencies.

- (2) Report of budget committee covering recommended agency budgets.
- (3) Consideration of total budgets with representatives of local welfare funds.
- (4) Modifications in budget as required by special and emergency appeals.
- (5) Review and evaluation of each year's experience in the budgeting process and in campaign results and local allocations.

C. Character and Composition of a National Budgeting Committee

In view of the problems outlined and the significance of the work of a national budgeting committee, the character and composition of such a committee is of basic importance. It needs to be kept in mind that local welfare funds and national agencies are autonomous and voluntary bodies and will consider the recommendations of a national budgeting committee as advisory, rather than mandatory. Unless formal commitments are secured and a working cooperative basis is provided, the national and overseas agencies may be unwilling radically to alter their present basis of working relationships with local communities.

It might be advisable to agree at the outset that the national budgeting process is to be wholly of an advisory character and that there will be no immediate transfer of responsibility to the national budget committee of the prerogatives of national and overseas agencies or the authority of local welfare funds. Success of the project will depend entirely upon the competence, impartiality and creative judgments and structure of the national budget committee. Any attempt to delegate responsibility, whether national or local, by a method of representation according to strengths or size, may result only in bringing about an unwieldy method of bargaining that would have less merit than the present methods of campaign appeals and local budgeting.

A national budget committee would probably have to function through a limited group. Would a national budgeting committee larger than from 15 to 25 individuals be feasible? With the range of agencies and interests, this adds a further complication to the task of setting up a national committee.

The crucial question, therefore, hinges on the method used to establish a competent and impartial national budget committee. Alternative methods of selection are possible:

- (1) Selection of the budget committee by the Council through its Board of Directors and the Annual Assembly.
- (2) Selection by national agencies from a panel prepared by the Council

(3) Selection by the Council from a panel prepared by national and overseas agencies.

(4) Joint selection by the Council and national agencies on a pro rata basis.

Since the national and overseas agencies are not associated in an agency or council similar to the one functioning for federations and welfare funds, selection of names or individuals by national and overseas agencies presents a difficult technical obstacle. Agencies appealing to welfare funds range from small projects with a goal of \$10,000 or less annually to the United Jewish Appeal with its 1940 goal of \$23 million. A most important question is whether some association of agencies by fields of work might be established as a working structure for the selection of names or representatives to a national budgeting committee or some other method might be devised to accomplish the same result. Suggestions have been made at various times in the past (See Appendix A).

Another suggestion is that the national budgeting process be limited at the outset to a selected number of major agencies, for example:

- (1) The JDC and a few of the larger overseas relief agencies
- (2) The UPA and other large appeals for work in Palestine
- (3) The national health and welfare services
- (4) The domestic refugee and migration service
- (5) The coordination research and information services.

This would leave the numerous cultural and religious agencies and some miscellaneous agencies for special study and later decision.

APPENDIX

PREVIOUS INTEREST IN THE SUBJECT OF NATIONAL BUDGETING

At the first General Assembly of the Council of Jewish Federations and Welfare Funds, held in Detroit on June 7, 1933, a Committee on the Financing of National and International Jewish Agencies presented as part of a general report, a report on "Federation Program and Objectives". The report of the Committee was presented by the co-chairmen, Henry Wineman and Kurt Peiser of Detroit, under several sections:

- I. Attempts at regulating the financing of non-local activities.
- II. The agencies which seek national support.
- III. Relationship between federations and the national agencies.
 1. Extent of federation affiliation and financing.
 2. The basis for federation support of non-local activities.
 3. The national agency reactions to federation support.
- IV. A proposal for an equitable method of determining federation appropriations to national agencies.

Though the situation has changed materially in the intervening years, both in terms of the needs and programs of the national and overseas agencies appealing for country-wide support, and in the extent to which the communities have organized Jewish Welfare Funds to provide this support, this report might be reviewed by the present Committee on the Study of National Budgeting Proposals. The suggestion that the Council "create a National Board of Review to pass on national agencies and their budgets for the local communities... subject to the voluntary adherence of those federations which choose to accept it for their guidance", should be noted.

For the present purpose, the first section of the report is especially significant, since it reviews the attempts which had been made, up to that date, to clarify the complicated issues with which the present Committee is concerned. The appropriate paragraphs follow:

"I. Attempts at Regulating the Financing of Non-Local Activities"

"Questions involved in the financing and planning of national and international Jewish social work have been discussed in the National Conference of Jewish Social Service for many years. A paper, presented by Mr. Eugene Warner of the Buffalo Federation at the Milwaukee Conference in 1921, proposed that the National Conference establish a Board of Estimate and Apportionment to pass upon budgets of national agencies, to allocate quotas to individual communities, and to investigate and pass on the need for new national agencies. The Executive Committee of the Conference thereupon invited the Bureau of Jewish Social Research to investigate and report on the question of budgeting national organizations.

"The report, submitted by the Bureau in 1922, proposed that a national organization be established to raise and apportion funds for all national purposes, including cultural and educational agencies. Subsequent conferences with representatives of the national agencies revealed that they were opposed to the plan because it was conceived by the federations and did not offer security to the national organizations. Dr. Spivak proposed, at the Toronto Conference in 1924, that joint fund raising efforts be undertaken by kindred groups of national agencies, which might call upon the Conference to assist in the allocation of funds.

"At the 1925 Conference, a resolution was passed, with the concurrence of the national agencies involved, providing that a "Council of National Jewish Social Agencies be established for the purpose of advising ways and means for concerted action in raising maintenance funds for the respective agencies". This Council was to include leaders of American Jewry, delegates from the National Conference, and representatives of the five organizations who were designated as initiators, to wit: the National Jewish Hospital of Denver, Jewish Consumptives' Relief Society of Denver, Hebrew Sheltering and Immigrant Aid Society of New York, Jewish Consumptives' Relief Association of Los Angeles, National Desertion Bureau of New York.

"A progress report was made to the Cleveland Conference in 1926, Mr. Samuel A. Goldsmith recommending particularly that educational efforts be undertaken to instill in American Jewry a more consciously intelligent reaction to national and international Jewish needs and activities. A further proposal for the organization of a committee representing the contributing Jewish public and national organizations, with a view to auditing and budgeting national appeals and establishing machinery for the collection and allocation of funds for national budgets, was considered by the American Jewish Committee. A counter-proposal was made by Mr. Louis Marshall, that three types of federations be organized for budgeting and financing the several types of organizations: first, Palestine and foreign; second, educational and cultural national agencies; third, charitable and philanthropic national agencies,

"At the 1927 Conference, representatives of 43 federations organized the National Appeals Information Service, to study organizations making appeals nationally in the United States. In the subsequent three years, the N.A.I.S. financed studies, made by the B.J.S.R. as its agent, of the major national Jewish organizations, reviewing the scope of their respective activities, their methods of financing, their financial status and their relationships with each other and with the local communities. Plans for meeting the problems presented were considered by the N.A.I.S. membership and with representatives of the national agencies. Early in 1931, with the assistance of the N.A.I.S., the four institutions in Denver established the Council of National Jewish Agencies with which the Los Angeles Sanatorium later became affiliated. In the fall of 1931, the Council of N.J.A. carried through a joint fund raising experiment in the three northern New England States.

"At the Minneapolis meeting of the National Appeals Information Service in 1931, two proposals were made, one for the creation of a National Council of Jewish Federations to absorb and carry forward the work of the N.A.I.S., the other for the organization of a Central Depository, to be managed by representatives of the communities which elected to participate. The Depository would serve as a clearing house or pool into which the communities could place their allotments for national work, either designated or undesignated, with the possibility that the Depository might in time, enlist additional support and work out a solution to the whole series of problems.

"In the fall of 1931, representatives of several national agencies met in New York City to consider possible methods of meeting their financial needs during the emergency, the alternative proposals being: first, that a conference of outstanding lay and professional leaders be called to stimulate the support of the national agencies; second, that the national agencies undertake a joint publicity campaign to acquaint the country with their needs; third, that the national agencies attempt joint fund raising in selected, well organized communities; fourth, that the national agencies sponsor the organization of local welfare funds.

"The National Council of Jewish Federations and Welfare Funds was organized in October 1932 and established a Committee on the Financing of National and International Jewish Social Work. This Committee, in consultation with representatives of national agencies, proposed that the entire group of national agencies join in a Council of National Jewish Agencies, which, together with the Council of Federations, create machinery to determine the needs of the national agencies and establish equitable quotas for the federated communities, through hearings with the individual national organizations and the local federations. The local federations or welfare funds, according to this plan, would accept the quotas thus established, with the responsibility either of making allotments themselves or of cooperating with the national agencies in the raising of the necessary funds. The plan was not accepted by the Executive Committee of the National Council of Jewish Federations and Welfare Funds because of opposition to the provision that the national agencies participate in the process of scrutinizing and approving of budgets and establishing quotas."

* * * * *

The issues raised in the above report have continued as a major Council interest in the years which followed. The number of "federations" contributing to non-local agencies increased from the 64 mentioned in 1933 to well over 200 in 1940, and the total income of these agencies jumped from about three million dollars in 1932 to over twenty million in 1940. Support for the non-local agencies from federations and welfare funds increased from about a half-million dollars to almost ten million, in the eight year interval. (Balance of funds from New York, unorganized cities and separate collections in welfare fund cities)

The Council Committee on National Jewish Agencies has kept in touch with the situation consistently, guiding the reports which the Council staff have been preparing annually since 1935 on the activities and finances of agencies appealing to welfare funds, and conducting negotiations with these agencies in the interest of better working relationship with the welfare funds. The Council Assemblies and Board meetings, the Regional Conferences and field representatives' visits have all given time and directed attention to the complex character of the problems involved in the financing of activities throughout the world, through the medium of welfare funds in the local communities.

The welfare funds and their regional groups have continued to express their views as follows:

1. That the agencies participating in welfare fund support should group themselves according to function, and devise some process for determining the total needs for each of the respective fields, and for dividing the funds secured for each field, as between the agencies serving each field, and
2. That the Council develop a process for evaluating the quality of work done by the individual agencies, and
3. That budgets be reviewed and formulae developed to guide local communities in determining the extent of their responsibility for the support of specific agencies.

In the direction of the first proposal, some headway has been made, represented by the United Jewish Appeal, the General Jewish Council, the Council of National Jewish Agencies (of Denver) and the Vaad Leumi plan on behalf of the old-line Palestinian institutions. In each instance, the national agencies have come together, and worked out a formula of relationships. None of the forms thus far devised have proven fully satisfactory, either to the national agencies or to the welfare funds. The general plan for a Council of National Jewish Agencies,

projected in the 1932 Wineman-Peiser report, has been revived periodically, on the theory that such an alliance between the whole group of national agencies is a necessary preliminary to any relationship that will assure equity, stability and planning between the welfare funds and the services they have undertaken to finance.

On the second proposal - evaluative analyses - one project has been carried through, the Study on the Program for the Care of the Jewish Tuberculous, made under the auspices of a Joint Committee representing the Council and the Council of National Jewish Agencies (of Denver and Los Angeles). This study, completed in 1938, does present suggestions for a national program, as urged by the welfare funds, but no substantial progress has been made in realizing the plan, in the absence of accepted procedure for negotiations and for action.

On the third proposal - budget reviews - this past year has seen evidence of a rising tide of feeling, expressed (1) in resolutions by individual welfare funds on the whole subject or special phases, (2) in general resolutions developed at Regional Conferences, and (3) in such Regional activity as the Budget Clinic at the Western States Conference in Salt Lake City, the Budgetary Review Committee set up in the East Central Region, and the special Budget Conference mandated for the Southeastern Region this Fall.

SUGGESTED MINIMUM STANDARDS FOR AGENCIES SEEKING WELFARE FUND SUPPORT

(Adopted by Board of Directors of Council, May 23, 1936)

To be eligible for organized support an agency should adhere to the following standards:

1. A legitimate purpose with suitable program and no avoidable duplication of the work of another efficiently managed organization.
2. Reasonable efficiency in conduct of work, management of institutions, etc., and suitable equipment for such work, both material and in personnel, and a budget indicating an attainable program.
3. An active and responsible governing body, holding regular meetings, with satisfactory form of administrative control.
4. Evidence of cooperation with other organizations in promoting efficiency and economy of administration and in preventing duplication of work. Organizations engaged in personal service should clear their cases with the Social Service Exchange in the cities in which they operate.
5. Ethical methods of publicity, promotion and solicitation of funds.
Ethical methods exclude:
 - a. Solicitors on commission or other commission methods of raising money.
 - b. The "remit or return" method of raising money by the sale of merchandise or tickets through the mail.
 - c. Telephone solicitations to the general public for money or donations or for the purchase of tickets for benefits.
 - d. Agreements to conduct entertainments for money-raising purposes, the expenses of which, including compensation under the terms of the agreement, exceed 40% of the gross proceeds.
6. Complete annual audited accounts prepared by a certified public accountant, trust company or university department, and made available for the public.

(USED IN ESTABLISHING AGENCIES AND AMOUNTS FOR FIRST CAMPAIGN IN ST. LOUIS, MO.)

Name of Organization _____

Location _____

Please state the object and purpose of your organization, sending whatever literature you may have that is interpretive of the work:

1. Is there a branch office in St. Louis? _____

2. If so, please give:

a. Name of person in charge _____

b. Title _____

c. Street address _____

3. Please state the method of collecting funds and the total amount actually collected in St. Louis in the following years:

1931 _____

1932 _____

1933 _____

4. If money collected in the preceding years was by campaign, was it by:

a. Organized campaign? (Personal solicitation) _____

b. Informal solicitation through local membership? _____

c. Letter? _____

d. Any other _____

5. How is the quota for St. Louis determined.

a. By Jewish population? _____

b. By wealth? _____

c. Any other _____

6. Will you give us the items of income and expense in your last year's budget under the following headings?

INCOME:

- a. Individual contributions _____
- b. Federations _____
- c. Endowments _____
- d. Earnings _____
- e. Any other _____

Total Income

\$

EXPENSE:

- a. Administration _____
- b. Relief _____
- c. Functional _____
- d. Any other _____

Total Expense

\$

7. Please attach the list of St. Louis persons who have donated in 1931, 1932 and 1933, giving names, addresses and amounts contributed.
8. Would you be interested in participating in a joint campaign for funds? _____
9. What would be the estimate of your quota need from St. Louis? _____
10. What is the basis for "9"?

Appendix C-2

APPLICATION IS HEREBY MADE FOR PARTICIPATION IN
THE JEWISH WELFARE FUND OF CINCINNATI

DATE _____

The following information and acceptance of the "General Principles and Policies" herein contained are furnished as a basis for the consideration of such application.

1. Legal Name and Address of Organization _____

2. Names of local representatives in Cincinnati _____

3. Name and address of individual to whom all communications should be addressed

PLEASE ATTACH DETAILED STATEMENT OF RECEIPTS AND EXPENDITURES FOR PAST YEAR TOGETHER WITH DETAILED ESTIMATE FOR THE COMING YEAR.

Application is hereby made for participation in the Jewish Welfare Fund of Cincinnati for the year ending December 31, 19____ with a quota of \$_____.

Quota previous year \$_____.

SIGNATURE_____
ADDRESS

GENERAL PRINCIPLES AND POLICIES OF THE
JEWISH WELFARE FUND OF CINCINNATI
AS REGARDS PARTICIPATING AGENCIES

- - - - -

1. The Jewish Welfare Fund of Cincinnati is primarily for the purpose of securing funds towards the support of Jewish philanthropic, educational, and religious-training organizations, causes and movements, which receive their financial support from the Jews of the United States, as distinguished from those of any particular section thereof.
2. Every agency which desires to apply for funds from the Jewish Welfare Fund of Cincinnati must show that it is rendering or preparing to render a needed service to the Jewry of the United States or of foreign countries not already performed by other participating agencies.
3. Participating agencies are expected to maintain a welcoming attitude to suggestions by the Fund, to cooperate with the Fund and other agencies in reducing to a minimum duplication of effort, and in promoting economy and efficiency.
4. Participating agencies agree to make no separate solicitation of any kind in Cincinnati within the period of participation without the written approval and consent of the Jewish Welfare Fund of Cincinnati.
5. Agencies shall furnish full and detailed statements of financial conditions and operations, budget-supporting schedules, etc. and such other information as may be required.
6. Allotments made to participating agencies shall be subject to the ability of the Fund to pay the allotments, in the event that the full amount is not subscribed in the campaign.
7. Contributors to the Fund shall have the right and opportunity to designate to which organizations their contributions shall be allotted; but whenever these designated contributions shall exceed the allotment then this surplus amount shall revert to the general fund.

The following information and acceptance of the "General Principles and Policies" herein contained are furnished as a basis for the consideration of such application.

1. Legal Names and Address of Organization
2. Names and Addresses of Principal Officers
3. If Incorporated, When and Where
4. State all Objects of the Organization
5. Have you a Branch or Office or Representative in San Francisco? If so, Furnish Names and Addresses of Principal Officers or Representatives.
6. Name of Active Governing Body of Organization
7. Names and Addresses of Members of Said Governing Body
8. Fiscal Year Begins Ends
9. Information Furnished by

P.O. Address

Date _____

FINANCIAL AND BUDGET INFORMATION

(Give details and Supporting Schedules on Reverse Side or on Separate Sheet)

Statement as of

1. Capital Assets:		
A. Invested Funds.....	\$	
B. Plant Assets.....	\$	
C. Miscellaneous.....	\$	\$
2. Capital Liabilities:		
A. Permanent Funds.....	\$	
B. Plant Liabilities.....	\$	
C. Mortgages, Notes, Etc.....	\$	
D. Miscellaneous.....	\$	\$
Net Capital.....		\$
3. Current Assets:		
A. Cash on Hand and in Bank.....	\$	
B. Accounts and Notes Receivable.....	\$	
C. Inventories.....	\$	
D. Miscellaneous.....	\$	\$
4. Current Liabilities:		
A. Accounts and Notes Payable.....	\$	
B. Miscellaneous.....	\$	\$
Net Current Surplus.....		\$

BUDGET

	Actual For Fiscal Year Ending	Estimated For Fiscal Year Ending	Leave Blank For Use of Committee
1. Current Expenditures for Purposes of Organization.....	\$	\$	\$
2. Current Administration Expenses..	\$	\$	\$
3. Miscellaneous.....	\$	\$	\$
Total of Above.....	\$	\$	\$
4. Income from Investments, Etc.....	\$	\$	\$
5. Other Earned Income.....	\$	\$	\$
6. From Jewish Communities of U.S....	\$	\$	\$
7. Miscellaneous.....	\$	\$	\$
Total Income.....	\$	\$	\$

Application is hereby made for a contribution of \$ _____ from the Jewish National Fund of San Francisco, for Fiscal Year ending _____ 19__.

Basis for Application:

Received from San Francisco:

1920	\$
1921	\$
1922	\$
1923	\$
1924	\$
1925	\$
1926	\$
1927	\$
1928	\$
1929	\$
1930	\$
1931	\$
1932	\$
1933	\$

Total	\$
-------	----

Cost of Collection:

\$
\$
\$
\$
\$
\$
\$
\$
\$
\$
\$
\$
\$
\$

Total	\$
-------	----

CAMPAIGN GOALS, INCOME, WELFARE FUND GRANTS TO 96 AGENCIES
INCLUDING NUMBER OF WELFARE FUNDS REPORTING
GRANTS MADE TO THESE AGENCIES IN 1939*

Name of Agency	Campaign Goal **** 1940	Income 1939		No. of Wel- fare Funds Making Grants*	1939 Welfare Fund Grants**
		Total	Con- tribu- tions***		
<u>Overseas and Immigration</u>					
United Jewish Appeal	\$23,000,000	\$16,594,291 ^a		83 ^b	\$7,509,620
Joint Distribution Committee		8,337,392 ^a			
United Palestine Appeal		3,970,815 ^a			
National Refugee Service		2,543,326 ^a			
<u>Overseas (other)</u>					
American Beth Jacob Committee		12,500 ###	12,500	21	NR
American Committee for Relief of Jews in Poland	462,500	81,163	81,163	2	NR
American Ort Federation	1,250,000	294,565 ^c	284,255	79	194,622
Chorev School Organiza- tion		1937 - 1938 information		10	
Emergency Committee for War-Torn Yeshivoth		Agency did not supply complete financial data		1	
Ezras Torah Fund		35,274 ###	32,472	24	788
Fund for Jewish Refugee Writers	25,000	New organization		0	
Jewish Telegraphic Agency	277,276	129,608	81,866	56	42,260
Medem Sanatorium		No financial information		3	
Relief Committee for Jew- ish Schools in Poland		1936 - 1937 information		5	
Tomche Torah Society		6,623 ##	6,623	0	NR
Yavneh		1937 information		15	
Yiddish Scientific Institute	66,450	32,989	25,878	19	2,710
<u>Palestine (other)</u>					
American Committee for Relief and Resettle- ment of Yemenite Jews		1,940	1,940	8	515
American Friends of a Jewish Palestine		Agency did not supply financial data		0	
American Friends of Hebrew University	400,000	260,439	196,481	71	61,602
American Pro-Falasha Committee		4,166 ###	3,870	14	NR
Hadassah, Senior	1,150,650 ^d	1,592,229 ^e	1,339,677) 43	NR
Hadassah, Junior	140,152 ^d	117,594	95,182		NR
Hagannah		No report made by CJFWF		4	
Mizrahi Women's Organ- ization		No report made by CJFWF		0	
National Labor Committee for Palestine	1,000,000	390,808	292,869	52	52,488
Palestine Hebrew Culture Fund		6,897	5,480	4	850

Name of Agency	Campaign Goal **** 1940	Income 1939		No. of Wel- fare Funds Making Grants*	1939 Welfare Fund Grants**
		Total	Con- tribu- tions***		
Palestine Orchestra Fund (American Committee)		\$ 13,693##	\$ 13,693	5	\$ 2,150
Palestine Symphonic Choir Project		2,000	2,000	0	NR
Pioneer Women's Organiza- tion				0	
Tel Hai Fund		No report made by CJFWF		0	
Zionist Transportation Fund		Agency did not supply financial data		0	
		No report made by CJFWF			
<u>Refugee and Immigration</u> (other)					
Agudas Israel Refugee Home		4,907#	4,907	0	NR
Committee for Assistance to Jewish Refugees in Shanghai				1	
Ezras Rabonim of Havana, Cuba		No report made by CJFWF		0	
German Jewish Children's Aid		No report made by CJFWF		2	
Hebrew Literary Founda- tion		1937 information		0	
Hebrew Sheltering and Immigrant Aid Society	\$ 911,750f	439,606	432,572	78	98,442
<u>Health and Welfare -</u> <u>United States</u>					
Ex-Patients Tubercular Home, Denver		61,304	60,787	57	11,629
Jewish Consumptive and Ex-Patients Relief As- sociation, Los Angeles	381,135	367,681	316,695	66	41,021
Jewish Consumptives' Relief Society, Denver	350,000	316,068	308,333	54	43,392
Leo N. Levi Memorial Hospital, Hot Springs	85,000	84,944	43,492	66	20,913
National Desertion Bureau	24,209##	21,856	21,856	9	2,4046
National Home for Jewish Children, Denver	112,900	116,904	114,366	62	20,235
National Jewish Hospital, Denver	383,595	318,963	301,214	65	62,086
<u>Civic Protective</u>					
American Jewish Committee		Agency did not supply information		69	
American Jewish Congress	542,000	190,535	101,206	66	38,242
B'nai B'rith Anti- Defamation League	526,900	344,375	297,203	29	63,540
Canadian Jewish Congress		No report made by CJFWF		1	
Jewish Labor Committee	250,000h	102,822	99,229	17	10,770
Jewish War Veterans		24,361	16,410	2	NR

Name of Agency	Campaign Goal **** 1940	Income 1939		No. of Wel- fare Funds Making Grants*	1939 Welfare Fund Grants**
		Total	Con- tribu- tions***		
<u>Educational - Cultural</u>					
American Academy for Jewish Research		\$ 4,352##	\$ 4,315	10	\$ 535
American Committee for Hechalutz				4	
Avukah	\$ 9,044	1937 information 7,032	5,429	4	197
B'nai B'rith Wider Scope Committee	178,092	181,303	174,449	75	124,724
Central Yiddish Culture Organization		20,501#	9,282	2	50
Dropsie College		28,065#	7,176	5	270
Graduate School for Jewish Social Work	None ⁱ	37,496	34,521	23	29,133
Histadruth Ivrit		40,521##	9,042	29	1,310
Jewish Braille Institute		12,096	11,865	25	972
Jewish Chautauqua Society	15,300	5,327	4,177	25	1,791
Jewish Teachers Seminary		Agency did not supply information		12	
Knights of Judea		New organization		0	
Masada		No report made by CJFWF		1	
Menorah		Agency did not supply information		26	
National Farm School	120,594	109,120	37,295	56	16,704
Palestine Pavilion, N.Y.					
World's Fair	253,600	378,649j	168,703	23	11,895
Solomon Goldman Emergency Fund				1	
Young Judea		No report made by CJFWF			
		16,785#	11,858	10	470
<u>Theological and Religious</u>					
Hebrew Theological College, Chicago		76,874##	67,116	29	5,977
Hebrew Union College, Cincinnati				14	
Jewish Institute of Religion, N. Y.		60,106	50,635	11	3,464
Jewish Theological Seminary, N. Y.	250,038	173,565	71,818	21	6,619
Ner Israel Rabbinical College, Baltimore		28,720	28,720	6	310
Pension and Relief Fund (Central Conference of American Rabbis)		10,397#	3,528	17	NR
Rabbi Isaac Elchanan Theological Seminary, N. Y.		119,451##	99,093	36	7,475
Union of American Hebrew Congregations				5	
Union of Orthodox Jewish Congregations		Agency did not supply information		1	
United Synagogue of America		No report made by CJFWF		1	
		No report made by CJFWF		1	

Name of Agency	Campaign Goal **** 1940	Income 1939		No. of Wel- fare Funds Making Grants*	1939 Welfare Fund Grants**
		Total	Con- tribu- tions***		
<u>Coordination, Research and Information Services</u>					
Conference on Jewish Relations	\$ 18,950	\$ 15,894#	\$ 14,269	7	\$ 2,045
Council of Jewish Federa- tions and Welfare Funds	116,260	108,960	106,539	73	63,919
Jewish Information Bureau	10,000##	1,698	1,698	4	NR
Jewish Welfare Board	158,000	101,482	42,620	46	24,603
National Conference of Jewish Social Welfare	7,775	7,965	7,965	8	3,355
Statistical Bureau of Synagogue Council of America (formerly Jewish Statistical Bureau)				18	
Agency did not supply financial data					
<u>Non-Sectarian Agencies</u>					
<u>A. Overseas and Immigra- tion</u>					
American Friends Ser- vice Committee			No report made by CJFWF	1	
Catholic Refugee Relief Society			No report made by CJFWF	1	
Protestant Refugee Relief Society			No report made by CJFWF	1	
University in Exile			No report made by CJFWF	1	
<u>B. Civic Protective</u>					
American Council Against Nazi Propa- ganda			No report made by CJFWF	0	
Committee to Combat Anti-Semitism			No report made by CJFWF	1	
Council Against Intol- erance in America			No report made by CJFWF	1	
League for Fair Play			No report made by CJFWF	0	
National Conference of Christians and Jews			No report made by CJFWF	27	
Non-Sectarian Anti- Nazi League		62,497	35,661	22	NR
Non-Sectarian League for Americanism			No report made by CJFWF	2	
<u>C. Other</u>					
National Conference of Social Work			No report made by CJFWF	1	

Name of Agency	Campaign Goal **** 1940	Income 1939		No. of Wel- fare Funds Making Grants*	1939 Welfare Fund Grants**
		Total	Con- tribu- tions***		
<u>Local New York Jewish Agencies Appealing Nationally</u>					
Academy for Jewish Studies and Trades		New organization		0	
Kolel Heichal Hatorah				1	
Beth Gabriel		Agency did not supply financial data			
National Association for the Jewish Blind		No report made by CJFWF		0	
New York Guild for the Jewish Blind		No report made by CJFWF		2	
Rabbi Jacob Joseph School		No report made by CJFWF		1	
Rabbinical Seminary of America		No report made by CJFWF		2	
Yeshivah Torah Vodaath		\$ 98,430##	NR	9	NR
Yeshivos Foundation Fund		Agency did not supply financial data		1	

- * - From reports of 84 Welfare Funds. Additional Welfare Funds contribute but do not report to Council.
- ** - From financial reports of Agencies.
- *** - All sources.
- **** - Campaign goal includes receipts expected from all other sources of income.
- a - As of March 14, 1940 United Jewish Appeal reported total pledges of \$16,594,291; on 12/31/39 the UJA had collected \$11,540,000 and had actually allocated JDC \$5,600,000, UPA \$2,850,000, special subventions \$250,000 pledged (\$125,000 paid) and had spent \$405,487 for fund raising costs. The JDC amount is on accrual basis, NRS on cash basis and UPA on cash basis includes \$2,850,000 received from UJA plus JNF receipts and income received in 1939 from 1938, 1937 and 1936 campaigns.
- b - One welfare fund city has a separate campaign for UJA.
- c - Outstanding pledges (1939) \$140,792.
- d - Chapter contributions only.
- e - Includes \$186,299 - membership dues 62,082 - return of loans.
- f - Figures do not include HIAS Immigration Bank.
- g - Not including N. Y. Federation grant of \$19,437.
- h - Goal \$500,000 - includes \$250,000 to be collected from labor groups for JDC.
- i - No budget since negotiations for continuation of school pending.
- j - Figures cover period Jan. 12, 1938 - Nov. 24, 1939.
- NR - Not reported.
- # - 1938 - 1939 Financial Experience. Campaign goal 1939 - 1940.
- ## - 1938 Financial Experience. Campaign goal 1939.

Host
Gain prestige
For financing - Council
Get expression of opinion - *Majority*
October 18, 1940

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

My dear Mr. Lurie:

Let me thank you for your kind letter of October 9. I am afraid I will not be able to attend the meeting on October 25.

I have refrained from giving you my reactions to the memorandum of the Committee which was sent to me for reasons which I indicated in my conversation with Mr. Blaustein when we met in Maine last August, I believe. These same reasons caused me to hesitate about accepting membership on the Committee.

I am completely in favor of as thorough-going and as accurate a survey as possible of the financial set-up, budgets, administration and expenditures of any and every organization soliciting funds in the United States from Jewish communities. This applies to overseas agencies as well as to national agencies. I strongly approved of the Inquiry which is now being made under the auspices of the Allotment Committee of the United Jewish Appeal, and which I believe will do a necessary and valuable piece of work. In so far as the Council of Jewish Federations and Welfare Funds intends to follow up this work through this Committee, or any other committee, it should be encouraged in every way.

When it comes, however, to the subject of national budgeting which, of course involves ultimately the task of "evaluating" the importance of the work done for the respective agencies, I am afraid that such a national budgeting committee will find itself in serious difficulties. The matter of ideologic preferences will inevitably come up. Thus, for example, to one who is opposed to Zionism, my dear Mr. Lurie, every dollar spent in Palestine, except as it might be spent in elementary relief, is wasted, regardless of how efficiently that dollar may otherwise be expended. On the other hand, those who believe in the upbuilding of the Jewish National Homeland feel that the cause is so worthy and historically so necessary that the millions already spent in Palestine are entirely inadequate. How are you going to reconcile these viewpoints, and how can any committee "evaluate" the work in Palestine?

October 18, 1940

American Jewry and World Jewry have been sharply divided on the issue of Zionism and a Jewish Homeland ever since the first Zionist Congress in 1897, and while bitter opposition to Zionism has appreciably waned in recent years, there is still a decided difference of opinion, based on political considerations and on various philosophies of Jewish life and destiny. Certainly the Council of Jewish Federations and Welfare Funds would not wish to undertake to deliver an "ex-cathedra" judgment to American Jewry on Zionism or the need of a National Homeland.

But, if you do not take a definite position one way or another, how can you "evaluate" the work in Palestine? From a Zionist point of view, it is of primary importance to build colonies and settlements in Palestine, to purchase land, to invest public funds in the encouragement of industry, to stimulate Hebrew culture and maintain a Hebrew University, to provide for the defense of the Palestine community, and to carry on necessary political action. From the point of view of mere philanthropy, much of that is unnecessary, and no more should be done for Palestine than a system of per capita refugee relief will permit. And even on the basis of refugee relief, there are those Jews in America who think it more important and more desirable to spend money on the relief and resettlement of refugees in all parts of the world except in Palestine. B

I do not know, ~~my dear Mr. Lurie~~, how you plan to get around this basic difficulty. It is very doubtful whether a world movement, like Zionism, will consent to have the validity of its claims passed on by a national budgeting committee for whose composition it would be only in part responsible, and which committee under the present system of organization in American Jewish life, can not be truly representative of American Jewry. Until such time as Jewish communities are democratically organized in Jewish community councils, and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a truly democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it re-inforced by such factual information and data which the Council of Federations and Welfare Funds might supply it. Every other arrangement has heretofore meant the concentration of increased authority in the hands of a small group of people who through interlocking directorships, control most of our important national institutions, and who in the past have not given any exceptional evidence of sympathy for the upbuilding of Palestine.

Centralization without thorough-going democratic control is highly undesirable. And until that control is satisfactorily fashioned by a national organization of democratically constructed Jewish community councils, no such serious centralization as is contemplated in a national budgeting committee should be, in my humble judgment, undertaken even if its character shall at first be purely advisory. The inevitable trend of such advisory agencies is in the direction of being used as mandate and authority. Many of the difficulties in the present set-up to which the memorandum calls attention are, of course, real. Some of them may be solved without the creation of a national budgeting committee. Others may not. These difficulties are far less serious than those which would be created under the contemplated set-up. By and large, the Jewish communities have not done a bad job of the problem which confronted them. May I remind you of the failure to achieve unity of budgeting and planning even in a limited field where four organizations are involved in similar and at times over-lapping activities. I refer, of course, to the General Council for Jewish Rights. Furthermore, the

Fundamentally,

Mr. Lurie

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October 18, 1940

the difficulty there is the same to which I have alluded above. Each group speaks in the name of American Jewry but its authority derives from a specific social or economic group which in no instance is representative of organized American Jewish community life.

As far as I am authorized to speak for the Zionist agencies and institutions in Palestine, let me assure you that they stand ready to give the Council of Jewish Federations and Welfare Funds the fullest cooperation in any inquiry which it cares to undertake, into the financial set-up, expenditures, system of accounting, institutions and activities in Palestine.

I shall be in New York City on Monday. I shall be very happy to discuss with you any other angles of this subject that you would care to discuss.

With all good wishes, I remain

Very cordially yours,

AHS:BK

BUDGET OF MINIMUM NEEDS - YEAR 1941
(Preliminary Estimate)

SUMMARY

	<u>Budget 1941</u>	<u>Expenditures 1940</u>
<u>Operating Expenses</u>		
Relief & Service.	\$1,965,020.	\$1,855,630.
Central Intake.	216,220.	171,710.
Resettlement.	473,110.	300,465.
Special Committees (Physicians, Musicians, Rabbis, Central Loan, Agricultural, Social & Cultural)	53,610.	56,600.
New York Section - N.C.J.W.	81,180.	79,800.
Brooklyn Section - N.C.J.W.	17,640.	17,425.
Migration	109,500.	131,385.
Employment.	74,500.	78,460.
Accounting, Statistical, Information and Executive Departments.	116,170.	118,910.
Office & Administrative Expenses.	<u>240,100.</u>	<u>294,370.</u>
Total Operating Expenses	3,347,050.	3,104,755.
Special Projects	698,000.	170,425.
Subventions.	177,100.	189,065.
Reserve for Contingencies.	120,000.	-
TOTAL	<u>\$4,342,150.</u>	<u>\$3,464,245.</u>

NATIONAL REFUGEE SERVICE, INC.
165 WEST 46TH STREET
NEW YORK CITY

C
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P
Y

October 18, 1940

Mr. Jacob Blaustein, Co-Chairman
Mr. William Rosenwald, Acting Co-Chairman
Council of Jewish Federations and Welfare Funds
165 West 46th Street
New York City

Gentlemen:

The history of the discussion concerning national budgeting is not too familiar to me. As a result I may not understand all of the implications contained in the memorandum dated September, 1940, for the Committee on the Study of National Budgeting Proposals submitted with your letter of September 13. I therefore hesitate to make any categorical statements concerning what appears to me to be a difficult, although not insoluble, subject.

1. As to whether some plan for a central national budgeting of agencies that make appeals to Welfare Federations is necessary, the answer is that, whether necessary or not, it is perhaps inevitable. The leaders of local communities, I sense, feel the need for some process which would review with considerable care the basis for the appeals and financing of the organizations making them. I can well understand that this trend is not thoroughly approved by all of the agencies. A national budgeting plan, I think, would certainly reduce the influence and power, perhaps even the prestige, now enjoyed by some of the agencies. This is quite understandable. The direct contact with the local Welfare Funds and the opportunity to count on the personal appeal will be very much reduced. Reliance on the part of the local Welfare Funds will be placed on the "findings" of such a national budgeting body which will no doubt come to assert a tremendous influence if not "control" over the budgets and the work of the agencies involved.

2. I am not prepared to say whether such a national budgeting committee would or could be sufficiently objective to do its work properly. There is a real danger that a few very influential individuals, perhaps representing strong organizations, could have an undue influence on the work of such a budgeting committee. If this should materialize, the resulting evils would probably exceed in importance the weaknesses prevailing in the present methods.

There is, after all, much to be said for the direct and thoroughly democratic relationship between the individual community and the national agencies. A national budgeting plan would, unless specific steps were taken to forestall it, tend to reduce if not destroy that relationship.

3. I am so strongly in favor of some objective method of evaluating budgetary needs and requirements as to be prepared to indicate that in spite of my qualms cited in 1 and 2 above, I should like to see some beginning toward national budgeting.

To include all of the many agencies now receiving support from Welfare Funds would present almost insurmountable difficulties. Therefore, it seems to be inadvisable to consider the national budgeting process as

October 23, 1940

From: H.L.Lurie

ADDITIONAL LETTERS RECEIVED
FROM MEMBERS OF THE COMMITTEE

applicable to all the organizations. We might begin by applying the process to one or two selected fields, such as health or civic-protective agencies. When progress is demonstrated in such restricted fields it might be extended to additional areas.

4. It may well be that the work initiated this year by the United Jewish Appeal and expressed in the present activities of the Allotment Committee could be considered an adequate beginning toward national budgeting. While the Committee's present interest is largely connected with the allocation of 1940 funds, some consideration will undoubtedly be given by the Committee to the budgetary requests of the agencies involved for 1941. If that should materialize, it may be sufficient to permit the national budgeting process to be confined to the agencies now included in the United Jewish Appeal or those which may perhaps be included in a future United Jewish Appeal. It strikes me, however, as important that the matter be considered on a highly experimental basis until more substantial experience is secured.

Sincerely yours,

(Signed)

WILLIAM HABER

THE AMERICAN JEWISH
JOINT DISTRIBUTION COMMITTEE, INC.
100 EAST 42 STREET, NEW YORK CITY.

P
Y

October 22, 1940

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

Dear Harry:

I am sorry that due to my absence from New York until yesterday, I was unable to acknowledge your letter of October 9th with reference to the meeting of the Committee on the Study of National Budget Proposals. I hope you will excuse my dereliction.

I have read with a great deal of interest your very well considered memorandum on the problem of national budget proposals. I can attempt only in the briefest way to comment on the questions raised therein. Of course, a close analysis of the memorandum would require a very extensive reply, which I cannot undertake to write at this time, nor, I am sure, would you wish it.

As to the questions that you specifically raise: number 1 - I favor the development of a plan for central, national budgeting of a limited number of important agencies that make appeals to welfare funds. Inasmuch as the United Jewish Appeal, comprising the three major agencies involved in overseas relief and refugee aid, takes by far the largest single allotment of the welfare funds, I am of the opinion that a study of the requirements, budgets and programs of these three agencies in the present United Jewish Appeal, constitutes an important field of inquiry and interest to the welfare fund communities.

By the Agreement setting up the United Jewish Appeal for 1940, a Distribution Committee was appointed and an appropriate inquiry bureau was established to analyze the needs and budgets of these agencies. This arrangement represents the culmination of many years of effort to establish a scientific and objective basis for the appraisal of the comparative needs of the J.D.C. and of the U.P.A. and, more recently, of the National Refugee Service. I regard this as a very great step forward. More especially is this desirable because it brings into play not alone an impartial inquiry, but also because important leaders of welfare fund communities acting as representatives of the Jewish community of the United States at large, are involved in and authorized virtually to cast the deciding vote as between the J.D.C. and U.P.A. representatives on the Distribution Committee.

An inquiry director, Mr. Elisha Friedman, has for some time now devoted himself to a study of the records and reports of these agencies. At the present time, discussions between the J.D.C. and the U.P.A. are proceeding relative to the whole question of United Jewish Appeal and the continuance of a unified campaign in 1941. As I understand it, the Distribution or Allocations Committee will meet sometime early in November to receive the findings of the Inquiry Bureau. In these circumstances, it would seem to me proper and advisable in the first instance to await the results of this inquiry, and to determine in what respects it may serve and be continued and perhaps augmented for the study of smaller agencies whose activities impinge on the programs of the major bodies.

I think I realize the pressures under which the leaders in the respective welfare fund communities labor, the difficulties which confront them in relation to the many demands made on the local purse, the absence of definitive information concerning the programs, the needs and the abilities of applicant organizations to engage in useful or essential work. Yet it seems to me that to attempt at this time on a vast and comprehensive scale to set up a national budget apparatus which would involve the making of an analysis and study of the requirements of all agencies of every type (exclusive of local federations and local Jewish charities) would be a task which in its complications and immensity could defy any practicability of success. I am afraid that it is an over-ambitious and unworkable idea at this moment.

It seems to me that so important a matter must be determined on the basis of trial and experimentation, with a view to testing out the results. I think it is realized that each of the organizations in question - especially those that have had long-standing experience and background - has made certain types of inquiry and study and budgeting of its own, in order to arrive at its own course of procedure and its own allotment. In this work, an organization like the J. D. C., for instance, has enjoyed not merely the services of members of its professional and supervisory staff both here and abroad, but also a very substantial measure of aid from lay leaders. That in my opinion is a very important consideration in any plans for budgeting.

When one considers the intricacies, the complexities of an organization such as the United Palestine Appeal, which represents a number of Palestinian organizations - Keren Kayemeth, Keren Hayesod, Mizrahi - all of which in turn are represented on the Council and respective committees of the World Jewish Agency for Palestine, and when one realizes that that Agency is an international body in which persons in various countries participate, the attempt to make an objective and impartial study is difficult.

Even the growing problem of refugee assistance in this country and its ramifications throughout the various localities, demands a type of inquiry that involves the attention both of professional social workers and of lay leadership.

I make these observations because I believe that this truly sensitive problem of budgeting will require in a full sense, not merely the casual but the continuous and sustained attention of lay persons throughout the country. The organization of such an apparatus, therefore, must proceed on lines and at a tempo slower than that which is normally entrusted to the sole scrutiny of professional workers. I believe that this whole problem, a very sensitive one of budgeting and of allocation, cannot be attempted in its entirety to be solved or appraised for all of the agencies - the sixty to one hundred - which come to the welfare funds. Not only do the overseas agencies deal with a constantly shifting situation, involved in the uncertainties of political and military change, but the civic, protective agencies likewise have unique situations of their own. Moreover, there are organizations which do not participate in the welfare funds, and yet raise and take considerable sums from the communities.

At this time, especially in view of the political situation in the United States - the fear that the United States may increasingly be brought closer to a war status, - I have the feeling that it would be preferable and more wholesome to take one step at a time, and not attempt an over-ambitious and, in my opinion, at the present time, an impracticable program of national budgeting of all agencies coming to the welfare funds. I would much rather urge that the present Allotment Committee of the United Jewish Appeal, or its successor, be given an

Mr. H. L. Lurie

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October 22, 1940

ample opportunity to lay the groundwork for the study of the three major agencies which, after all, get a large part of the welfare fund contributions, and then, in the light of the experience thus gained, which is bound to prove valuable and illuminating, consider the possibility of enlarging the scope of its inquiries.

I personally share the view that agencies like J.D.C., U.P.A. and N.R.S. constitute the very foundation on which the appeal of the welfare fund is predicated. In fact, they serve as the basic reason for the existence of the welfare funds. The other agencies included in welfare funds while important, and I do not minimize their importance to their own protagonists, certainly present much less of the universal appeal which challenges the welfare fund to renewed effort.

For these reasons, I have the feeling that emphasis should be laid on the type of inquiry now being pursued under the auspices of the United Jewish Appeal and with the participation of representative welfare fund leaders.

You appreciate that in writing you I am presenting personal views, and that I have not taken up this question with the officers or the respective committees of my organization.

Sincerely yours,

(signed) J. C. Hyman

JCH:mh

Comments from George L. Levison, San Francisco

October 17, 1940

After reviewing this memorandum, I am impressed by the fact that the issues involved seem to be confused, and I have made an effort to try to clarify the fundamental factors involved.

1. The Present Situation. As I see it, the reason for consideration of any national budgeting program is basically because there is a feeling that many communities do an inefficient, haphazard job. I do not believe that this is universally true by any means, and that in the main the larger communities budget fairly effectively. However, because of the comparative newness of the problem to a great number of the Welfare Funds, no consistent practices have been followed. Here in San Francisco, where we have had our Welfare Fund for so many years, we follow very definite procedures which have worked, we believe, efficiently even in the face of recent changing conditions.

After all, the primary question is whether, through a national committee, a more efficient job can be done than can be done by educating and stimulating the local budgeting process. I believe that it is the Council's function to stimulate local budgeting and to educate the communities so that they will arrive at logical conclusions. This can be done, to my mind, by following certain basic principles.

First and foremost, it is necessary for the Council to determine whether it will evaluate the work of the different participating agencies. If the Council is not prepared to do this, then I cannot see how it can be effective in either a national budgeting scheme or in a program to really help in local budgeting. I fully realize the difficulties and dangers of the Council entering into the field of evaluation, but it is obvious that as the national organization representing all of the Welfare Funds, the Council is in a better position to evaluate than are the individual communities.

We in San Francisco must naturally arrive at conclusions as to the value of the work being done by the different agencies before we can budget funds. I feel that the Council, through the very weight of its influence, can be a determining factor in forcing agencies to submit honest figures. I feel very strongly that the greatest weakness of the entire Welfare Fund structure is the dishonesty on the part of the agencies in the figures which they submit. The whole process is one of trying to build up a case for themselves by exaggeration rather than by fact.

The work which has been done by the Council in the past in this direction has been most helpful to us, even though it has only been a partial job. In fact we have found that in spite of all the figures which we receive from the Council, our most conclusive facts are contained in the application form which we require to be completed by every agency before they are considered for an allocation. The very fact that this application form is a standardized form is in itself of great value. I can readily understand that where each agency submits figures bringing out in bold type the items which they want to emphasize and minimizing those which they want to hide, comparisons between agencies' statements becomes almost impossible.

2. I feel that one of the weaknesses of the Welfare Fund movement is the fact that many small communities have what they call Welfare Funds, but actually have no more than a unified drive to collect money for a handful of agencies. It would seem to me that Welfare Fund communities should be classified into a series of groups depending upon the amount collected, and that those communities falling within a single group should be advised by the Council as to a reasonable list of agencies among whom the funds should be divided. If this could be done, a far better balance would be arrived at and the communities would recognize what their responsibility is, at least in relation to which agencies should be supported.

Naturally, a community raising \$500,000 can lend support to more agencies than a community raising only 10% of that amount. On the other hand, I cannot feel that even the smallest community is doing a Welfare Fund job where their beneficiaries consist of only four or five agencies.

3. If the theory of a National Advisory Budget Study Committee is sound, it seems to me that its function should be:

- (1) To obtain honest data from all agencies.
- (2) To evaluate the work of each agency.
- (3) To recommend, possibly on a percentage point of view, the comparative allocations to the different agencies.
- (4) To try to set standards as to the reasonable quotas for different communities.

I am, however, of the opinion that the Council should limit its efforts in this direction to analyses from which the local communities can draw their own conclusions, and that no national budgeting process should be superimposed upon the present structure.

Frankly, I have no faith in the ability of any small group to do a better job than will the individual communities if they are furnished with adequate information. On the other hand, I feel that pressure groups will have far more influence over a small national committee than those groups can possibly have over a decentralized system of local determination.

4. We feel in San Francisco that we have certain local situations which must be dealt with locally and upon which our judgment is more apt to be sound than any decision reached by a central body. We are very conscious of our obligation to the individuals who give the money, and we believe that our allocations must be based upon, first, the needs of the agencies and the value of the work being done by them, and second, of vital importance, we must allocate funds in accordance with the wishes of the contributors. We all realize that this latter factor varies in different communities, so that a national program will not satisfy the wishes of local contributors. After all, a Welfare Fund is no more than a trusteeship, and I believe that the only way a Welfare Fund can continue successfully is by maintaining within its own community a feeling among the contributors that the Fund is being distributed in accordance with the wishes of those contributors.

UNITED PALESTINE APPEAL
41 EAST 42ND STREET
NEW YORK CITY

C
O
P
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October 18, 1940

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

My dear Mr. Lurie:

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I am completely in favor of as thorough-going and as accurate a survey as possible of the financial set-up, budgets, administration and expenditures of any and every organization soliciting funds in the United States from Jewish communities. This applies to overseas agencies as well as to national agencies. I strongly approved of the Inquiry which is now being made under the auspices of the Allotment Committee of the United Jewish Appeal, and which I believe will do a necessary and valuable piece of work. In so far as the Council of Jewish Federations and Welfare Funds intends to follow up this work through this Committee, or any other committee, it should be encouraged in every way.

When it comes, however, to the subject of national budgeting which, of course involves ultimately the task of "evaluating" the importance of the work done by the respective agencies, I am afraid that such a national budgeting committee will find itself in serious difficulties. The matter of ideologic preferences will inevitably come up. Thus, for example, to one who is opposed to Zionism, my dear Mr. Lurie, every dollar spent in Palestine, except as it might be spent in elementary relief, is wasted, regardless of how efficiently that dollar may otherwise be expended. On the other hand, those who believe in the upbuilding of the Jewish National Homeland feel that the cause is so worthy and historically so necessary that the millions already spent in Palestine are entirely inadequate. How are you going to reconcile these viewpoints, and how can any committee "evaluate" the work in Palestine?

American Jewry and World Jewry have been sharply divided on the issue of Zionism and a Jewish Homeland ever since the first Zionist Congress in 1897, and while bitter opposition to Zionism has appreciably waned in recent years, there is still a decided difference of opinion, based on political considerations and on various philosophies of Jewish life and destiny. Certainly the Council of Jewish Federations and Welfare Funds would not wish to undertake to deliver an "ex-cathedra" judgment to American Jewry on Zionism or the need of a National Homeland.

But, if you do not take a definite position one way or another, how can you "evaluate" the work in Palestine? From a Zionist point of view, it is of primary importance to build colonies and settlements in Palestine, to purchase land, to invest public funds in the encouragement of industry, to stimulate Hebrew culture and maintain a Hebrew University, to provide for the defense of the Palestine community, and to carry on necessary political action. From the point of view of mere philanthropy, much of that is unnecessary, and no more should be done for Palestine than a system of per capita refugee relief will permit. And even on the basis of refugee relief, there are those Jews in America who think it more important and more desirable to spend money on the relief and resettlement of refugees in all parts of the world except in Palestine.

I do not know, my dear Mr. Lurie, how you plan to get around this basic difficulty. It is very doubtful whether a world movement, like Zionism, will consent to have the validity of its claims passed on by a national budgeting committee for whose composition it would be only in part responsible, and which committee under the present system of organization in American Jewish life, can not be truly representative of American Jewry. Until such time as Jewish communities are democratically organized in Jewish community councils, and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a truly democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it, re-inforced by such factual information and data as the Council of Federations and Welfare Funds might supply it. Every other arrangement has heretofore meant the concentration of increased authority in the hands of a small group of people who, through interlocking directorships, control most of our important national institutions, and who in the past have not given any exceptional evidence of sympathy for the upbuilding of Palestine.

Centralization without thorough-going democratic control is highly undesirable. And until that control is satisfactorily fashioned by a national organization of democratically constructed Jewish community councils, no such serious centralization as is contemplated in a national budgeting committee should be, in my humble judgment, undertaken, even if its character shall at first be purely advisory. The inevitable trend of such advisory agencies is in the direction of being used as mandate and authority. Many of the difficulties in the present set-up to which the memorandum calls attention are, of course, real. Some of them may be solved without the creation of a national budgeting committee. Others may not. These latter difficulties are, however, far less serious than those which would be created under the contemplated set-up. By and large, the Jewish communities have not done a bad job of the problem which confronted them.

May I remind you of the failure to achieve unity of budgeting and planning even in a limited field, where four organizations are involved in similar and at times over-lapping activities. I refer, of course, to the General Council for Jewish Rights. Fundamentally, the difficulty there is the same to which I have alluded above. Each group speaks in the name of American Jewry but its authority derives from a specific social or economic group which in no instance is representative of organized American Jewish community life.

As far as I am authorized to speak for the Zionist agencies and institutions in Palestine, let me assure you that they stand ready to give the Council of Jewish Federations and Welfare Funds the fullest cooperation in any inquiry which it cares to undertake, into the financial set-up, expenditures, system of accounting, institutions and activities in Palestine.

I shall be in New York City on Monday. I shall be very happy to discuss with you any other angles of this subject that you would care to discuss.

With all good wishes, I remain

Very cordially yours,

(Signed) ABBA HILLEL SILVER

January 17, 1941

Mr. Henry Montor
United Palestine Appeal
41 East 42nd St.
New York, N.Y.

My dear Mr. Montor:

In connection with the Atlanta meeting, I believe that other organizations who would be affected by the budgeting proposal should be marshalled in the opposition. The major line of attack at Atlanta should be the danger of setting up a dictatorship which would dominate and control the whole of American Jewish life. If it is logical to budget for overseas agencies, it is also logical to budget for the Anti-Defamation League, the American Jewish Congress, the American Jewish Committee, etc. etc. Are these organizations satisfied to have a small group men representing a few of the larger Welfare Funds or Welfare Boards (none of them really democratically chosen) control their destinies?

I believe that you should contact immediately the American Jewish Congress, the representatives of the Anti-Defamation League, and such other organization who would see the subject from our viewpoint. They, in turn, should make sure that their friends are in attendance at Atlanta, and that their point of view is fully represented. Furthermore, it should be widely understood that delegates attending the Atlanta convention have no authority to speak for their representative Welfare Funds and Federations, or to commit them. The local Federations and Welfare Funds will make their own decisions.

I think that it would be helpful if prior to the Atlanta convention, such an organization as the Anti-Defamation League or the American Jewish Congress or the Labor Committee would come out with a public statement attacking the Hollander proposal.

Please let me know when, after February 3, Mr. Joseph would be available for Cleveland.

With all good wishes, I remain

Very cordially yours,

January 20, 1941

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.

SPECIAL MEETING OF BOARD OF DIRECTORS

Friday January 31, 1941 - Standard Club, 400 Ponce de Leon Ave., N. E., Atlanta

Agenda General Questions and Background for Discussion

Invitation to the enlarged Board meeting has been limited to members of the Board of Directors, the Assembly Program Committee, members of other special committees, officers of regional organizations, officers of member agencies in large cities that are not included in organized regions and selected representatives of the larger national and overseas agencies. The meeting is designed to give special consideration to acute problems and to formulate statements for discussion and action at the General Assembly.

Friday, January 31, 1941 - Standard Club

9:30 A.M. to 12:00 - Presiding, William J. Shroder, Chairman of Board
of Directors

General Introduction to Problems of Local-National Relationships -
William J. Shroder

The General Jewish Council, Report of Developments -
Edgar J. Kaufmann, Pittsburgh
Henry Monsky, Omaha

Questions of National Cooperation and Local Programs - Informal discussion
by local leaders and representatives of the national civic-
protective agencies.

Reporters to General Assembly - Amos S. Deinard, Minneapolis
Philip Bernstein, Cleveland

12:30 P.M. - Luncheon - Standard Club

* 2:00 P.M. - Meeting reconvened - William J. Shroder, Presiding
to

5:30 P.M. The Allotment Committee of the 1940 UJA, Its Functions and Results -
Report by Fred M. Butzel of Detroit and other members of the
Allotment Committee.

Presentation of 1941 overseas and refugee campaign plans by
representatives selected by the JDC, NRS and UPA.

Discussion to be opened by Jacob Blaustein of Baltimore, co-chairman
of Committee on National Budgeting Proposals

Reporters to General Assembly - James L. White, Salt Lake City
Harry Greenstein, Baltimore

* Subjects listed for afternoon discussion will be moved ahead to morning session
if time is available.

Friday Evening - No formal meeting, but opportunity is available after religious services for meetings of special committees or reporting groups for preparation of statements.

Saturday, February 1.

12:30 P.M. - Luncheon Meeting of Board of Directors, Hotel Biltmore (Room 10)
William J. Shroder, Presiding

(Attendance limited to official members of Board of Directors for routine business.)

3:00 P.M. - Room 14, Hotel Biltmore

Continuation of meeting of Board of Directors and invited guests for consideration of reports of Friday sessions.

8:15 P.M. - Hotel Biltmore, Ballroom

Opening session of General Assembly.

BASIC QUESTIONS ON AGENDA

The problems of local relationships to the programs and finances of the national civic-protective agencies, the overseas and refugee campaigns and other national causes securing their funds from local welfare funds involve the following questions:

1. National Causes and the Local Community. - Local communities are interested in important Jewish causes. They have organized in a sincere desire to participate in and support programs which can be conducted effectively only on a national basis, or which operate in lands overseas. There is an essential difference between the local community and the national agency. National agencies need to promote their special causes. It is important, however, that they relate their aims and methods to the fact that local communities have organized because of a general interest and concern for Jewish causes, rather than as loose associations of separate groups. It should be possible to work out acceptable policies on national and local relationships which take into account both the interests of the national institutions and the cooperative basis of local interest and support.
2. Budgeting Methods. Local funds must budget beneficiary agencies, whether they make their appeals separately or as groups of agencies, and an equitable basis should be established for such budgeting. Budgeting is a local process, but advisory national budgeting can strengthen local procedures.
3. Campaign Relationships. Fund raising on a national scale is expensive and costs can be materially reduced by joint appeals. Local welfare funds serve not as agents or instruments of national agencies but provide a method of organizing local interest and support in Jewish programs. Local campaigns are conducted at a minimum of expense. Though the national agencies must present their causes properly to the organized local communities, they are not required to engage in intensive efforts to reach the individual contributor.

It is desirable that welfare funds establish definite policies on national promotion and campaigning efforts intended to reach the individual contributor. Such policies should be mutually acceptable to the local funds and the national offices and cover also the distribution of literature and publicity material, visits of field workers, local and regional meetings, budgetary hearings and other matters of common interest. The regional organizations of welfare funds can be helpful in working out such effective relationships.

BACKGROUND OF LOCAL-NATIONAL RELATIONSHIPS

Continued cooperation of Jewish groups within the community is the essential problem. This hinges on the problem of local and national cooperation. The development of cooperation in local communities and between national agencies is far from uniform and the discrepancies between the rate of local and national development constitute the problems of organization which we are facing at this meeting.

On a local basis, cooperation of Jewish groups has made rapid progress. It is experiencing difficulties in relating its work to the causes and programs of national scope in which Jewish group cooperation, for the most part, has not been developed. We need to analyze the reasons for the rapid headway made in local organization and the barriers which are impeding comparable progress on a national basis.

Trends in Local Cooperation

Local communities for several decades have explored and developed the possibilities for joint group action; first, in the area of local philanthropic needs, second, in joint fund raising for national and overseas appeals and finally, in matters affecting relationships with the general community extending beyond the limited scope of philanthropic effort.

This achievement in local organization stimulated some cooperation of national and overseas causes. Similarly, there have been some evidences of national cooperation which, in turn, have benefitted local organization. The methods of group cooperation have become well established in many cities. We face the fact, however, that less cooperation between specific national and overseas causes and a resumption of intensive competition are bound to have an adverse effect upon local cooperative efforts.

The Nature of Local Cooperation

Differences in individual interests, philosophies and group loyalties exist locally and reflect the stratification and segregation of elements within the community. These group differences are likely to be less acute in cities outside of New York and the two or three other centers of Jewish population. Observers have noted that in spite of initial differences in national origin, religious affiliation and social and economic status, Jews are tending to become a more homogeneous group. Whatever the traditional differences, the growing intensity of anti-semitism and other acute Jewish problems have been instrumental in bringing together, for common action, Jews with differing interests and outlook.

As a result, local communities have been able, increasingly, to establish a stable basis for local cooperation. Fundamentally, local cooperation rests upon the acceptance of multiple interests and a tolerance of group differences. Gradually, a broad interest is being established in the total program, replacing zealous adherence to specific Jewish causes. Jewish contributors locally have demonstrated that they can unite in joint activities and derive real satisfactions from group cooperation. An equitable working basis has been achieved in federations and other joint appeals. There is required only a reasonable attitude, which keeps in mind the different interests and background of contributors, the size of contributions, the relation to contributors' interest and which weighs these factors in the distribution of funds. Local communities realize that there can be no arbitrary decisions which ignore the desires of contributors. Some contributors are specifically concerned with one or more defined fields of service, but there are many more, in various income groups whose interests are general rather than specialized. The latter are growing in number, due to the broadening tendencies of united appeals. A democratic method, which gives due consideration to the interests of large and small contributors, is possible in joint drives, and a workable formula for division of funds which corresponds to local interests has been successfully achieved in practically all cities. The withholding or restricting of contributions, because of individual dissatisfaction with fund distribution, are rare occurrences. However, the knowledge that contributors will be dissatisfied with unwise budgeting decisions serves as a corrective and guiding factor for local leadership entrusted with fund distribution. Allotments from a joint fund must satisfy all contributors, otherwise campaigns cannot be successful.

Out of the satisfactory experience in local philanthropy, cooperation developed with respect to fund raising for national and overseas causes and the programs for defense and other group relationships. Increasingly, local communities are organizing joint programs for local defense. Most leaders of welfare funds firmly believe that they have achieved a well established Jewish community organization which will withstand the divisive forces which may be felt locally as a result of competition from national offices and the presence in their communities of small groups who are over zealous in behalf of specific causes.

Experience in National Cooperation - the UJA

Some of the same tendencies toward group cooperation have been operating in national causes. The UJA has been the major expression of cooperation, even if the relationships between the constituent agencies was on a more tenuous basis than in the corresponding relationships of local groups. Joint appeals between the JDC and the Palestine agencies go back as far as 1925, representing arrangements of convenience and mutual interest. These were possible because of the Jewish Agency for Palestine, organized with Zionist and non-Zionist representation. While Zionists were primarily concerned with Palestine as a Jewish homeland and as an essential development in the midst of intensive European nationalisms, Palestine to non-Zionists was acceptable as a refugee settlement and as a religious and cultural center. Those who adhered to a political ideology for Palestine believed that the non-Zionist position was essentially a limited philanthropic view of Jewish problems. Nevertheless, cooperation or "fellow-travelling" seemed possible, at least at intervals over the period of years.

The joint appeals in 1934 and in 1935, the formulas worked out for welfare fund cities in 1937 and 1938 and the apex of cooperation reached in the United Jewish Appeals of 1939 and 1940, recorded progress in national cooperation, but did not resolve basic differences. Progress was made in campaigning and in distribution of funds, but there were no marked achievements in cooperative programming. As problems in Europe fluctuated, as Palestine experiences greater or lesser difficulties with the Arabs or the British Administration, the tolerance of one group for the

programs and efforts of the other was affected. The basic differences in outlook found expression in discussions of ratios and allocations. Those who accepted Palestine for its refugee assistance and rejected its political implications were inclined to assign smaller values to Palestine needs than did the Zionist adherents to whom Palestine is basically a Jewish political solution of the first magnitude. For a time, allocations were based on results of former separate campaigns, an index of contributors' interest which provided a satisfactory formula for distribution of funds. With the continuation of joint appeals and the spread of welfare funds, it became more and more difficult to measure the extent to which fund distributions reflected the interest of contributors. Since only occasional welfare funds offer contributors an opportunity to designate beneficiaries, and virtually all the funds collected are budgeted by local committees, it was impossible to determine to what extent the allocations made nationally in any one year were a measure of separate group interests.

The General Jewish Council

The developments in the General Jewish Council present evidences of national cooperation in another and more difficult functional field. Beginning with 1933, the growing menace of anti-semitism stimulated increased efforts on the part of Jewish agencies. The growing concern of Jews throughout the country and the intensive interests of the separate agencies focused attention on the problems and resultant activities. As a natural consequence of increased attention and rapidly developing programs, there arose dissatisfactions and questions concerning some of the agency activities. The value of cooperative effort was recognized, first, on the part of the national agencies themselves, who established various consultation procedures and second, by the local communities. The latter were reacting to the appeals for increased funds by the separate agencies, promoting their respective programs. They were also learning from experience in dealing with local manifestations of anti-semitism, the need and the possibilities for cooperative efforts. There were calls for greater cooperation and a unified national program, which in 1938 brought about the creation of the General Jewish Council. Thus far, the GJC has developed neither joint fund raising for its constituent agencies nor the integration of planning and activities that would attend a closely-knit program.

The national agencies recognize the need for constructive and thoroughly integrated defense programs and fear that separately conducted programs, influenced by opposing philosophies, may counteract their own efforts, but no real progress has been made. This lack of progress seems to bear out the views of those who hold that conflicting ideologies prevent effective coordination of programs and of agencies. The problem is complicated by the realization that the established agencies might lose some of their individual identification in a coordinated program, though some of the agencies have at times expressed a willingness to undertake a merger even under these conditions. At least one of the agencies has been built up on the basis of the specific interests of an economic group within the Jewish community, - that of labor, and whatever adjustments and relationships might be established in a combined program, there is no intention on the part of the Jewish Labor Committee to submerge itself completely within a general undifferentiated organization. Each of the other agencies present different reasons for continuity of independent efforts. Even more difficult is the unwillingness of several of the agencies to subscribe to the status quo of existing agencies with a new orientation or grouping of activities.

National Agencies for the Tuberculous

A problem of local and national cooperation which has been discussed for many years is the relationship to the national hospitals for the care of Jewish tuberculous. There has been little progress in cooperation between the several Denver and Los Angeles institutions. They continue to operate independently and have not worked out satisfactory service relationships with local communities. As a consequence, financial relationships are also unsatisfactory. It is the general feeling of our member agencies that the organized local community must have some voice in determining utilization of these national facilities. The care of a tuberculous patient is only one aspect of a general program of social services which local communities have developed for all types of social and health problems. National institutions have disregarded this development and have not geared their intake policies to the social and health programs of local agencies. For this reason, dissatisfaction with the financial relationship in behalf of national institutions is likely to increase. Some local leaders believe that member agencies are justified in withholding or reducing support to a minimum unless clearly established policies concerning local patients are accepted by the national institutions. It seems reasonable to many local federations that the national hospitals should be willing to enter into an arrangement locally in which financial support will be largely measured by the use made of national hospitals by local patients as planned by agencies with local social service responsibility.

The national hospitals have been urged repeatedly to develop such relationships and policies with reference to admission of patients and to combine their own forces so that they might more effectively participate in plans for health services and in the financial relationships of local communities. Thus far, progress has been far from adequate.

JACOB BLAUSTEIN

AMERICAN BUILDING
BALTIMORE, MD.

January 27, 1941

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

Dear Rabbi Silver:

I wish to acknowledge receipt of your January 22, 1941 letter.

I hope you will find it possible to attend the Atlanta meeting of the Committee on the Study of National Budgeting Proposals as it is important that all points of view be fully discussed. If you are not present, I shall read your letter to the Committee.

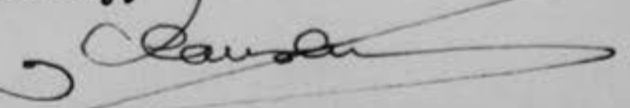
I want to assure you that I do not lend myself to precipitous action. Frankly, though, I would not consider it precipitous for a committee organized as far back as this committee was -- a committee which has diligently pursued its task since then and has had available to it at least some of the experiences of the Allotment Committee of the 1940 United Jewish Appeal -- to make a report and recommendations to the General Assembly in Atlanta. That would have been expected of the committee even if there were to be a 1941 UJA -- and should not be side-tracked simply because it seems there is not to be a 1941 UJA.

This committee was organized, and made important decisions, long before it appeared there would be no 1941 UJA -- and incidentally is concerned not only with the three beneficiary organizations of the 1940 UJA, but ultimately with all organizations appealing to the Welfare Fund Communities for funds and promptly with more than just those three.

If there is not to be a 1941 UJA -- and I am still optimistic enough to hope there will be -- and if the recommendations of the Committee on the Study of National Budgeting Proposals can, among other things, be helpful at a critical time in preserving unity within the communities, in minimizing confusion within them, in aiding them purely in an advisory capacity in arriving at sound and objective decisions, and in the raising of greater funds within the communities for the support of all the organizations, I, as one interested in Jewish Causes generally, would consider it most fortunate. It should be added that in its findings and recommendations, the Committee means to be thoroughly objective and non-partisan -- and I believe that to be possible.

I understand that any recommendation of the Committee to Study National Budgeting Proposals will not be adopted unless, and until, those recommendations have been fully discussed and approved by the Board of the Council and the General Assembly, in which, it is hoped, all interested parties will participate.

Sincerely,



January 31, 1941

REPORT OF THE COMMITTEE ON THE STUDY OF
NATIONAL BUDGETING PROPOSALS

ORIGIN OF COMMITTEE

At the May 18, 1940 meeting of the Board of Directors of the Council, a resolution adopted at the Western States Regional Conference in Salt Lake City on April 15, 1940 was submitted requesting the Council to set up a National Budgeting Committee. This specific action calling for a committee of the Council to study national and overseas agencies, to determine on the proper allocation of budgets and services among these agencies, and to give advice with respect thereto to the member agencies was one of a series of similar actions and expressions of opinion of member agencies, individually and through their regional organizations, over a period of years.

The Board on May 18th, after careful discussion of the requests, provided for a special committee to study the problem of national budgeting under the following resolution:

That the President of the Council appoint a committee, including representatives of large and small welfare funds and of unorganized cities, to study and report to the Board of Directors on proposals for national budgeting, collect facts with reference to the agencies involved, and consult with national and overseas agencies concerning the desirability and the methods of procedure that might be involved if a national budgeting process were to be established.

This committee was also authorized to enlist other members for the committee in addition to those mentioned in the resolution and to secure necessary funds for its work outside of the regular budget of the Council.

MEMBERSHIP OF COMMITTEE

Following the May 18th Board meeting, the committee was appointed in June with the following active members:

Jacob Blaustein, Chairman ✓

William Rosenwald, Acting Co-Chairman ✓

18
8
10
X Mrs Dora Ehrlich, Detroit
A Richard Frank, Chicago
Samuel Goldhamer, Cleveland
Samuel A Goldsmith, Chicago
William Haber, New York City ✓
Joseph C Hyman, New York City ✓
George Levison, San Francisco
Solomon Lowenstein, New York ✓

X Henry Montor, New York City ✓
Stanley C Myers, Miami
Ben M Selekman, Boston
William J Shroder, Cincinnati
Edward M M Warburg, New York City ✓
James L White, Salt Lake City
X Rabbi Abba H Silver, Cleveland
Ira M Younker, New York City ✓

DISTINCTION BETWEEN THE COMMITTEE TO STUDY NATIONAL BUDGETING PROPOSALS AND
THE 1940 UNITED JEWISH APPEAL ALLOTMENT COMMITTEE

This Committee to Study National Budgeting Proposals should not be confused with the 1940 United Jewish Appeal Allotment Committee.

The latter was concerned with the three beneficiary organizations in the 1940 UJA (i.e. Joint Distribution Committee, United Palestine Appeal and National Refugee Service) as regards the allotment of funds obtained from the 1940 UJA campaign -- and its decisions were mandatory on the three agencies. The 1940 UJA Allotment Committee was composed of two members each of the JDC and UPA and three members (with an alternate) representing the welfare fund cities appointed by the Council with the approval of the constituent agencies.

The Committee to Study National Budgeting Proposals is not limited in its considerations to the three (JDC, UPA and NRS) organizations but is concerned with the problems in connection with all national and overseas agencies which make appeals for funds regularly to local communities. Although its membership includes individuals affiliated with several of the national and overseas agencies, it was appointed by the Council to study national budgeting proposals. Unlike the authority of the UJA Allotment Committee, the conclusions of a national budgeting committee would be solely advisory in character and would not necessarily determine the actual distribution of funds since such distribution would depend ultimately upon local community actions and decisions.

It might be added that both of these committees were set up long before it appeared that there would be no 1941 UJA.

INITIAL STEPS OF COMMITTEE ON THE STUDY
OF NATIONAL BUDGETARY PROPOSALS

As a first step in discharging the responsibilities of the Committee on the Study of National Budgetary Proposals, the staff of the Council was asked to prepare an analysis of the problems involved and the possible procedures, advantages and disadvantages of national budgeting services. A thorough and comprehensive memorandum on these aspects was prepared with the active participation of the co-chairmen of the Committee and circulated among the members of the Committee in September 1940 with the request that the Committee members study it carefully and forward their comments in advance of an October meeting of the Committee. This was done, and comments were received from practically all members.

COMMITTEE AND BOARD ACTIONS LAST OCTOBER

The Committee met in New York City on October 25th. All but five members (Rabbi Silver, Mrs Ehrlich and Messrs. Selekman, Warburg and White) were present. Rabbi Silver, Mrs Ehrlich and Mr White had previously written their comments on the memorandum. These had been distributed to the other members of the Committee and were carefully considered at the meeting. After full consideration of the various phases of the problem, preliminary recommendations were prepared and presented to the Board of Directors on the following day. The conclusions reached by the Committee (with partial objection on the part of Mr Montor) and presented to the Board were as follows:

- 1) Budgeting of national and overseas agencies should be considered as one aspect of the program of local communities. Such a program must take into account the total American responsibility for needs of both a general nature and those of special interest to Jews.
- 2) A national budgeting process in principle is desirable and necessary.
- 3) The functions of the Committee should be to obtain complete data from all agencies, to evaluate the work of each agency and to recommend to the communities comparative allocations to the different agencies.
- 4) The Committee should ultimately consider the programs and expenditures of all national and overseas agencies applying to welfare fund communities for support. But as a first step, the Committee believed it should review the work of the Allotment Committee of the 1940 UJA and on the basis of this experience, to consider means of extending similar studies to agencies operating in similar or related fields. It was assumed that such studies would be undertaken with the cooperation of the agencies studied.
- 5) The Committee should consider the personnel and costs necessary to conduct such studies.

This report was adopted by the Board on October 26th, and the Committee was authorized "to take such further steps as may be necessary to develop plans for the establishment of a system of national budgeting."

APPRAISAL OF THE PROCEDURES AND RESULTS OF THE 1940 UJA
ALLOTMENT COMMITTEE AND THE INQUIRY CONDUCTED BY IT

The Chairmen of the Committee then asked the staff of the Council to make an appraisal for the Committee's review of the procedures and results of the Allotment Committee of the 1940 UJA and the Inquiry conducted by it. The report of the Inquiry and the auxiliary studies made have not been officially released but opportunities were had to discuss questions involved with members of the Allotment Committee and the professional staff of the Inquiry. There was also opportunity to read some of the reports prepared by the Inquiry which are in process of being edited, and which will be officially released to this Committee when edited.

The conclusions which the Committee has reached in its study of the Allotment Committee procedures are as follows:

- 1) It has been demonstrated that a group serving as a Budgeting Committee, especially those members who do not represent the beneficiary agencies, can arrive at definite and reasonable judgments concerning needs of agency programs in relation to available funds.
- 2) The procedures of the Inquiry indicated that more effective impartial methods of study and evaluation might have been developed in an independently conducted inquiry. It is, however, generally believed that the experience and information of the agencies is required for an adequate interpretation of collected data and advisory services of beneficiary agencies should be continued in the study process.

- 3) It should be stated again and recognized that the Allotment Committee of the UJA differed from a national budgetary service that would be set up by welfare funds under the auspices of the Council in at least one important function. Decisions of the Allotment Committee of the UJA were mandatory on the division of funds. Conclusions reached by an independent national budgeting committee would be solely advisory in character since such distribution would depend ultimately upon local community actions and decisions.

FINAL RECOMMENDATIONS AT THE JANUARY 30, 1941 MEETING OF THE COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS

These recommendations were unanimous (among the members present) excepting that Mr Montor objected to most of them. Letters were received from Rabbi Silver and Mr Goldhamer, who could not be present, in which they stated their general positions. Rabbi Silver is opposed to what the Committee proposes, Mr Goldhamer is in favor of it.

The Committee believes that there would be considerable value in an advisory national budgeting service which would translate into factual terms, the programs of agencies that are presented in fund raising appeals.

It is believed that such impartial evaluation and studies, conducted with the cooperation of the participating agencies, would serve the following useful purposes, among others:

- 1) For the local communities: it would give to the many thousands of local contributors who represent every existing community interest and whose broad base of support makes possible the national and overseas programs carried on, the specific answers to the many questions constantly being asked by them with respect to the operations and functions of these agencies; it would assist their local budgeting committees in being fair and impartial in supporting these organizations and in reaching equitable decisions with respect to them, it would help bring about improved co-ordination and less duplication of effort among the beneficiary organizations towards the goal of better economy and greater efficiency, and it would placethem in better position to collect maximum sums within their communities for these causes;
- 2) For the national and overseas agencies: Contributors are asking questions and they want the answers -- and they want them objectively from an unbiased and authoritative source. From now on, campaign efforts must appeal to both the head and the heart. The story of needs and wants must be told-- but the analytical record must be there to back it up. It is believed that greater funds will be forthcoming when contributors are convinced from sources other than the particular agencies themselves that necessary jobs are actually being done at the lowest cost of doing them.

It is believed that the following will answer some of the objections sometimes raised against a national budgeting service:

- 1) Contacts between the national and overseas agencies and the local communities need not, and should not, be eliminated. On the contrary it is believed by this Committee that the educational work, and the creation of

interest, by the agencies within the local communities should go on.

- 2) Setting up a National Budgeting Service does not in itself mean the removal of separate applications to the local communities by the different agencies. That, to some degree at least, might be desirable, but whether future appeals would be separate or united, and if united to what extent, would always be the result of other decisions. In any event, whether future appeals will be separate or united, they would be helped by a National Budgeting Service.
- 3) A National Budgeting Service does not mean that decisions on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies would, and should, also play their part. But there should be a balanced consideration of the intangibles with the tangibles. Incidentally, we think it is a mistaken idea of some that only the leaders in a particular organization can judge it fairly and honestly.
- 4) There is nothing in a National Budgeting Service that would prevent local communities from maintaining a belief among contributors that funds are being distributed in accordance with the wishes of those contributors. For it must be borne in mind that the findings of the National Budgeting Service would not be mandatory upon either the agencies or the local communities. Its work would be purely advisory in character and the local communities would avail themselves of the findings of the National Budgeting Service only to the extent they deemed it desirable.

With the dissolution of the UJA and the immediate requests from many of the Council's member agencies for assistance in dealing with the problem of 1941 budgeting, the President of the Council requested the Committee to study the situation and to make recommendations to the Board of Directors at its meeting in Atlanta on January 31st, for later submission to the General Assembly there. The Committee has considered the new conditions created by the discontinuance of the UJA and the problems that will face local budget committees in dividing funds among the three agencies instead of allotting one lump sum to a joint appeal. The Committee has applied to this problem the principles and conclusions which it had reached in its study of the whole problem of national budgeting and presents the following over-all recommendations:

- 1) In methods of joint fund raising and distribution of funds, the UJA with its Allotment Committee made a real contribution in the development of agency cooperation, in efficiency of fund raising appeals, and in establishing excellent relationships between the agencies of the UJA and the local welfare funds. The Committee believes that the dissolution of the UJA was unfortunate and undesirable. It is late, but not too late, to have a 1941 United Jewish Appeal, provided there is a will and desire on the part of all parties to do so. That seems to be the overwhelming desire of the welfare funds and their contributors over the country all of whom are genuinely concerned, and interested in, the programs of these agencies and perform important functions for them. This desire they have strongly indicated. The Committee urges that another immediate effort be made toward that end with such help as the Council can render, - and it is suggested that if the former conferees of the agencies cannot agree on a 1941 UJA, other methods of negotiations be attempted, such as the inclusion

in the negotiations of the present neutral members of the Allotment Committee, or in any other way that the agencies believe would be helpful, including if they deem it desirable, the appointment of other agency conferees. Furthermore, the Committee believes that all possible steps should be taken to establish methods of joint appeals and inter-agency cooperation in arriving at equitable fund allocations for all agencies operating in the same or related fields of service.

- 2) Even if there will not be a 1941 UJA, the Committee believes local communities should not permit the Causes to suffer, but on the contrary that the local communities should do their utmost in supporting them. Further, the Committee believes that joint fund raising by local communities is inherently correct and should be continued.
- 3) The Committee believes that a competent and intensive process of fact finding both on programs of service and on financial experience should be continued and that these studies should be under the auspices of a committee of the Council.
- 4) The Committee believes in the establishment of a national budgeting service, advisory in character, which will help local communities evaluate the relative needs of separate agency appeals.
- 5) The Committee recommends to the Board of the Council that there be proposed to the General Assembly that the Council take steps immediately to set up a National Advisory Budgeting Committee with proper facilities for studies and evaluation of agencies. These functions might be entrusted to the present Committee on the Study of National Budgeting Proposals.
- 6) The Committee recommends that from time to time, as opportunity and fact finding are made available, sub-committees be appointed to specialize in the study of each different field of agencies.
- 7) As a first step and to give precedence and immediate consideration to the three agencies that constituted the 1940 UJA, i.e., the Joint Distribution Committee, the United Palestine Appeal and the National Refugee Service, the Committee recommends that a Special Commission of not less than five members or more than nine members be named for the year 1941 by the President of the Council, the Chairman of its Board and the Chairman of its Committee to Study National Budgeting Proposals, and approved by the Board of Directors of the Council. This Commission shall consist of laymen who, after appointment shall sever connections which they may have on the Boards of the three agencies under review.

The decisions of this Committee shall be final in its recommendations and shall not be subject to change by the Council. Its findings and recommendations shall be transmitted to member agencies through the Council office, and the Council office shall be authorized to transmit to this Special Commission any inquiries, suggestions or recommendations of its member agencies. This Commission shall be authorized to employ such staff as may be required for its purposes, the cost to be financed by the Council.

- 8) The Committee recommends as an effort of procedure, that the three welfare fund members of the 1940 UJA Allotment Committee be looked to for guidance in recommending a basis for initial allotments to the three agencies formerly in the UJA, which can serve as a guide to welfare funds conducting early campaigns in 1941. One type of proposal to deal with the problem of initial installments under discussion is as follows:
- a - That welfare funds in 1941 set aside a total amount to cover the allocations to be made to the JDC, the UPA and the NRS.
 - b - That an initial installment up to 60% of the total be distributed among the three agencies on the basis of the total 1940 allotments to these agencies made by the UJA from nationally collected funds, i.e., \$6,050,000 to the JDC, \$2,900,000 to the UPA, and \$2,500,000 to the NRS. (The NRS also received \$1,000,000 directly from the New York City campaign of the UJA for its local New York services.)
 - c - That on the basis of continued studies, the Special Commission to be established as outlined above, should recommend not later than May 30, 1941, a basis for total 1941 allocations to these three agencies. The final 1941 allocation would take into account the needs of these agencies, the new factors in needs and program that have been developed, and would attempt to adjust the final recommended allocations on the basis of agency needs and operations.
- 9) The Committee has also been asked to express an opinion now, on the 1941 campaign goals of the agencies formerly in the UJA. It is in no position at this time to suggest the total budgets of the agencies to which local welfare funds should relate their individual allotments. On the basis of facts available, it believes that welfare funds should try to secure for these agencies funds substantially in excess of the amounts secured by the UJA in 1939 and 1940. It fully accepts the fact that insofar as the overseas agencies are concerned, the needs to be met are overwhelming in character and that within the total program of local and American obligations, communities have a responsibility for securing maximum funds for major overseas causes.

Similarly, we in the United States, have sole responsibility for caring for the refugees who come to this country, and must continue to care for them on the basis of the standards which have been established for local American responsibility. The Committee therefore suggests that within the responsibilities of local funds for total American and overseas needs, welfare funds should exceed the sum raised in 1939 and in 1940 for the UJA by the largest possible sum which they can effectively secure in their respective communities.

CONCLUSION

This report was unanimously approved (excepting objection by Mr Montor) at the last meeting of the Committee to Study. National Budgetary Proposals. It has been submitted to you in detail. The Committee feels that the importance of the subject requires it.

While the whole series of Committee recommendations has been set forth in the report, so you may have before you an entire plan, it is suggested that in your considerations you treat with these recommendations separately or in closely related categories. Thus, you might consider them in the following order:

- (1) Should efforts be made to bring about a 1941 UJA and, if so, suggestions toward that end?
- (2) Should the Council set up a National Advisory Budgeting Committee and a Special Commission for 1941, as outlined above, and if so, should their structures and procedures be recommended?
- (3) Should the method outlined be adopted as a basis for recommendations to the local communities as to 1941 allotments (initial and final) to the three agencies formerly in the UJA?

REPORT OF THE COMMITTEE
ON THE
STUDY OF NATIONAL BUDGETING PROPOSALS

As approved by
The Board of Directors
February 1, 1941

REPORT OF THE COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS

(As approved by the Board of Directors, February 1, 1941)

ORIGIN OF COMMITTEE

At the May 18, 1940 meeting of the Board of Directors of the Council, a resolution adopted at the Western States Regional Conference in Salt Lake City on April 15, 1940 was submitted requesting the Council to set up a National Budgeting Committee. This specific action calling for a committee of the Council to study national and overseas agencies, to determine on the proper allocation of budgets and services among these agencies, and to give advice with respect thereto to the member agencies was one of a series of similar actions and expressions of opinion of member agencies, individually and through their regional organizations, over a period of years.

The Board on May 18th, after careful discussion of the requests, provided for a special committee to study the problem of national budgeting under the following resolution:

That the President of the Council appoint a committee, including representatives of large and small welfare funds and of unorganized cities, to study and report to the Board of Directors on proposals for national budgeting, collect facts with reference to the agencies involved, and consult with national and overseas agencies concerning the desirability and the methods of procedure that might be involved if a national budgeting process were to be established.

This committee was also authorized to enlist other members for the committee in addition to those mentioned in the resolution and to secure necessary funds for its work outside of the regular budget of the Council.

MEMBERSHIP OF COMMITTEE

Following the May 18th Board meeting, the committee was appointed in June with the following active members:

Jacob Blaustein, Chairman

William Rosenwald, Acting Co-chairman

Mrs. Dora Ehrlich, Detroit

Henry Montor, New York City

A. Richard Frank, Chicago

Stanley C. Myers, Miami

Samuel Goldhamer, Cleveland

Ben M. Selekman, Boston

Samuel A. Goldsmith, Chicago

William J. Shroder, Cincinnati

William Haber, New York City

Edward M. M. Warburg, New York City

Joseph C. Hyman, New York City

James L. White, Salt Lake City

George L. Levison, San Francisco

Rabbi Abba Hillel Silver, Cleveland

Solomon Lowenstein, New York City

Ira M. Younker, New York City

DISTINCTION BETWEEN THE COMMITTEE TO STUDY NATIONAL BUDGETING PROPOSALS AND THE 1940 UNITED JEWISH APPEAL ALLOTMENT COMMITTEE

This Committee to Study National Budgeting Proposals should not be confused with the 1940 United Jewish Appeal Allotment Committee.

The latter was concerned with the three beneficiary organizations in the 1940 UJA (i.e., Joint Distribution Committee, United Palestine Appeal and National Refugee Service) as regards the allotment of funds obtained from the 1940 UJA campaign -- and its decisions were mandatory on the three agencies. The 1940 UJA Allotment Committee was composed of two members each of the JDC and UPA and three members (with an alternate) representing the welfare fund cities appointed by the Council with the approval of the constituent agencies.

The Committee to Study National Budgeting Proposals is not limited in its considerations to the three (JDC, UPA and NRS) organizations but is concerned with the problems in connection with all national and overseas agencies which make appeals for funds regularly to local communities. Although its membership includes individuals affiliated with several of the national and overseas agencies, it was appointed by the Council to study national budgeting proposals. Unlike the authority of the UJA Allotment Committee, the conclusions of a national budgeting committee would be solely advisory in character and would not necessarily determine the actual distribution of funds since such distribution would depend ultimately upon local community actions and decisions.

It might be added that both of these committees were set up long before it appeared that there would be no 1941 UJA.

INITIAL STEPS OF COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS

As a first step in discharging the responsibilities of the Committee on the Study of National Budgeting Proposals, the staff of the Council was asked to prepare an analysis of the problems involved and the possible procedures, advantages and disadvantages of national budgeting services. A thorough and comprehensive memorandum on these aspects was prepared with the active participation of the co-chairmen of the Committee and circulated among the members of the Committee in September 1940 with the request that the Committee members study it carefully and forward their comments in advance of an October meeting of the Committee. This was done, and comments were received from practically all members.

COMMITTEE AND BOARD ACTIONS LAST OCTOBER

The Committee met in New York City on October 25th. All but five members (Rabbi Silver, Mrs Ehrlich and Messrs. Selekman, Warburg and White) were present. Rabbi Silver, Mrs Ehrlich and Mr White had previously written their comments on the memorandum. These had been distributed to the other members of the Committee and were carefully considered at the meeting. After full consideration of the various phases of the problem, preliminary recommendations were prepared and presented to the Board of Directors on the following day. The conclusions reached by the Committee (with partial objection on the part of Mr. Montor) and presented to the Board were as follows:

- 1) Budgeting of national and overseas agencies should be considered as one aspect of the program of local communities. Such a program must take into account the total American responsibility for needs of both a general nature and those of special interest to Jews.
- 2) A national budgeting process in principle is desirable and necessary.
- 3) The functions of the Committee should be to obtain complete data from all agencies, to evaluate the work of each agency and to recommend to the communities comparative allocations to the different agencies.
- 4) The Committee should ultimately consider the programs and expenditures of all national and overseas agencies applying to welfare fund communities for support. But as a first step, the Committee believed it should review the work of the Allotment Committee of the 1940 UJA and on the basis of this experience, to consider means of extending similar studies to agencies operating in similar or related fields. It was assumed that such studies would be undertaken with the cooperation of the agencies studied.
- 5) The Committee should consider the personnel and costs necessary to conduct such studies.

This report was adopted by the Board on October 26th, and the Committee was authorized "to take such further steps as may be necessary to develop plans for the establishment of a system of national budgeting."

APPRAISAL OF THE PROCEDURES AND RESULTS OF THE 1940 UJA ALLOTMENT COMMITTEE AND THE INQUIRY CONDUCTED BY IT

The Chairman of the Committee then asked the staff of the Council to make an appraisal for the Committee's review of the procedures and results of the Allotment Committee of the 1940 UJA and the Inquiry conducted by it. The report of the Inquiry and the auxiliary studies made have not been

officially released but opportunities were had to discuss questions involved with members of the Allotment Committee and the professional staff of the Inquiry. There was also opportunity to read some of the reports prepared by the Inquiry which are in process of being edited and which will be officially released to this Committee when edited.

The conclusions which the Committee has reached in its study of the Allotment Committee procedures are as follows:

- 1) It has been demonstrated that a group serving as a Budgeting Committee, especially those members who do not represent the beneficiary agencies, can arrive at definite and reasonable judgments concerning needs of agency programs in relation to available funds.
- 2) The procedures of the Inquiry indicated that more effective impartial methods of study and evaluation might have been developed in an independently conducted inquiry. It is, however, generally believed that the experience and information of the agencies is required for an adequate interpretation of collected data, and that advisory services of beneficiary agencies should be continued in the study process.
- 3) It should be stated again and recognized that the Allotment Committee of the UJA differed from a national budgetary service that would be set up by welfare funds under the auspices of the Council in at least one important function. Decisions of the Allotment Committee of the UJA were mandatory on the division of funds. Conclusions reached by an independent national budgeting committee would be solely advisory in character since welfare fund distribution would depend ultimately upon local community actions and decisions.

FINAL RECOMMENDATIONS AT THE JANUARY 30, 1941 MEETING OF THE
COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS

These recommendations were unanimously approved (among the members present) at a further meeting of the Committee on January 30, excepting that Mr. Montor objected to most of them. Letters were received from Rabbi Silver and Mr. Goldhamer who could not be present in which they stated their general positions. Rabbi Silver is opposed to what the Committee proposes, Mr. Goldhamer is in favor of it.

The Committee believes that there would be considerable value in an advisory national budgeting service which would translate into factual terms, the programs of agencies that are presented in fund raising appeals.

It is believed that such impartial evaluations and studies, conducted with the cooperation of the participating agencies, would serve the following useful purposes, among others:

- 1) For the local communities: it would give to the many thousands of local contributors who represent every existing community interest and whose broad base of support makes possible the national and overseas programs carried on, the specific answers to the many questions constantly being asked by them with respect to the operations and functions of these agencies; it would assist their local budgeting committees in being fair and impartial in supporting these organizations and in reaching equitable decision with respect to them, it would help bring about improved coordination and less duplication of effort among the beneficiary organizations towards the goal of better economy and greater efficiency, and it would place them in better position to collect maximum sums within their communities for these causes.
- 2) For the national and overseas agencies: Contributors are asking questions and they want the answers -- and they want them objectively from an unbiased and authoritative source. From now on, campaign efforts must appeal to both the head and the heart. The story of needs and wants must be told-- but the analytical record must be there to back it up. It is believed that greater funds will be forthcoming when contributors are convinced from sources other than the particular agencies themselves that necessary jobs are actually being done at the lowest cost of doing them.

It is believed that the following will answer some of the objections sometimes raised against a national budgeting service:

- 1) Contacts between the national and overseas agencies and the local communities need not, and should not, be eliminated. On the contrary it is believed by this Committee that the educational work, and the creation of

interest, by the agencies within the local communities should go on.

- 2) Setting up a National Budgeting Service does not in itself mean the removal of separate applications to the local communities by the different agencies. That, to some degree at least, might be desirable, but whether future appeals would be separate or united, and if united to what extent, would always be the result of other decisions. In any event, whether future appeals will be separate or united, they would be helped by a National Budgeting Service.
- 3) A National Budgeting Service does not mean that decision on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies would, and should, also play their part. But there should be a balanced consideration of the intangibles with the tangibles. Incidentally, we think it is a mistaken idea of some that only the leaders in a particular organization can judge it fairly and honestly.
- 4) There is nothing in a National Budgeting Service that would prevent local communities from assuring contributors that funds are being distributed in accordance with the wishes of those contributors. For it must be borne in mind that the findings of the National Budgeting Service would not be mandatory upon either the agencies or the local communities. Its work would be purely advisory in character and the local communities would avail themselves of the findings of the National Budgeting Service only to the extent they deemed it desirable.

With the dissolution of the UJA and the immediate requests from many of the Council's member agencies for assistance in dealing with the problem of 1941 budgeting, the President of the Council requested the Committee to study the situation and to make recommendations to the Board of Directors at its meeting in Atlanta on January 31st, for later submission to the General Assembly there. The Committee has considered the new conditions created by the discontinuance of the UJA and the problems that will face local budget committees in dividing funds among the three agencies instead of allotting one lump sum to a joint appeal. The Committee has applied to this problem the principles and

conclusions which it had reached in its study of the whole problem of national budgeting and presents the following over-all recommendations:

- 1) In methods of joint fund raising and distribution of funds, the UJA with its Allotment Committee made a real contribution in the development of agency cooperation, in efficiency of fund raising appeals, and in establishing excellent relationships between the agencies of the UJA and the local welfare funds. The Committee believes that the dissolution of the UJA was unfortunate and undesirable. It is late, but not too late, to have a 1941 United Jewish Appeal, provided there is a will and desire on the part of all parties to do so. That seems to be the overwhelming desire of the welfare funds and their contributors over the country all of whom are genuinely concerned with, and interested in, the programs of these agencies and perform important functions for them. This desire they have strongly indicated. The Committee urges that another immediate effort be made toward that end with such help as the Council can render, - and it is suggested that if the former conferees of the agencies cannot agree on a 1941 UJA, other methods of negotiations be attempted, such as the inclusion in the negotiations of the present neutral members of the Allotment Committee, or in any other way that the agencies believe would be helpful, including if they deem it desirable, the appointment of other agency conferees.

Furthermore, the Committee believes that all possible steps should be taken to establish methods of joint appeals and inter-agency cooperation in arriving at equitable fund allocations for all agencies operating in the same or related fields of service.

- 2) Even if there will not be a 1941 UJA, the Committee believes local communities should not permit the Causes to suffer, but on the contrary that the local communities should do their utmost in supporting them.

Further, the Committee believes that joint fund raising by local communities is inherently correct and should be continued.

- 3) The Committee believes that a competent and intensive process of fact finding both on programs of service and on financial experience should be continued and that these studies should be under the auspices of a committee of the Council.
- 4) The Committee believes in the establishment of a national budgeting service, advisory in character, which will help local communities evaluate the relative needs of separate agency appeals.
- 5) The Committee recommends to the Board of the Council that there be proposed to the General Assembly that the Council take steps immediately to set up a National Advisory Budgeting Committee with proper facilities for studies and evaluation of agencies. These functions might be entrusted to the present Committee on the Study of National Budgeting Proposals.
- 6) The Committee recommends that from time to time, as opportunity and fact finding are made available, sub-committees be appointed to specialize in the study of each different field of agencies.
- 7) As a first step and to give precedence and immediate consideration to the three agencies that constituted the 1940 UJA, i.e., the Joint Distribution Committee, the United Palestine Appeal and the National Refugee Service, the Committee recommends that a Special Commission of not less than five members or more than nine members be named for the year 1941 by the President of the Council, the Chairman of its Board and the Chairman of its Committee to Study National Budgeting Proposals, and approved by the Board of Directors of the Council. This Commission shall consist of laymen who, after appointment, shall sever connections which they may have on the Boards of the three agencies under review.

The decisions of this Committee shall be final in its advisory recommendations to the welfare funds and shall not be subject to change by the

Council. Its findings and recommendations shall be transmitted to member agencies through the Council office, and the Council office shall be authorized to transmit to this Special Commission any inquiries, suggestions or recommendations of its member agencies. This Commission shall be authorized to employ such staff as may be required for its purposes, the cost to be financed by the Council.

- 8) The Committee recommends as a method of procedure, that the three welfare fund members of the 1940 UJA Allotment Committee be looked to for guidance in recommending a basis for initial allotments to the three agencies formerly in the UJA, which can serve as a guide to welfare funds conducting early campaigns in 1941. One type of proposal to deal with the problem of initial installments under discussion is as follows:
 - a. That welfare funds in 1941 set aside a total amount to cover the allocations to be made to the JDC, the UPA and the NRS.
 - b. That an initial installment up to 60 percent of the total be distributed among the three agencies on the basis of the total 1940 allotments to these agencies made by the UJA from nationally collected funds, i.e., \$6,050,000 to the JDC, \$2,900,000 to the UPA, and \$2,500,000 to the NRS. (The NRS also received \$1,000,000 directly from the New York City campaign of the UJA for its local New York services.)
 - c. That on the basis of continued studies, the Special Commission to be established as outlined above, should recommend not later than May 30, 1941, a basis for total 1941 allocations to these three agencies. The final 1941 allocation would take into account the needs of these agencies, the new factors in needs and program that have been developed, and would attempt to adjust the final recommended allocations on the basis of agency needs and operations.
- 9) The Committee has also been asked to express an opinion now, on the 1941 campaign goals of the agencies formerly in the UJA. It is in no position at this time to suggest the total budgets of the agencies to which local welfare funds should relate their individual allotments. On the basis of facts available, it believes that welfare funds should try to secure for these agencies funds substantially in excess of the amounts secured by the UJA in 1939 and 1940. It fully accepts the fact that insofar as the overseas agencies are concerned, the needs to be met are overwhelming in character and that within the total program of local and American obliga-

tions, communities have a responsibility for securing maximum funds for major overseas causes.

Similarly, we in the United States, have sole responsibility for caring for the refugees who come to this country, and must continue to care for them on the basis of the standards which have been established for local American responsibility. The Committee therefore suggests that within the responsibilities of local funds for total American and overseas needs, welfare funds should exceed the sum raised in 1939 and in 1940 for the UJA by the largest possible sum which they can effectively secure in their respective communities.

CONCLUSION

This report was unanimously approved (excepting objection by Mr. Montor) at the last meeting of the Committee to Study National Budgetary Proposals. It has been submitted to you in detail. The Committee feels that the importance of the subject requires it.

A BRIEF REVIEW OF THE PROCEEDINGS AT THE GENERAL ASSEMBLY OF THE
COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS AT
HOTEL BILTMORE, ATLANTA, GEORGIA
BETWEEN THURSDAY, JANUARY 30 AND SUNDAY, FEBRUARY 2, 1941

Committee to Study National Budgeting Proposals

On Thursday evening, January 30th, Mr. Jacob Blaustein of Baltimore and Mr. William Rosenwald, of New York, President of the National Refugee Service, submitted as Co-Chairmen of the Committee To Study National Budgeting Proposals, a plan whereby (a) there would be established a National Budgeting Committee to examine the facts with respect to all agencies appealing for funds to local Welfare Funds; (b) set up a special Commission to fix ratios for the agencies formerly in the United Jewish Appeal - this service, ultimately, to be performed for all national and overseas agencies and (c) suggesting that until this special Commission reports, communities follow the 1940 ratios and distribute 60 percent of their funds to the United Jewish Appeal agencies, waiting with the balance until the Commission shall have reported on the needs of the respective agencies after "evaluating" the ideas behind the agencies and not merely the facts alone.

There were nine members of the Committee present when this proposal was submitted. Of these nine, four are directly connected with the JDC and NRS, three others are associated with one or another and one is connected with the UPA. The names of the nine men who voted on the proposal, eight of them for and one against, are:

Dr. William Haber, Director of NRS
Joseph C. Hyman, Executive Vice-Chairman, JDC
Dr. Solomon Lowenstein, Board Member JDC and NRS
William Rosenwald, President, NRS
Jacob Blaustein) Baltimore
Sidney Hollander)
Ira M. Younker, New York
James L. White, Salt Lake City
Henry Montor, New York

Despite the plea that the proposal was too far-reaching to be acted on immediately and despite the point that was made that bias was shown in the proposal, since 1940 ratios were suggested even before the fact-finding committee had had an opportunity to examine the facts, the eight members of the Committee voted to endorse the proposal.

This proposal was then submitted for discussion at an enlarged meeting of the Board of Directors of the Council of Jewish Federations and Welfare Funds on Saturday afternoon, February 1st at Atlanta. Vigorous discussion took place. Those who spoke against the proposal were Henry Monsky, President of the B'nai B'rith; Judge Louis E. Levinthal of Philadelphia; Simon Shetzer of Detroit; Dr. Abba Hillel Silver of Cleveland; and Mrs. David De Sola Pool, President of Hadassah. Some of the points made by these spokesmen were:

(1) It is the most far-reaching departure from the principles on which the Council of Jewish Federations and Welfare Funds was established, that is, that it be solely a fact-finding agency and not an evaluator of ideologies;

(2) That the educational value of local discussion of budgets would be eliminated if a small committee of men were to have the power to recommend ratios;

(3) That the ideological interpretations of a few men would become the ideologies of the nation as a whole;

(4) That diversity of opinion, which is characteristic of the whole of American Jewish life, would be definitely affected by uniform recommendations made with respect to the place in the Jewish community of various causes within Welfare Funds.

The Majority Report was approved in speeches made on Saturday afternoon, February 1st, by Joseph C. Hyman, Dr. Solomon Lowenstein, James Marshall, Jacob Blaustein and George Levison.

The viewpoints expressed at the Saturday afternoon session were also reflected at the meeting of the Board of Directors of the Council of Jewish Federations and Welfare Funds which, after five hours, (a) voted 17-5 to recommend the Majority Report; (b) to conduct a Referendum among the Welfare Fund communities of America as to whether they will accept the Majority Report of the Committee to Study National Budgeting Proposals; and (c) called upon the member agencies of the Council of Jewish Federations and Welfare Funds to indicate by April 1st whether the National Budgeting Committee should be established and whether the other provisions of the Majority proposal should be accepted. In the meantime, none of the provisions in the Majority proposal is in effect, since acceptance or rejection will not be known until the Referendum is completed on April 1, 1941.

At the meeting of the General Assembly of the Council on Sunday afternoon, February 2nd, Mr. Jacob Blaustein reported on the action of the Board of Directors. The action of the Board of Directors was not submitted to a vote by the delegates at the Assembly. They were merely informed that such action had been taken by the Board and that the proposal would be submitted directly to the Welfare Fund communities. It is not possible to state what would have been the outcome of the Board if the Majority Proposal had been submitted to a vote of the delegation. It was very clear, however, that there was a very strong opposition to the Majority Proposal. Scores of delegates at several private meetings indicated their opposition to the acceptance of the Majority Proposal as being harmful to their Welfare Fund structure. A Statement of Principles was drawn up by a number of these delegates to be circulated to communities throughout the country.

UNITED JEWISH APPEAL

On Friday afternoon, January 31st, at an enlarged meeting of the Board, restricted to members of the Board of the Council and to invited individuals, there was a discussion of the dissolution of the United Jewish Appeal at which statements were made by Dr. Abba Hillel Silver, Mr. Sidney Hollander and Dr. Solomon Lowenstein. There was an expression of the desire among many of the delegates for a reconstitution of the United Jewish Appeal.

Representatives of the UPA, JDC and NRS attended a meeting at the Hotel Biltmore, Atlanta, Georgia, on Friday evening, January 31st, for the purpose of discussing a reconstitution of the United Jewish Appeal. The meeting was called by Gustave Kann, President of the United Jewish Fund of Pittsburgh and was attended by the Presidents of many Welfare Funds present at Atlanta.

On Saturday morning there was a breakfast meeting for further discussion of the United Jewish Appeal situation. Present were Harris Perlstein, Fred Butzel and Henry Wineman, Welfare Fund representatives on the 1940 UJA Allotment Committee; William J. Shroder and Sidney Hollander of the Council; Dr. Abba Hillel Silver, E.I. Kaufmann, Louis Lipsky, Rabbi James G. Heller and Henry Montor for the UPA; Edward M.M. Warburg, Dr. Solomon Lowenstein, Joseph C. Hyman and Moses P. Leavitt for the JDC; William Rosenwald and Dr. William Haber for the NRS.

It was pointed out that the UPA had made various proposals for a continuation of the UJA, but that no proposals of any kind had been forthcoming from the JDC.

Mr. Harris Perlstein submitted a statement on the basis of a proposal made by Mr. Edward M. M. Warburg whereby the needs of the NRS would be determined by a separate fact-finding committee. It was pointed out that this represented a radical departure from the method by which in the past the JDC and UPA had decided between themselves what the NRS should receive. It was observed that the amount that the NRS obtained determined what the JDC and UPA received from the country.

Rabbi James G. Heller indicated the willingness of the UPA to permit the needs of the NRS to be determined by a fact-finding committee which would be outside the scope of the JDC and NRS. In view of this concession by the UPA, there should be established a ratio between the JDC and UPA of 60-40. This was based on the view that the country as a whole would give uniformly to the three causes and that the UPA was prepared to take 40 percent instead of 50 percent, since all funds would be pooled in New York and throughout the country.

Dr. Solomon Lowenstein for the JDC indicated that this proposal was not acceptable to the JDC.

It was suggested that negotiations be resumed between the JDC and UPA after the Atlanta meeting with a view to reconstituting the United Jewish Appeal.

STATEMENT OF PRINCIPLES
ADOPTED BY A GROUP OF DELEGATES ATTENDING THE ATLANTA
GENERAL ASSEMBLY OF THE COUNCIL OF JEWISH FEDERATIONS
AND WELFARE FUNDS AT ATLANTA, GA., FEBRUARY 2, 1941

"It is our conviction that the recommendation of the Board of the Council of Jewish Federations and Welfare Funds to inaugurate an "Advisory Budgeting Committee" represents an effort to standardize Jewish life, which is unwise and uncalled for by any of the circumstances in American Jewish life at this time, and is a radical departure from the principle upon which the Council has heretofore been operating -- that of an objective fact-finding agency.

"In view of the fact that, contrary to all previous procedure, the Board of the Council did not submit the issue to a vote of the delegates of the General Assembly and in view of the implication which may be drawn that there was no opposition to the report presented to the Assembly, we deem it proper to state that a large number of those attending the Assembly, including the undersigned, were in opposition to the spirit and purpose of the report and accordingly issue the following statement for the information of the many communities interested.

"Believing as we do in the development of a sound, self-reliant and democratically organized Jewish life in America; and in the growth in experience and influence of Community Councils, local Federations and Welfare Funds as preliminary to the organization of an effective Jewish community in America; and

"Recognizing as we do as a matter of course the right of Jews to a diversity of opinion on the vital problems and interests of Jewish life, which diversity exists among all groups within the freedom of this land in which we are privileged to live;

"We reject standardized control as undesirable and as an obstacle to the growth of communal responsibility.

"It is now proposed that power and authority be given to a small committee over the distribution of funds in which are involved not merely the financial support of institutions and agencies, but principles and ideals, aims and aspirations, that would be more properly and more equitably evaluated in the Councils of the local communities in which these ideals, principles and aspirations come in more direct contact with those who give and who decide.

"It would give the Council of Jewish Federations and Welfare Funds supreme power over matters that involve fundamental differences of views and aspirations which prevail among the Jews of America and would thus involve the freedom of the causes represented in these funds. It could assume prerogatives that belong of right to the communities themselves that provide the funds. It is a proposal which in our view is aimed not only at the control of funds but at a control of the trends, movements and institutions in Jewish life which have been matters of controversy through the years and which cannot, fairly and democratically, be disposed of through the device of a control of budgets.

"The undersigned, attending this General Assembly of the Council of Jewish Federations and Welfare Funds, therefore, earnestly appeal to the Jewish communities of America to give thorough-going discussion to the real issues involved and to reject the proposals of the majority of the Board which are calculated to thrust Jewish communal responsibility into a strait-jacket of uniformity."

Attention:

Campaign Chairmen
Publicity Chairmen

February 3, 1941

CAMPAIGN BULLETIN

For Member Agencies

No. C - 2

1941

1940 CAMPAIGN RESULTS

Reports received by the Council from 236 cities show that Federations, Welfare Funds and "Joint Campaigns" in these cities raised a total of \$20,645,880 in 1940. The final results of 28 of these campaigns are still incomplete. More complete returns (representing particularly the New York FSJPS, the Chicago JC and the Montreal FJP) will probably bring the total up to \$28,750,000. This does not include funds secured by Jewish federations in many communities from Community Chests with which they are affiliated, to help finance local social services.

A listing of the amounts raised in 1939 and 1940 campaigns follows.

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First 1941 Campaign Returns

Miami and Louisville are the first welfare funds to report on 1941 campaigns. Miami which raised \$95,379 in 1940 has passed its goal of \$125,000. Louisville which obtained \$110,000 last year has overtaken its 1941 quota of \$118,000.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS
NATIONAL OFFICE: 165 WEST 46th STREET · NEW YORK CITY

RESULTS OF 1940 JEWISH FEDERATION, WELFARE FUND AND JOINT CAMPAIGNS
As of February 3, 1941

(Note: Unless otherwise indicated, the campaigns listed were mainly for non-local needs and included national as well as overseas organizations.)

	1940 Campaign Date	Amount 1940	Raised 1939	Remarks
<u>Central Atlantic</u>				
Allentown, Pa. UJC	May	\$ 38,492	\$ 29,825	
Atlantic City, N.J. FJC	November	52,721	52,150	Local and non-local
Baltimore, Md. AJC	November	585,000		No campaign in '39; Local only
Baltimore, Md. UJA	June	275,000	397,000	Non-local
Camden, N.J. FJC & UJA	November	33,000a	37,000	a-1st joint campaign
Charlottesville, Va. UJA	March	2,544a	NR	a-UJA only
Cumberland, Md. JCF	September	750	NR	Exclusive of UJA
Cumberland, Md. UJA	October	8,000	7,200	UJA only
Easton, Pa. AJWF	October	9,500	6,580	
Harrisburg, Pa. UJC	April	65,017	68,585	Local and non-local
Lancaster, Pa. UJA	April	20,000	15,350	
Lynchburg, Va. UJA	July	2,350#	9,500	
Newport News, Va. UJA	NR	NR	7,200	
Norfolk, Va. UJF	May	NR	28,525	
Petersburg, Va. UJCF	May	2,000#	6,250	
Philadelphia, Pa. AJA	November	851,081	902,400	
Portsmouth, Va. UJA	May	NR	10,294	
Pottsville, Pa. UJCA	Fall	6,800	NR	
Reading, Pa. UJC	May	26,000#	26,000	
Richmond, Va. JCC	May	86,000	72,500	
Roanoke, Va. UJA	June	9,000	13,000	
Scranton, UJA	May	46,000	38,500	
Trenton, N.J. JF	March	63,500	77,393	
Washington, D.C. UJA	May	206,885"	189,635	
West Chester, Pa. KIF	December	NR	4,200	
Wilkes-Barre, Pa. WVJC	March	40,202	41,000	
Williamsport, Pa. FJC	November	NR	12,000	
Wilmington, Del. JF	November	70,002	70,845	
York, Pa. UJA & JOC	May	16,500a	13,750	a-1st joint campaign
<u>East Central</u>				
Akron, O. JF	May	69,091	61,580	
Altoona, Pa. FJ	Spring	18,500	17,500	
Ashland, Ky. FJC	December	5,000	3,801	
Ashtabula, O. JF	April	1,750	-	First campaign
Bay City, Mich. JWF	June	11,000	10,000	
Beaver Valley, Pa. UJA	Fall	5,500#	4,400	UJA only
Bellaire, O. JFC	October	3,500	3,000	
Brownsville, Pa.	November	2,500	NR	UJA only
Butler, Pa. JCC	May	8,388	8,130	
Canonsburg, Pa. UJC	Fall	NR	3,600	
Canton, O. JF	May	39,155	38,800	
Coraopolis, Pa.	NR	1 NR	800	UJA only
Donora, Pa. UJA	November	NR	1,700	

NR Not reported

Returns incomplete

	1940 Campaign Date	Amount Raised		Remarks
		1940	1939	
East Central (Cont'd.)				
Carnegie, Pa. UJA	Fall	\$ 2,700	\$ 1,450	
Charleroi, Pa. UJA	November	4,000	1,200	
Cincinnati, O. JWF	September	351,000 ^{1/2}	320,538	
Clairton, Pa. UJA	Spring	1,018	600	UJA only
Cleveland, O. JWF	May	786,100	764,000	
Columbus, O. UJF	June	140,000	111,000	
Dayton, O. UJC	October	56,000 ^{1/2}	54,299	
Detroit, Mich. AJC	May	735,970	651,889	
Duquesne, Pa. UJA	Spring	2,500	1,500	UJA only
East Liverpool, O.	Fall	2,500	NR	
Erie, Pa. JWF	May	23,219	16,890	
Evansville, Ind. JCC	November	30,000	29,400	
Fairmont, W.Va.	Fall	2,500	NR	
Flint, Mich. FJC	February	16,500	19,000	
Fort Wayne, Ind. JF	May	50,458	42,000	
Gary, Ind. JWF	Fall	30,000	-	First campaign
Grand Rapids, Mich. JCF	October	15,000	-	First campaign
Hamilton, O. UJA	Spring	11,000 ^{1/2}	11,000	
Hammond, Ind. UJA	October	17,006	10,150	
Homestead, Pa. UJA	May	5,521	6,008	
Huntington, W. Va. FJC	November	25,300 ^a	20,500	a-Approximate
Indiana Harbor and East Chicago, Ind. UJA	October	8,000 ^{1/2}	3,300	a-1st joint campaign
Indianapolis, Ind. JWF	May	140,075	132,007	
Jackson, Mich. JF	November	2,400	NR	
Jeanette, Pa. UJA	November	2,400	NR	
Johnstown, Pa. UJA	Fall	24,000	24,100	
Kalamazoo, Mich. UJA	September	4,000	NR	
Kittanning, Pa.	Fall	3,000	NR	
Lafayette, Ind. FJC	March	11,980	9,138	
Lansing, Mich. FJC	NR	NR	8,500	
Lexington, Ky. UJA	NR	NR	18,000	
Lima, O. AJC	NR	10,640	NR	
Lorain, O. JWF	May	6,900	5,600	
Louisville, Ky. UJC	January	110,314	102,310	
Mansfield, O. UJA	Spring	11,367	10,472	
Marion, Ind. FJC	January	3,600	3,300	
McKeesport, Pa. JF	October	12,782	10,800	
New Castle, Pa.	NR	NR	10,000	
New Kensington, Pa.	Fall	NR	4,000	
Oil City, Pa. UJA	Spring	3,974	3,700	
Pittsburgh, Pa. UJF	March	405,566	458,431	
Pontiac, Mich. FJC	May	9,800	9,053	
Saginaw, Mich. JWF	January	7,800	6,500	
Sharon, Pa. UJA of SV	Fall	14,000 ^a	13,400	a-1st joint campaign
South Bend, Ind. JWF	October	NR	30,000	
Springfield, O. UJWF	November	8,500	NR	
Steubenville, O. JCC	May	10,000	11,000	
Terre Haute, Ind. JF	January	NR	16,688	a-Approximate
Toledo, O. UJF	Fall	102,500 ^a	97,000	a-Approximate
Uniontown, Pa. UJF	Fall	10,500 ^{1/2}	10,400	
Warren, O. JF	Fall	10,800	13,300	
Washington, Pa. UJA	November	7,000	2,400	
Wheeling, W. Va. JCC	Fall-	12,000	13,690	
Windsor, Ont. UJWF	May	16,000 ^{1/2}	20,000	
Youngstown, O. JF	October	91,000 ^{1/2}	89,414	

	1940 Campaign Date	Amount 1940	Raised 1939	Remarks
<u>Metropolitan Chicago</u>				
Chicago, Ill. JWF	January	\$1,600,000	\$1,848,499	
<u>Metropolitan New York</u>				
Bayonne, N.J. UJA	December	41,000	37,378	
Elizabeth, N.J. UJA	June	22,000	19,288	
Jersey City, N.J. UJA	November	65,400 [#]	50,118	
Morristown, N.J. UJA	Fall	NR	5,700	
New York FSJPS and Brooklyn FJC	October	a	6,300,000	a-Campaign still in process; Local only
New York, UJA	Spring	5,187,649	6,644,103	'39 UJA only; '40 UJA and ORT
Newark, N.J. UJA	May	238,400	208,205	
Passaic, N.J. JCC & C	March	36,000 [#]	37,045	
Paterson, N.J. UJA	June	52,000	50,000	
Perth Amboy, N.J. UJA	June	26,875	30,000	
Plainfield, N.J.	May	12,319	11,000	
Rutherford, N.J.	May	NR	3,000	
Summit, N.J. UJA	May	1,902	1,535	
Union City, N.J. UJA	February	10,000	10,869	
Yonkers, N.Y. JF	May	12,150	14,900	
<u>New England</u>				
Ansonia, Conn.	May	3,800	-	First campaign
Attleboro, Mass. UJA	March	1,600 [#]	1,500	UJA only
Biddeford & Saco, Me. JC	January	1,750	1,282	
Boston, Mass. AJP & UJC	October	1,091,000a	1,203,449	a-1st joint campaign
Bridgeport, Conn. JCC	May	36,582	30,460	
Bristol, Conn. UJCF	NR	NR	1,650	
Brockton, Mass. BCUJA	May	14,559	22,000	
Derby & Shelton, Conn. UJA	March	1,250a		a-Approximate
Fall River, Mass. JCC	May	32,500	36,400	
Fitchburg, Mass. F-L JCC	May	14,500 [#]	16,000	
Hartford, Conn. JWF	April	119,103	99,492	
Holyoke, Mass. UJA	April	8,743	10,174	
Lowell, Mass. UJA	May	19,500	13,000	
Lynn, Mass. UJA	April	22,500a	17,000	a-Approximate
Middletown, Conn. UJA	May	5,300-	NR	
		5,400		
New Bedford, Mass. UJA	May	18,696	26,000	
New Britain, Conn. UJA	May	14,000	12,000	UJA only
New Haven, Conn. JWF	May	73,600	78,544	
New London, Conn. UJA	May	12,000	12,000	
Northampton, Mass. UJA	October	2,000 [#]	2,300	
Norwalk, Conn. UJA	Spring	8,500	5,500	
Norwich, Conn. UJA	May	15,000a	18,000	a-Approximate
Portland, Me. UJA	April	20,000a	NR	a-Approximate
Providence, R.I. UJA	December	60,000	65,000	UJA only
Springfield, Mass. JWF	April	44,695	50,917	
Stamford, Conn. UJA	May	17,520	12,399	
Waterbury, Conn. JFA	April	26,000	24,031	
Worcester, Mass. JWF	April	72,000	71,686	

	1940 Campaign Date	Amount Raised		Remarks
		1940	1939	
<u>New York and Ontario</u>				
Albany, N.Y. UJA	May	\$ 41,500	\$ 50,000	
Amsterdam, N.Y. UJA	November	2,800 ^a	3,000	
Binghamton, N.Y. UJC	May	16,500	20,000	
Buffalo, N.Y. JFSS	November	158,000	160,000	Local only
Buffalo, N.Y. UJWF	May	112,002	a	a-'39 \$75,000 emergen- cy campaign covered 1939 and part of 1940; non local
Hamilton, Ont. UJWF	May	24,425	11,435	
Kingston, N.Y. UJA	Fall	7,900 ^a	8,500	a-Approximate
Middletown, N.Y. UJA	May	8,000 ^a	NR	a-Approximate
Montreal, Que. FJP	NR	NR	309,744	Local only
Newburgh, N.Y. UJC	May	14,000	13,600	
Niagara Falls, N.Y. JF	May	13,700	12,500	
Poughkeepsie, N.Y. UJA	November	NR	11,000 ^a	a-Approximate
Rochester, N.Y. UJWF	November	135,000	130,222	
Schenectady, N.Y. UJA	November	20,000	25,655	
Syracuse, N.Y. JWF	April	59,123	54,145	
Toronto, Ont. UJWF	October	290,000 ^a	268,032	
Troy, N.Y. UHC	January	21,598	a	a-Campaign Nov.'38
Utica, N.Y. UJA	June	25,267	25,384	
Watertown, N.Y. UJA	Fall	6,300	6,200	
Oswego, N.Y. UJA	May	NR	3,000	
<u>Southeastern</u>				
Alexandria, La. JWF	October	NR	7,000	
Asheville, N.C. FJC	Fall	7,700	5,850	
Atlanta, Ga. JF	May	108,250	94,459	
Augusta, Ga. UJA	April	NR	8,000	
Birmingham, Ala. UJF	December	49,000	49,929	
Charleston, S.C. UJA	NR	NR	16,000	
Charlotte, N.C. FJC	February	6,500	-	First campaign
Chattanooga, Tenn. JWF	May	23,441	a	Emergency campaign only
Clarksville, Tenn. TBE	May	1,432	1,425	
Fayetteville, N.C. UJA	March	1,350	1,225	
Gadsden, Ala. JFC	May	1,070	1,000	
Helena, Ark. FJC	January	2,854	3,474	
Jackson, Miss. JWF	March	4,800 ^a	4,800	a-Approximate
Jacksonville, Fla. JCC	January	22,500	20,500	
Knoxville, Tenn. FJC	April	8,400	-	First campaign
Little Rock, Ark. JWF	October	24,057	22,970	
Memphis, Tenn. JWF	May	90,587	105,794	
Miami, Fla. GMJF	January	95,379	83,485	
Mobile, Ala. JF	June	12,000	NR	
Monroe, La. UJC	March	8,739	8,636	
Montgomery, Ala. JF	a	a	20,400	a-Campaign Jan.1941
Nashville, Tenn. JCC	April	56,203	50,000	
New Orleans, La. JWF	April	141,000	128,058	
Raleigh, N.C. FJC	March	4,012	4,000	
Savannah, Ga. UJA	May	27,000 ^a	25,050	a-Approximate
Selma, Ala. JF	April	6,975	8,754	
Sheffield, Ala. MSFC	October	3,200	3,500	
Shreveport, La. UJC	Fall	27,000	40,000	
Tuscaloosa, Ala.	NR	5,000 ^a	5,000 ^a	a-Approximate
Vicksburg, Miss. JWF	October	5,000	5,486	

	1940 Campaign Date	Amount 1940	Raised 1939	Remarks
<u>Southeastern (Cont'd.)</u>				
West Palm Beach, Fla. FJC	January	\$ 5,232	\$ -	First campaign
Wilmington, N.C. UJA	April	3,500 ¹¹	NR	
Winston-Salem, N.C. JCC	Fall	NR	6,087	
<u>Southwestern</u>				
Beaumont, Tex. UJA	April	10,000	10,500	a-Emergency campaign only; local and non- local
Corpus Christi, Tex. JWF	September	15,500	15,900	
Corsicana, Tex. JF	March	6,800	6,745	
Dallas, JFSS	April	153,000	a	
El Paso, Tex. JF	April	18,000 ¹¹	21,000	UJA emergency campaign; a-Campaign Spring '41
Fort Worth, Tex. JF	NR	NR	27,535	
Galveston, Tex. UJWA	March	NR	18,000	
Houston, Tex. UJC	April	115,927	105,723	
San Antonio, Tex. JSSF	March	29,785	28,540	Exclusive of UJA
San Antonio, Tex. JSSF	a	a	34,337	
Tulsa, Okla. JCC	October	47,982	48,320	
Tyler, Tex. FJC	May	8,000	5,800	
Waco, Tex. JFC	February	4,425	4,700	
Waco, Tex. UJA	May	13,000	13,500	
<u>West Central</u>				
Appleton, Wisc. UJC	November	NR	6,000	a-Campaign Fall '38
Aurora, Ill. JCD	October	5,600	5,180	
Champaign, Ill. C-UEJC	March	6,800	6,000	
Davenport, Ia. JC	NR	NR	12,627	
Denver, Colo. AJC	November	60,000	65,000	First campaign
Des Moines, Ia. JWF	March	71,169	67,295	
Duluth, Minn. JWF	June	50,694	38,162	
Elgin, Ill. JWC	May	5,682	4,100	
Fargo, N.D. JC	May	5,184	NR	
Green Bay, Wisc.	September	NR	5,300	
Joliet, Ill. JWC	NR	NR	8,500	
Joplin, Mo. JF	January	6,900	a	
Kansas City, Mo. JWF	May	201,906	166,553	
Kenosha, Wisc. JWF	October	5,153	5,040	
Lincoln, Neb. JWF	March	14,421	13,983	
Madison, Wisc. JWF	May	12,800 ¹¹	-	
Milwaukee, Wisc. JWF	June	250,000	232,447	
Minneapolis, Minn. FJS	April	123,230	126,500	
Omaha, Neb. JP	April	90,229	81,100	
Peoria, Ill. JWF	May	27,000	24,000	
Rock Island, Ill. UJC	NR	NR	11,000	
Rockford, Ill. FJC	May	NR	NR	
St. Louis, Mo. JWF	May	524,642	506,488	
St. Paul, Minn. UJF	April	103,200	88,783	
Sheboygan, Wisc. FJC	March	3,400	NR	
Sioux City, Ia. UJA	May	25,000	20,000	
Sioux Falls, S.D. JWF	September	3,000	3,500	
Topoka, Kan. UJA	Fall	1,750	2,484	
Virginia, Minn. FJS	October	5,670	4,811	
Wichita, Kan. M-K JWF	NR	NR	13,000	
Winnipeg, Man. JF	May	76,414 ¹¹	70,251	

	1940 Campaign Date	Amount Raised		Remarks
		1940	1939	
Western				
Aberdeen, Wash. JCC	April	\$ NR	\$ 1,000	
Albuquerque, N.M. JFC	March	NR	8,282	
Bakersfield, Cal. UJWF	May	7,334	6,078	
Boise, Idaho	May	NR	3,600	UJA only
Butte, Mont. JWC	March	7,055 ^{1/2}	6,880	
Centralia, Wash. C-CJWF	Spring	1,318	1,379	
Edmonton, Alb. JF	November	12,000	NR	
Fresno, Cal. JNWF	April	9,877	10,000	
Great Falls, Mont. UJA	Spring	1,650 ^{1/2}	2,250	UJA only
Helena, Mont. JCC	May	1,557	NR	
Long Beach, Cal. UJWF	May	10,038 ^{1/2}	8,800	
Los Angeles, Cal. UJWF	May	700,441	862,452	a-Approximate
Oakland, Cal. UJWF	April	51,258	57,776	
Ogden, Utah ONF	May	3,100	3,000	
Olympia, Wash. JFF	NR	NR	1,675	
Ontario and Pomona, Cal. O-P RC	May	2,100	1,200	
Petaluma, Cal. UJA	April	3,300a	2,900	a-Includes Santa Rosa- 1st joint campaign
Phoenix, Ariz. JWF	May	8,000 ^{1/2}	13,200	
Pocatello, Idaho UJA	June	2,500 ^{1/2}	NR	
Portland, Ore. OJWF	April	103,245	104,050	
Regina, Sask. UJWR & RC	November	3,668	NR	
Reno, Nev. UJA	June	1,988	1,400	
Riverside, Cal. JJDC	April	5,624	3,000	
Sacramento, Cal. UJWF	May	9,601	9,300	
Salt Lake City, Utah UJC	April	30,772	29,000	
San Bernardino, Cal. UJA	May	4,710 ^{1/2}	3,350	
San Diego, Cal. UJF	May	26,000	25,655	
San Francisco, Cal. JNWF	May	563,367	577,820	
San Jose, Cal. JF	June	13,500	NR	
Santa Ana, Cal. UWF	Spring	1,338	2,500	
Seattle, Wash. FJF	April	87,264	81,774	
Spokane, Wash. JWF	May	11,478	10,868	
Stockton, Cal. NJWF	March	10,500	10,500	
Tacoma, Wash. FJF	April	5,300	5,500	
Tucson, Ariz. UJA	March	7,806	8,800	
Vallejo, Cal. JWB	NR	NR	1,000	
Vancouver, B.C. JNWF	February	10,376	-	First campaign
Ventura, Cal. JC	May	4,200	3,020	

SPECIAL BULLETIN

from the ATLANTA GENERAL ASSEMBLY

February 3, 1941

(Several of the situations which developed during the course of the 1941 General Assembly which has just closed, are of such immediate importance to the member agencies, that this brief summary is being sent you from Atlanta. A more complete discussion of these major questions will follow.)

For four days representatives of organized communities in all sections of the country devoted themselves to the grave questions resulting from the world situation, its impact on social welfare activities and fund raising in the United States. It was evident from the outset that the tension created by the dissolution of the UJA had not lessened in the intervening weeks. This tension stimulated an eleventh hour effort to reconstitute the United Jewish Appeal and permeated the discussion of the proposal for a national budget advisory service. Even consideration of American programs for social planning for defense in connection with extended government efforts and the current status of the General Jewish Council and its constituent agencies was colored by this atmosphere of anxiety. There was intense interest, much lobby discussion and frequent caucuses.

In spite of this charged atmosphere, it was possible for William J. Shroder, Chairman of the Board, in the closing address

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS
National Office: 165 West 46th Street . New York City

of the Assembly, to point to the fact that community organization, as exemplified by the member agencies and their Council, had withstood its first great test. The clash of individual interests and points of view was resolved in an acceptance of the larger goal - the unified community. "Ideological differences" is the phrase that was heard everywhere throughout the Assembly, but Mr. Shroder emphasized that these differences legitimately belong within the framework of the community organization. The American pattern, Mr. Shroder said, calls for all groups making their contributions to American life through organization. At an earlier session, Mr. Amos Deinard of Minneapolis stressed the need for tolerance within the organized communities as a step toward better coordination of organized national activities.

Negotiations
for a 1941 UJA

Formal and informal efforts were made throughout the Assembly to bring about agreement between the three agencies constituting the 1940 UJA.

The question was first raised at the afternoon session on Friday during a review of the negotiations which had failed, and explanations of the positions of the three agencies involved, and of the part the Council had played. This session closed with the acceptance of a suggestion by Mr. Shroder that Mr. Lowenstein and Rabbi Silver, representing respectively the JDC and the UPA, meet with him and the welfare fund representatives on the Allotment Committee in a further effort to work out an agreement.

Earlier in the week, President Gustave Kann of the Pittsburgh United Jewish Fund had invited representatives of the UPA, JDC, and NRS to meet with welfare fund presidents during the Assembly. This meeting went over substantially the same ground and brought out a suggestion for a new formula as a basis for further negotiations.

Mr. Shroder, with members of the Allotment Committee of the 1940 UJA and the agency spokesmen, held a protracted meeting at which this and other formulae were considered. The concrete result was the assent of the agency spokesmen to have their respective administrative boards consider the new proposals. It was announced that the Allotment Committee had voted to publish the report of its Inquiry on the activities and finances of the UJA agencies, before the end of February.

Pledge No Independent
Campaigns in Welfare
Fund Cities

During the Assembly sessions, spokesmen

for the JDC, UPA and NRS each pledged

to the delegates that their organizations

would not undertake separate campaigns in welfare fund cities but would make their appeals for 1941 through the organized welfare funds wherever such Funds exist.

Proposal for a
National Advisory
Budgeting Service

At the May 1940 meeting of the Board of Directors, action was taken on the proposal of the Western States Region, calling for the establishment by the Council of an advisory budget service, as an additional aid to local budget committees of member agencies in determining their allocations. The Board had then set up a committee under the chairmanship of Jacob Blaustein of Baltimore, with William Rosenwald of Greenwich as acting Co-Chairman, to study the proposal. The Committee had reported favorably on the principle of setting up such a service at the October Board session. This report was then adopted by the Board with instructions to the Committee to develop a plan for carrying it out.

The Committee met again on Thursday evening preceding the Assembly and adopted a report recommending the establishment of such a service, based on continuous fact finding by a special commission consisting of not less than five nor more than nine members. The recommendations of this Commission would be transmitted to member agencies by the Council together with the data on which they were based, and would of course be merely advisory. As a first step in the national advisory budgeting process, this Commission would devote itself to the 1941 needs of the three agencies formerly in the UJA.

The report of Mr. Blaustein's Committee was debated at a further meeting, at which time a minority report by one of the members of the Committee - Henry Montor of the UPA - was also presented, arguing that insufficient time had been allowed for consideration of the proposal, that action at this time would be precipitate, and that the principle of a national advisory service was unsound. He agreed with the majority report, however, that fact finding should be continued and expanded.

When the Board met, it was advised by the Credentials Committee that the voting procedure for delegates, as provided in the By-Laws, was unclear. Henry Monsky of Omaha therefore moved that action on the report be taken by the Board, so that no technical question of voting legality could confuse the issue. The Board approved the majority report in the following motion:

That this Board approve of the majority report to set up an advisory budget service as submitted to the meeting this afternoon; that it shall report that decision to the meeting of the Assembly tomorrow. The Assembly shall be informed that both the majority and the minority reports are to be submitted to the member agencies for a referendum vote, with an appropriate questionnaire, to be returned not later than April 1, 1941.

The Motion was carried with the votes cast as follows: 17 in favor and 5 dissenting.

This action was reported to the Assembly, and the majority and minority reports will be forwarded to the member agencies, who will be asked to vote on the proposal to set up an advisory budget service.

Funds for UJA
Agencies

In his letter of December 31 to member agencies, Mr. Hollander, in referring to the need for an advisory budget service, had suggested "that welfare funds await the recommendations of such a body before completing their local budgeting. "

Since no advisory budget service can become effective until after the referendum is completed, some time after April 1, the Board therefore voted -

1. To suggest to member agencies that they make such initial appropriations for 1941 to the UJA agencies as they may consider appropriate, and transmit such funds as promptly as possible, in order that their work may not be impaired.
2. To indicate to the member agencies that the recommendations for partial allocations, contained in the majority report* are merely illustrative of a procedure that might be used at this time. Each community will doubtless develop such a formula as may best serve its individual views.

In view of the general agreement on the need for continued fact finding along the lines initiated by the 1940 Allotment Committee Inquiry, the Board instructed the staff to proceed immediately with such studies of the three UJA agencies. The further stage of evaluation and other budgetary advice, proposed in the report adopted by the Board, will be determined by the referendum of member agencies.

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*Copies were distributed at the Assembly and will be mailed to all agencies within a few days.

February 4, 1941

Mr. Henry Montor
United Palestine Appeal
41 East 42nd St.
New York, N.Y.

My dear Mr. Montor:

The Minority Report should be revised right away omitting all references to the letters of individuals, and adding such arguments as developed during the discussion in Atlanta. The Report should emphasize our positive recommendations, namely an expanded and more efficient fact-finding service. The Minority Report should also very strongly reject the proposal recommending to Welfare Funds that they make initial allocations of sixty percent on the old ratio. Stress should be laid on the immediate organization of campaigns and of the fixing of allotments on the basis of parity.

We must immediately get to work to insure that a majority of the Welfare Funds reject the Majority Proposal. A letter signed by the ZOA, Hadassah, Poale Zion, Mizrachi should be sent to all Zionist Districts and Societies, etc. Perhaps Mr. Monsky would like to send a communication to all the B'nai B'rith Societies. A similar communication might go out from the offices of the Congress. Community Councils should be contacted and asked to send resolutions to their Welfare Funds. Editorials in the Anglo-Jewish press should appear. The Rabbis should be asked to express themselves in their communities and the Rabbinical Associations should be asked to pass resolutions.

Instruct your field workers to see the Welfare Fund members in each community and explain our position to them.

Please see to it that the questionnaire that is sent out along with the Majority and Minority Reports is a fair questionnaire. Keep in touch with Mr. Lurie.

With all good wishes, I remain

Very cordially yours,

AHS:BK

REPORT OF THE MINORITY OF THE COMMITTEE
ON STUDY OF NATIONAL BUDGETING PROPOSALS-

THE ISSUE

The Jews of America must now decide whether the funds they raise in their local communities through Welfare Fund or similar campaign organizations are to be distributed by their own choice, and as a result of their own study and determination, *based on available information* or whether this decision shall be left in the hands of a small committee of men who after having examined the facts and interpreted them from their own viewpoint, shall decide how all the agencies, movements and organizations in *funds are to be allocated and how* American Jewish life are to benefit from funds raised locally.

COMPOSITION OF COMMITTEE WHICH PRESENTED REPORT

On Friday night, January 31st, at 5:30 P.M., there was made available for examination for the first time the proposal to establish a national budgeting committee. This proposal with its far-reaching effect on every aspect of American Jewish life was submitted by Mr. Jacob Blaustein and Mr. William Rosenwald, as Co-Chairmen of the Committee appointed by the Council of Jewish Federations and Welfare Funds to Study National Budgeting Proposals. Nine members of this committee were present at the January 31st meeting. Taking for granted the sincerity of purpose and objectivity of each of those present, it is nevertheless interesting, in view of the implications of the report, to observe that the nine men included Dr. William Haber, Director of the National Refugee Service, Mr. Joseph C. Hyman, Executive Vice-Chairman of the Joint Distribution Committee, Dr. Solomon Lowenstein, member of the Board of the J.D.C. and the N.R.S., Mr. William Rosenwald, President of the N.R.S., Mr. Jacob Blaustein of Baltimore, Mr. Sidney Hollander, President of the Council, Mr. Ira M. Younker of New York, Mr. James L. White of Salt Lake City, and Mr. Henry Montor, Executive Director of the United Palestine Appeal. Although none of the members of the committee was presumably

selected because of affiliation with or as a representative of the organization with which he is associated, the fact of this association may be helpful as background information. Out of the nine people present with power to vote on the proposal, at least four were representatives of the J.D.C. and the N.R.S. Of the nine persons voting at least seven were not identified in any way with actual functioning Welfare Funds.

The contention is made that the effectiveness of a national budgeting procedure depends upon the complete and unreserved objectivity with which those who serve on such a committee approach their subject. Those who espouse a particular cause do not necessarily have any lack of sympathy with all other Jewish causes, but in view of the specific proposals made for the 1941 campaigns of the agencies formerly associated with the United Jewish Appeal, the source of the suggestion that 1940 ratios be used as a standard may be better understood.

LACK OF CONSULTATION WITH NATIONAL AGENCIES

The national and overseas agencies for whom the bulk of funds is raised by American Jewry in local Welfare Fund campaigns are trustees for causes and movements with long histories and achievements. The protection of the causes on whose behalf they raise funds is a responsibility which they exercise not on behalf of their officers but on behalf of American Jews, and of their beneficiaries. Because these national and overseas agencies are headed by leaders who have given years of devoted labor and reflection to the basic purposes of these causes, it is of course essential that any program for revision of fund-raising methods and procedures have the benefit of their counsel and cooperation. That was clearly foreseen by the Board of Directors of the Council of Jewish Federations and Welfare Funds when on May 18th it passed a resolution which stated:

"that the President of the Council appoint a Committee
to study and report to the Board of Directors on proposals"

"for national budgeting, collect facts with reference to the agencies involved and consult with national and overseas agencies concerning the desirability and the methods of procedure that might be involved if a national budgeting process were to be established."

None of the national and overseas agencies was consulted before the proposal now submitted to the country was presented. It may be said that the decision is one which must lie exclusively with the Welfare Funds themselves as to whether they wished to turn over to a committee established by the Council the power to recommend ratios for distribution among the various causes participating in local Welfare Funds. But local Welfare Funds were established and causes were included within them because it was believed that the agencies represented significant movements. The various national and overseas agencies are channels through which important activities in Jewish life may receive the greatest stimulation through concentration upon them of leadership and workers who have a particular concern with that cause and are best equipped to call attention to its values. The national and overseas agencies are not alien to the American Jewish community. They are facets of American Jewish community life and represent the most efficient means of eliciting support for the ideas represented in these organizations.

Can the experience of these agencies, many of which have decades of experience behind them, be dispensed with if any reform of national fund-raising and distributing procedure is to be undertaken?

FIELD OF OPERATION OF BUDGETING COMMITTEE

The statement submitted by the majority of the Committee to Study National Budgeting Proposals declares that the purpose of the Committee is not limited to consideration of the three agencies formerly within the United Jewish Appeal, that is, the J.D.C., U.P.A. and N.R.S., but that it will be concerned with the problems in connection with all national and overseas appeals for funds made regularly to local communities.

It would appear, however, that under the guise of establishing a national budgeting committee to deal with all agencies, advantage has been taken of the dissolution of the United Jewish Appeal so that favoritism might be expressed with regard to one or another agency formerly within the U.J.A. 2

This is reflected in the fact that many other organizations in American Jewish life operate in similar or parallel fields, and yet no immediate effort has been made to bring these various organizations into a unified field of operation. Thus there are four organizations within the General Council for Jewish Rights. These are the American Jewish Committee, the American Jewish Congress, B'nai B'rith and the Jewish Labor Committee. For a long time many communities have expressed the desire that the fund-raising of these organizations be combined and yet no pressure has been exerted by the Council of Jewish Federations and Welfare Funds in any other form or through the budgeting proposal now submitted, to affect the fund-raising activities of these four organizations.

Although it is suggested that a national budgeting committee be set up immediately to deal with all agencies, the present proposal starts immediately with a controversial issue between the J.D.C., U.P.A. and N.R.S. Under the guise of removing the source of dissension from communities, the majority of the Committee has identified itself with one as against another grouping among the agencies, insofar as the recommendations in the majority report urge the adoption of the 1940 ratios of the U.J.A. as guides for 1941 prior to the determination by a committee of the actual needs of the agencies involved.

IS AMERICAN JEWRY PREPARED FOR NATIONAL BUDGETING?

The Board of Directors of the Council of Jewish Federations and Welfare Funds by the action of its majority through a vote of 17 to 5 on February 1st, has placed before the Welfare Funds of America a referendum to decide whether the power to distribute funds shall reside in the local communities, or whether it

shall be transferred to a committee established by the Council. Each community through its own experience and through its own appraisal of the significance of this movement has an opportunity to judge on the practicability and wisdom of this scheme. It is interesting, however, to examine the viewpoints of a number of experts in the field who voiced their opposition to a national budgeting procedure before it was discussed in the atmosphere of partisanship generated by the dissolution of the United Jewish Appeal. Some of the men whose opinions are now quoted have, in the light of the dissolution of the U.J.A., modified their views, but in view of the fact that their opinions only a few months ago were so radically different, it would appear that these former views have at least as great a validity.

On July 2, 1940, the Council of Jewish Federations and Welfare Funds initiated a study of the feasibility of establishing some acceptable method for reviewing the budgets of the overseas and national Jewish agencies receiving general support from welfare funds. When the first announcement of the project was made, it was stated by the Council that "the problem is a complex one, with wide ramifications There are differences of opinion among our own Board members as to the feasibility of extending our service in this direction."

The reaction of various members of the Committee on the Study of National Budgeting Proposals that was formed by the Council further reflected the sharp difference of opinion.

Mr. Harry L. Lurie, Executive Director of the Council, said as recently as October 10, 1940, that "I have not reached any definite conclusions of my own as to whether national budgeting is possible in 1941 or in 1942."

Men who accepted places on the Committee emphasized the hazards and the impracticabilities of the national budgeting proposal. Thus, Mr. Samuel Goldhamer,

Director of the Cleveland Jewish Welfare Fund, said on September 27, 1940:

"The Council itself should, of course, continue its functions of community organization and planning as well as fact-finding, but it may be necessary to stop there if the Council is to survive for its initial purposes..... I consider the Council's task of aiding in the organization of American Jewish life as much more important to the ultimate ends than its entry into the field of budgeting."

Mr. Samuel A. Goldsmith, Director of the Chicago Jewish Welfare Fund, was most vigorous in dissenting from the proposal to turn over to the Council of Federations the determination of how much agencies should receive from Welfare Funds. On September 20, 1940, he wrote:

"I do not favor, at this time, the development of any plan for central budgeting of national agencies making appeals to Welfare Funds..... All budgeting proposals, when carried into effect, tend toward a crystallization of program and of financing. The agencies involved are not ready for such crystallization, at least not in so far as I can see..... Another way, and one to which we may come, is to frankly have every one of these organizations make an independent appeal, and try to establish themselves in the Welfare Funds and in the communities where there are no Welfare Funds. This looks a little costly, and may resolve itself into securing more or less money (I don't know which) than is secured, for example, through the United Jewish Appeal. But it is the only way to practically deal with the problem of trying to determine the ability and the willingness of people to give to various things."

Mr. George L. Levison, Chairman of the San Francisco Welfare Fund Budget Committee, doubted the ability of a small central body on budgeting to improve upon the results obtained by individual cities. He felt that "the only way a welfare fund can continue successfully is by maintaining within its own community a feeling among contributors that the funds are being distributed in accordance with the wishes of those contributors."

Dr. William Haber, Director of the National Refugee Service, was not prepared to say whether a national budgeting committee would or could be sufficiently objective, and recognized the danger of a national budgeting coming under the control

of a few influential individuals representing strong organizations.

TIME TO STUDY REPORT

The most radical departure from accepted fund-raising distribution procedure in the history of American Jewry has now been submitted for consideration. The members of the committee who voted on the proposal saw it for the first time on January 31, 1941. The Board of Directors of the Council of Jewish Federations and Welfare Funds acted by a majority vote on these proposals on February 1, 1941. The minority of the Committee to Study National Budgeting Proposals has pointed out that this was inadequate time to consider such a far-reaching reversal of established procedure, particularly in view of the issues involved. It has been said, however, that the majority of the Committee to Study National Budgeting Proposals gave many long months of detailed study to the program. Since no detailed proposals were available before January 31, 1941, it is not possible to see how a long period of study was given to the subject, but even taking for granted that such lengthy discussion was given to the program, ^{is it} it is not equally if not more desirable that the Jewish communities of America have at least the same amount of time to give the most thoroughgoing consideration to the ramifications of the present proposal?

ARE FACTS THE ISSUE?

The Council of Jewish Federations and Welfare Funds has ample power at the present time to make factual studies of every organization appearing before local Welfare Funds for contributions. Moreover, it is agreed that the Council of Federations should have the right to expand any services that may be needed in order to present local communities with factual data on the basis of which they may locally reach decisions on the distribution of funds.

If it is only facts that are involved, and these facts point indisputably

to certain conclusions and indicate obvious needs, why is a national budgeting committee being proposed to "evaluate" these facts? It is not because facts themselves must be interpreted and being interpreted involves a subjective approach?

Differences of opinion on ideologies will determine decisions with respect to the facts. The introduction of ideologies into budgeting constitutes one of the most dangerous innovations in American Jewish communal life in view of the divisiveness which will undoubtedly be projected and multiplied as a result of these ideologies. The majority of the Committee in its report states that the introduction of national budgeting services "does not mean that decisions on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies, would and should also play their part."

It is a belouiding of the issue to make it appear that the sole aim of the establishment of a national budgeting process is to discover facts about organizations. These facts are available in abundant measure and as a result of the cooperative process which has been developed between the Council and various organizations, there are being created new and expanded forms of information which deal with every phase of the activities in America. Every community in America will have placed at its disposal all the pertinent data with respect to past expenditures, as well as detailed analyses of current budgets. This material, submitted first to the Council of Federations, can be amplified on the basis of any suggestions that might be forthcoming from the Council officers.

It has been said that there is in America a group of fair-minded, impartial men to whom could be entrusted the solemn responsibility of fixing ratios for agencies participating in Welfare Funds. It is obvious, however, that any group of men, if they are at all competent in their relationship to Jewish life, have

acquired a psychological bias, whether it be for or against any particular cause. A survey of some of the leading personalities in the American Jewish community at this time would reveal a substantial number of well-meaning, devoted and conscientious Jewish leaders, but their point of view, whatever it is, has been tempered by their economic, social and cultural heritage and environment. To deny that such subjective factors exist is to insist that the millennium has arrived.

In view of the manner in which American Jewish life is organized today it is inevitable that one point of view should predominate in the upper economic level, which in the majority of instances, is reflected in the leadership of Welfare Funds. The democratic procedure weighs the various factors by averaging the majority opinion as against the views of individual leaders. Out of the amalgam comes a point of view that is a reflection of the state of mind of the particular community, however it may be colored. But to abstract from each community one or two personalities with a preconceived set of notions on Jewish life is to provide not an accurate cross-section of American-Jewish public opinion, but merely the top layer of one psychological and economic grouping.

If the Jews of America raised sufficient funds to meet the needs of all the agencies in their full measure, it would be possible perhaps to apportion the funds on the basis of determinable expenditures. But when the amounts are so exceedingly limited and decisions must be reached in dealing with minimum requirements, the question of evaluation arises. In the field of evaluation the subjective point of view assumes commanding significance. It is admitted on all sides that Palestine, for example, could have used and can use extraordinarily larger sums than the inadequate amounts that have thus far been expended. But in juxtaposing the Palestine upbuilding program against other items in similar or other fields, the point of view of the judge on the fundamental basis of the Zionist

movement becomes the final determinant.

How, then, shall an evaluation be reached as to the comparative importance of one cause in relation to another? Properly, that can be the function only of each Jewish community itself and not of a handful of men.

EFFECT OF "ADVISORY" RECOMMENDATIONS

It is suggested by the majority of the Committee to Study National Budgeting Proposals that any recommendations that are made to local communities for the distribution of funds will be "advisory" in character. Experience indicates, however, that the effect of such "advisory" opinions is to become mandatory. The setting up of a national committee with powers granted by the Council of Jewish Federations and Welfare Funds, with all the publicity that will be centered upon such a committee, would have the effect of coercion upon local communities.

If it is contended that these recommendations of ratios will be solely advisory in character, it may be asked what value the setting up of a national budgeting committee has in relation to the removal from the local communities of the separate presentation of requirements by each of the agencies affected. Since the recommendations according to the majority of the committee will be "advisory" in character, it is evident that the agencies in the national and overseas fields will continue to endeavor to persuade the local communities with respect to the merit of such recommendations.

Thus it is invalid to say that the communities will have removed from their midst the competitive statement of agencies in the fund-raising field.

WHO IS AFFECTED BY NATIONAL BUDGETING PROCESS?

There is an erroneous belief that all that is involved is the determination of ratios for the three agencies formerly benefiting from the United Jewish Appeal. Once there has been entrusted to the Council of Federations the ultimate power residing in the recommendation of ratios, it is logical that all agencies, causes

and movements in Jewish life will be similarly affected. That was the expressed goal in initiating a study on national budgeting.

Are the civic-protective agencies, with their varying approaches to the Jewish problem, prepared to entrust their fate to the hands of a small body of men who may or may not share their fundamental convictions? In the field of Jewish education, will the lay and professional educators accept the point of view of some men whose philanthropic outlook on Jewish problems does not necessarily include an appreciation of Jewish education?

Were Jewish thought uniform, were religious, economic, social and cultural values among Jews standard, were there democratically organized communities throughout America dealing, by majority rule, with every aspect of Jewish life, national budgeting might have validity. Is it contended that that period has arrived?

The awesome "power of the purse" is traditional. Can any movement, having its roots in deep convictions of Jewish life, yield its destiny to those who are not animated by the same outlook? Is it cause for wonder, then, that the effort of some officers of the Council of Federations to introduce ratio-determination in the very heat of controversy on ideologies causes profound anxiety and disagreement?

Can any plan for the fixing by the Council of ratios succeed without the co-operation of the national organizations and causes affected? These causes have their origin in the convictions and idealisms of hundreds of thousands of Jews. In the case of the Zionist movement, for example, it is of primary importance to build colonies and settlements in Palestine, to purchase land, to invest public funds in the encouragement of industry, to stimulate Hebrew culture and maintain a Hebrew university, to provide for the defense of the Palestine community, and to carry on necessary political action. A world movement like Zionism cannot

consent to have the validity of its claims passed on by a national budgeting committee, especially when under the present system of organization in American Jewish life it cannot be truly representative of American Jewry.

Until such time as Jewish communities are democratically organized in Jewish community councils and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a truly democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it reinforced by such factual information and data as the Council might supply.

Welfare Funds now make local decisions with respect to scores of causes. They are not deterred from making contributions to such organizations as the American Jewish Committee, American Jewish Congress, B'nai B'rith, and Jewish Labor Committee because they function in similar fields. Support is not withheld from Hias because its activities are in the same area as both the National Refugee Service and the Joint Distribution Committee.

To make it appear that the very framework of American Jewry is embedded in the determination by the Council of ratios for agencies formerly in the United Jewish Appeal is to ignore the realities of the American Jewish scene.

GIST OF THE MINORITY REPORT

In considering the present situation in fund-raising by the agencies formerly within the United Jewish Appeal, in determining the requirements of local communities and in appreciating the necessity of placing at the disposal of these communities the maximum of facts with respect to the agencies seeking funds, the minority of the Committee to Study National Budgeting Proposals has submitted the following three points for guidance of the communities:

- (a) Every reasonable effort should be made to work out equitable proposals for a reconstitution of the United Jewish Appeal;
- (b) Even if there will not be a 1941 U.J.A., the committee believes local communities should not permit the causes to suffer, but to the contrary, that the local communities should do their utmost in supporting them; further, the committee believes that joint fund-raising by local communities is correct and should be continued;
- (c) The committee believes that a competent and intensive process of fact-finding, both on programs of service and on financial experience, should be continued and that these studies should be under the auspices of the Council.

"IMPARTIALITY" OF COMMITTEE

The majority report of the Committee to Study National Budgeting Proposals was formulated in part by the President of the N.R.S. and approved by at least four officers of the J.D.C. and the N.R.S. It starts off with the premise that its approach to the problem is objective and impartial.

But before permitting any definition of needs or any investigation of financial experience, it is already prepared to say to the country, according to Section 8b of its report, that the 1940 ratios which were not the result of scientific evaluation and which were the result of bargaining procedures should be the formulae governing American Jewish living in 1941, despite the enormous changes that have taken place within the year.

By urging that the 1940 ratios be accepted as a guide by American Jewish communities in the distribution of funds raised in 1941, the Committee to Study National Budgeting Proposals has already infringed upon any budget committee to be set up by removing from its competence the largest part of what might be subject to its decisions and by prejudicing in advance the thinking of such a budgeting committee with respect to the needs of the agencies.

The majority report of the Committee to Study National Budgeting Proposals

proceeds on the assumption that what has been must be, and that new thinking on 1941 Jewish problems must be started from the perspective of old and frozen pre-conceptions.

WHEN CAN BUDGET COMMITTEE REPORT?

Lack of familiarity with the ramified problems that must be solved by a national budgeting committee is reflected in the proposal when it treats of the possibility of early action by the budgeting committee to be set up. Thus the majority report in Section 8c suggests that "the special commission to be established should recommend not later than May 30, 1941 a basis for total 1941 allocations to these three agencies."

Anyone familiar with the difficulties of evaluating fundamental ideologies with the practical difficulties of obtaining information on the spot, especially in view of war conditions, could not possibly suggest, especially on the basis of the experience of the 1940 United Jewish Appeal Allotment Committee, that a scientific evaluation of needs of the agencies involved is possible within four months.

It is necessary to emphasize (a) that the 1940 Allotment Committee was concerned with the distribution of a certain amount and not with the scientific evaluation of needs; (b) that the results of the 1940 U.J.A. Inquiry Committee in no way warrant an endorsement of ratios established for the agencies of 1940 on the basis of scientific evaluation.

The Council of Jewish Federations and Welfare Funds was created eight years ago to correlate information for the use of Welfare Funds and to further Jewish communal organization. It largely avoided identification with specific points of view, except in so far as its dominant officers represented a special philosophy.

Is it prepared now to abandon the results of its gradual development by

taking a partisan stand on an issue which is divisive?

We urge against transferring to the Council a power too great for any handful of men to wield, when the fate of great causes is at stake. That differences of opinion, sharp in character, exist even in the Council itself is evident in the quotations recited.

Will the Council of Federations stake its future on adherence to a proposal not at all carefully, reflectively thought out, or will it, recognizing the ramifications of the problem and the sharpness of disagreement, make haste slowly toward an ultimate objective?

The ideologies involved are too deeply rooted in the hearts and minds of American Jews to permit of any easy dismissal of the determined opposition which the acceptance of a ratio-fixing power by the Council will evoke.

It is to be hoped that the rule of reason and of calm judgment will prevail.

WHAT WILL BE THE DECISION OF THE WELFARE FUNDS?

The Welfare Funds of America now are engaged in a referendum to determine whether they shall accept the majority report or the minority report of the Committee to Study National Budgeting Proposals.

The minority report asks of the Welfare Funds for endorsement of the proposal that the fact-finding services of the Council be expanded to meet the needs of comprehensive information, but that the evaluation of ideas be left to the individual community.

Any departure from this method must mean (a) the removal from each local community of the right and the responsibility to determine how the funds raised shall be distributed; (b) forces upon local communities predigested thinking with respect to budgetary requirements and ideological views and removes from the local community leadership the necessary educational process of examining at first hand the budgetary facts on each agency, so that after careful examination of these facts, each local community leadership may arrive at its own

decision; and (c) the establishment of a national budgeting committee would have the effect of creating for American Jewry one central source of authority with respect to fundamental ideologies. This is a danger from which American Jews with their varying philosophical and ideological principles have steered clear during the centuries of their residence in America. American Jews in consonance with the principles of Judaism and of Americanism have always felt that ideologies cannot be made uniform for all Jews, but that each individual and every group must choose which ideological principles he shall endorse.

Whatever be the guise under which the present proposals are submitted in a referendum to the Welfare Funds, the inevitable consequence of acceptance will be that American Jews will have turned over to a small committee of men the power to determine the destiny of American Jews uniformly and without regard to the variety of views, aims and aspirations which characterizes our people.

DRAFT OF LETTER TO OFFICERS OF Z.O.A., HADASSAH, MIZRACHI AND POALE ZION

February , 1941

Dear -----

The Council of Jewish Federations and Welfare Funds is now conducting a referendum among Welfare Fund communities for the purpose of obtaining votes on a majority proposal of the Board of Directors of the Council, whereby there would be established a small committee to obtain the facts about all national and overseas agencies with the view in mind of recommending ratios which each community would use in distributing funds raised in the local Welfare Fund.

Attached herewith is a copy of the minority report of the Committee to Study National Budgeting Proposals which indicates the dangers to the Zionist movement and to Palestine if there is entrusted to any small committee of men an evaluation of the fundamental ideology of the Zionist movement. All Zionist institutions have made it clear that they not only approve but welcome an extension of all fact-finding services that would place at the disposal of each community a maximum of facts about expenditures and financial requirements, but what is contemplated by the majority proposal of the Board of Directors of the Council of Federations and Welfare Funds is not merely the accumulation of facts, but rather the determination by ideological interpretation of what each movement and organization in American Jewish life should receive from the contributions of the communities.

We urge upon all Zionists the fundamental duty at the present time of persuading the officers of local Welfare Funds that protection of their own interests, as well as the safeguarding of the right of American Jews to ideological differences, requires that the power to fix ratios shall remain in the local communities and shall not be transferred to a small committee to be set up by the Council of Federations.

We urge you to seek rejection of the majority proposal of the Council of Federations in the referendum to be voted upon by your Welfare Fund board. A thoroughgoing discussion of the implications of the proposal should be initiated in your communities through public forms, the press and other channels of discussion.

The acceptance of the majority proposal of the Board of Directors of the Council would mean that a few men would, in effect, have the power to coerce all American Jewish communities to the acceptance of the predigested thinking of a small committee of men. We believe that the mass of American Jews and not a selected few should determine the future of the Jewish National Home and the future of all the other causes about which American Jews have - and justifiably so - differences of opinion in ideological interpretation. It is our conviction that the basic purpose of establishing

a national budgeting committee under the auspices of the Council is through the power of the purse to deny support to or control the actions of causes over which a few men would seek domination.

May we ask you to inform the head of your own Zionist organization of the steps you are taking to bring about rejection of the majority proposal about which a referendum is now being conducted.

Sincerely yours,

Edmund I. Kaufmann, President
Zionist Organization of America

Mrs. David de Sola Pool, President
Hadassah Women's Zionist Organization

Leon Gellman, President
Mizrachi Organization of America

David Wertheim, Secretary
Poale Zion

MEMORANDUM

TO: FIELD REPRESENTATIVES

February 5, 1941

FROM: HENRY MONTOR

As a result of the meeting of the Council of Jewish Federations and Welfare Funds at Atlanta on February 1, 2 and 3, it will be necessary for the field representatives and friends of the UPA to engage in double activity at this time:

(a) Reach as many communities as quickly as possible in order to convince the leadership of those communities of the validity of a 50-50 division of funds as between the UPA and the JDC, and

(b) Meet with leaders of Welfare Funds indicating to them the nature of the action initiated by the Council of Jewish Federations and Welfare Funds in an effort to persuade the local leaders that they should reject the proposal that the power to fix ratios for all agencies be transferred to the Council and be removed from the local communities.

I attach herewith the following items which you must read carefully in order to equip yourself properly to discuss the issue in the Welfare Fund communities which you visit.

What you are supposed to do is to ask for an endorsement of the Minority Report of the Committee to Study National Budgeting Proposals which will be sent you very shortly.

During your visits to Welfare Fund communities you will have an opportunity to meet the Welfare Fund leaders. In your casual conversations with them you can indicate your point of view and try to influence judgment to the extent that rational discussion can do so.

(Enclosures)

(a) A list of communities which are member agencies of the Council of Jewish Federations and Welfare Funds which will be called upon to vote on the Referendum conducted by the Council with respect to the proposal of a National Budgeting Committee;

(b) A copy of the Statement of Principles adopted by a group of delegates attending the Atlanta meeting of the Council of Federations and Welfare Funds, asking for a rejection of the Majority Report;

(c) A statement of the events at Atlanta.

HM:BG

February 5, 1941

Mr. Henry Montor
United Palestine Appeal
41 East 42nd St.
New York, N.Y.

My dear Mr. Montor:

I am sorry that the action we agreed on in Atlanta was not carried through. The purpose of the declaration which we drafted was to announce to the country the indignation of many delegates attending the Conference at the proposal of National Budgeting. The country was to be made sharply aware of the rift in the Council. The names of the delegates coming from fifty to sixty different cities would have been very helpful in giving the impression of the extent of the opposition. It was not intended to make it appear as a UPA action.

For some unaccountable reason the plans were permitted to be changed at the last minute with the result that the Council stole a march on you, and its special bulletin issued from Atlanta on February 3, puts us definitely on the defensive. Undoubtedly they had word of our contemplated action and they acted quickly while you permitted yourself to be diverted.

I wish you had telegraphed me before the action was deferred. I do not like to prosecute one line of action vigorously to a definite end and then, when I leave the scene of action, to have the course changed without my knowledge.

Very cordially yours,

AHS:BK
Enc.

February 5, 1941

MEMBER COMMUNITIES OF THE COUNCIL OF FEDERATIONS AND WELFARE FUNDS
WHICH WILL VOTE ON REFERENDUM INITIATED BY COUNCIL AT ATLANTA ASSEMBLY

(Additional member communities newly added to the Council will be sent you tomorrow)

ALABAMA

Birmingham
Gadsden
Jasper
Mobile
Montgomery
Selma
Sheffield

ARIZONA

Phoenix
Tucson

ARKANSAS

Fort Smith
Helena
Little Rock

CALIFORNIA

Alameda
Bakersfield
Berkeley
Fresno
Long Beach
Los Angeles
Oakland
Ontario
Pasadena
Petaluma
Pomona
Riverside
Sacramento
San Bernardino
San Diego
San Francisco
San Jose
Santa Ana
Santa Monica
Stockton
Vallejo
Venice
Ventura

COLORADO

Denver

CONNECTICUT

Bridgeport
Bristol
Danbury
Ellington
Hartford
Middletown
New Britain
New Haven
New London
Stamford
Waterbury
West Hartford

DELAWARE

Wilmington

DISTRICT OF COLUMBIA

Washington

FLORIDA

Jacksonville
Miami
St. Petersburg
Tampa
West Palm Beach

GEORGIA

Atlanta
Augusta
Savannah

IDAHO

Pocatello

ILLINOIS

Aurora
Champaign
Chicago
Chicago Heights
East St. Louis
Elgin
Joliet
Peoria
Quincy
Rock Island
Rockford
Springfield
Waukegan

INDIANA

Anderson
Evansville
Fort Wayne
Hammond
Indianapolis
Lafayette
Marion
Michigan City
Muncie
South Bend
Terre Haute

IOWA

Council Bluffs
Davenport
Des Moines
Dubuque
Iowa City
Sioux City

KANSAS

Topeka
Wichita

KENTUCKY

Ashland
Lexington
Louisville
Paducah

LOUISIANA

Alexandria
Baton Rouge
Monroe
New Orleans
Shreveport

MARYLAND

Baltimore
Cumberland

MASSACHUSETTS

Boston
Brockton
Everett
Fall River
Fitchburg
Holyoke
Leominster

MASSACHUSETTS (Cont'd)

Lowell
Lynn
Malden
New Bedford
Northampton
Quincy
Revere
Somerville
Springfield
Waltham
Winthrop
Worcester

MICHIGAN

Bay City
Detroit
Flint
Grand Rapids
Jackson
Lansing
Pontiac
Saginaw

MINNESOTA

Duluth
Minneapolis
St. Paul
Virginia

MISSISSIPPI

Hattiesburg
Jackson
Natchez
Vicksburg

MISSOURI

Joplin
Kansas City
St. Joseph
St. Louis
Sedalia

MONTANA

Butte
Helena

NEBRASKA

Lincoln
Omaha

NEVADA

Reno

NEW JERSEY

Atlantic City
Bayonne
Camden
Elizabeth
Hoboken
Jersey City
Montclair
Morristown
Newark
Passaic
Paterson
Perth Amboy
Plainfield
Trenton
Union City
Weehawken

NEW MEXICO

Albuquerque

NEW YORK

Albany
Amsterdam
Binghamton
Buffalo
Dunkirk
Gloversville
Hudson
Kingston
Middletown
Monticello
New York City
(Brooklyn)
(Manhattan and Bronx)
Newburgh
Niagara Falls
Poughkeepsie
Rochester
Rome
Schenectady
Syracuse
Troy
Utica
Watertown
White Plains
Yonkers

NORTH CAROLINA

Asheville
Charlotte
Raleigh
Wilmington
Winston-Salem

NORTH DAKOTA

Fargo

OHIO

Akron
Ashtabula
Bellaire
Canton
Cincinnati
Cleveland
Columbus
Dayton
East Liverpool
Elyria
Hamilton
Lima
Lorain
Portsmouth
Salem
Sandusky
Springfield
Steubenville
Toledo
Warren
Youngstown

OKLAHOMA

Tulsa

OREGON

Portland

PENNSYLVANIA

Aliquippa
Allentown
Altoona
Butler
Canonsburg
Chester
Coatesville
Duquesne

PENNSYLVANIA (Cont'd)

Easton
Erie
Farrell
Harrisburg
Homestead
Johnstown
Lancaster
McKeesport
Oil City
Philadelphia
Pittsburgh
Pottsville
Reading
Scranton
Sharon
Uniontown
West Chester
Wilkes Barre
Williamsport
York

RHODE ISLAND

Providence

SOUTH CAROLINA

Charleston

SOUTH DAKOTA

Sioux Falls

TEXAS

Corpus Christi
Corsicana
Dallas
El Paso
Fort Worth
Galveston
Houston
Port Arthur
San Antonio
Tyler
Waco

TENNESSEE

Chattanooga
Knoxville
Memphis
Nashville

UTAH

Ogden
Salt Lake City

VIRGINIA

Charlottesville
Norfolk
Petersburg
Portsmouth
Richmond
Roanoke

WASHINGTON

Aberdeen
Centralia
Everett
Olympia
Seattle
Spokane
Tacoma

WEST VIRGINIA

Bluefield
Charleston
Huntington
Wheeling

WISCONSIN

Kenosha
Madison
Manitowoc
Milwaukee
Racine
Sheboygan

Committee on the Referendum for Budgeting

207 FOURTH AVENUE
NEW YORK, N. Y.

(In Formation)

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Chairman

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JUDGE SAMUEL BARNET
New Bedford, Mass.
MRS. OSCAR G. BENDER
Philadelphia, Pa.
RABBI ISADORE BRESLAU
Washington, D. C.
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ALBERT K. EPSTEIN
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Tulsa, Okla.
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Cincinnati, Ohio
MORTIMER MAY
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RABBI ABRAHAM J. MESCH
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FELIX SHEVINSKY
Birmingham, Ala.
DR. ABBA HILLEL SILVER
Cleveland, Ohio.
LOUIS E. SPIEGLER
Washington, D. C.
DR. H. B. SHUGERMAN
Birmingham, Ala.
HERMAN P. TAUBMAN
Dallas, Texas
ABRAHAM I. USLANDER
Elizabeth, N. J.
RALPH WECHSLER
Newark, N. J.
JOE WEINGARTEN
Houston, Texas
BEN R. WINICK
Knoxville, Tenn.
JAKE L. ZUBER
Houston, Texas

February 6, 1941

We believe that there has been presented to the Jewish communities of America the most important issue of our communal history. The question is embodied in the referendum initiated by the Council of Jewish Federations and Welfare Funds.

The Council has called upon Welfare Funds in America to determine whether they wish to continue to decide for themselves how they shall distribute the funds they raise or whether they wish to entrust this power, through recommendations which will have the practical effect of mandates, to a committee to be established by the Council.

A number of us who attended the Atlanta General Assembly of the Council of Jewish Federations and Welfare Funds believe the question of such far-reaching consequence that we have taken the liberty of expressing our views in the form of a statement of principles. This we herewith submit for your consideration as you and your fellow leaders plan to act upon the referendum initiated by the Council.

We would be glad to have you join us as a member of our Committee if you agree with our point of view.

Sincerely yours,

Simon Shetzer
Chairman

SS:ls
Encl.

"Give Today --- Tomorrow May Be Too Late"

—DR. CHAIM WEIZMANN

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (KEREN HAYESOD)
JEWISH NATIONAL FUND (KEREN KAYEMETH)
For the Settlement in Palestine of Jews of Germany, Poland, Rumania and Other Lands

41 EAST 42ND STREET

NEW YORK CITY

February 6, 1941

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HERBERT H. LEHMAN
JULIAN W. MACK
HENRY MONSKY
NATHAN STRAUS
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ABBA HILLEL SILVER

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LOUIS LIPSKY

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Honorary Secretary

CHARLES RESS

Executive Director

HENRY MONTOR

Dr. Abba Hillel Silver
The Temple
Cleveland, Ohio

Dear Dr. Silver:

I am sending you herewith a copy of the letter which is being sent out by the Committee on the Referendum for Budgeting, together with a copy of a statement of principles adopted by the delegates at Atlanta.

I am sorry that you seem to feel that your judgment was disregarded at Atlanta. What happened was that when the statement of principles was submitted to the delegates for signature, a great many of them balked, particularly the lawyers among them. They felt that the language was too strong in certain instances and that it did not have the politic approach. As a result, the material was held over until an editing committee could act upon the statement. This was not completed before Monday. In the meantime it was necessary to get an additional number of signatures, which could not be done until I had returned to New York. There were those within our committee who felt, furthermore, that the statement ought not to be issued precipitately, but that it should be made available after the Council office would have made some statement on the Atlanta situation. Since the Council has already issued its Bulletin, the statement now circulated by the Committee on the Referendum for Budgeting complies with the wishes of many of those who were on our caucus committee at Atlanta.

As you will recall, we tried to make the caucus people feel that they had a definite place in determining our decisions; and since we need the cooperation of all of them in the coming months both with respect to the referendum and the United Palestine Appeal campaign, I did not want to do anything to make anyone feel that action was being crammed down their throats.

Please believe me when I say that I have the highest regard for the tremendous struggle which you have initiated and led, and the keenest admiration for the vigor with which you have espoused a principle against the organized forces of wealth and social prestige. Under these circumstances you may be sure that I would do nothing to hinder the proper conduct of this struggle. It was only the series of fortuitous circumstances, which I have tried to describe above, which

Dr. Abba Hillel Silver

February 6, 1941

explains the delay in the issuance of the statement.

With kindest personal regards, I am

Cordially yours,

A handwritten signature in cursive script, appearing to read "Montor".

Henry Montor
Executive Director

HM:FE

C
O
P
Y

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

February 6, 1941

Mr. Louis E. Levinthal
606 City Hall
Philadelphia, Pa.

Dear Mr. Levinthal:

I have your letter of February 5th. Copies of the steno-typist's transcript will probably be transmitted to us in about two weeks and we shall be very glad to have an extra copy made of your remarks.

Mr. Galter sent us an additional copy of the action taken by the Allied Jewish Appeal which we have sent on to Mr. Hollander. We are making another copy to be sent on to Mr. Shroder.

You need have no reservations about the speech that Mr. Shroder gave at Columbus, Ohio, or your use of it. We reprinted excerpts in Notes and News and the entire address was mimeographed and widely distributed to our member agencies.

I thought, on the whole, that your statement to the Assembly was a thoughtful and intelligent presentation of your views. Necessarily, I recognize the dangers and the problems that are involved in trying to set up some neutral central agency which can judiciously examine the claims and appeals of agencies that want to secure local funds through the joint fund raising bodies that local communities have set up. Atlanta convinced me even more strongly that such a center is needed in local budgeting processes. The relative success of the Allotment Committee reinforces this view. We need some instrument that will counteract the destructive effects on fund raising of campaigns that are being promoted too aggressively. You had a demonstration in Philadelphia recently of what can happen in local fund raising when one strong individual follows his own strongly felt views on a welfare fund effort. Such a situation is bound to be multiplied many times in separate appeals. The only way to reduce the area of conflict is to center it outside of the local community through such devices as a united Jewish appeal or the advisory body which we are proposing to establish. I wish that the supporters of the UPA had had sufficient statesmanship to focus their attention on the type and structure of such a body rather than to decide immediately that the entire principle was undesirable. Stripped of the emotions that have been engendered by this issue, I believe we ought to be able to agree that a properly constituted central committee can judge fairly the relative strengths of response from contributors that would follow competitive campaigns. Unless this is assumed, the whole principle of local budgeting becomes untenable. Central advisory services can be most useful in reinforcing the local processes.

I appreciated your presence at the Assembly and look forward to having you meet with our Board of Directors as the representative of the UPA.

With kindest regards, I am

Very sincerely,

H. L. LURIE

"Give Today --- Tomorrow May Be Too Late"

—DR. CHAIM WEIZMANN

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (KEREN HAYESOD)
JEWISH NATIONAL FUND (KEREN KAYEMETH)
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JOE WEINGARTEN
DAVID WERTHEIM

Honorary Secretary

CHARLES RESS

Executive Director

HENRY MONTOR

February 6, 1941

Dr. Abba Hillel Silver
The Temple
Cleveland, Ohio

Dear Dr. Silver:

The following steps have been taken with respect to the referendum among Welfare Funds on the Majority Proposal to establish a National Budgeting Committee.

(a) The Committee on the Referendum on Budgeting was established with Simon Shetzer as Chairman. The members of the Committee up to this time include:

I. A. Abrams
Pittsburgh, Pa.

Hyman Goldman
Washington, D.C.

Judge Samuel Barnet
New Bedford, Mass.

Abraham Goldstein
Hartford, Conn.

Mrs. Oscar G. Bender
Philadelphia, Pa.

Gustave L. Goldstein
Los Angeles, Calif.

Rabbi Isadore Breslau
Washington, D.C.

Joseph E. Grosberg
Schenectady, N. Y.

Jesse B. Calmenson
St. Paul, Minn.

Isaac Heller
New Orleans, La.

Ben Duberstein
Dayton, Ohio

Rabbi James G. Heller
Cincinnati, Ohio

Albert K. Epstein
Chicago, Illinois

Mrs. William Kirshner
Nashville, Tennessee

Mose M. Feld
Houston, Texas

Nathan E. Lazarus
Buffalo, New York

Gershon Fenster
Tulsa, Oklahoma

Rabbi Maurice A. Lazowick
Mobile, Alabama

Rabbi Leon Fram
Detroit, Michigan

Judge Louis E. Levinthal
Philadelphia, Pa.

Joseph Goldberg
Worcester, Mass.

I. M. Lieberman
Jacksonville, Fla.

February 6, 1941

Dr. Abba Hillel Silver

D. Beryl Manischewitz
Cincinnati, Ohio

Mortimer May
Nashville, Tenn.

Rabbi Abraham J. Mesch
Birmingham, Alabama

Sol M. Reiter
Newburgh, N. Y.

Aaron Riche
Los Angeles, Calif.

Charles J. Rosenbloom
Pittsburgh, Pa.

Rabbi Aaron Shapiro
Augusta, Ga.

Rabbi Max Shapiro
Miami, Florida

Felix Shevinsky
Birmingham, Alabama

Dr. Abba Hillel Silver
Cleveland, Ohio

Louis E. Spiegler
Washington, D. C.

Dr. H. B. Shugerman
Birmingham, Alabama

Nathan M. Stein
Milwaukee, Wisconsin

Abraham I. Uslander
Elizabeth, New Jersey

Joe Weingarten
Houston, Texas

Ben R. Winick
Knoxville, Tenn.

Ralph Wechsler
Newark, New Jersey

Jake L. Zuber,
Houston, Texas

Herman P. Taubman
Dallas, Texas

(b) I communicated with the American Jewish Congress which is sending out a statement to its officers throughout the country calling attention to the unwisdom of the National Budgeting Proposal and urging the local community leaders to resist the acceptance of the Proposal by their Welfare Funds. The Congress is also going to conduct a campaign against the proposal in the Congress Bulletin;

(c) A letter has been submitted to the ZOA, Mizrachi, Poale Zion and Hadassah which they are going to send out to all their officers calling attention to the implication of the National Budgeting Proposal and urging opposition to it in their Welfare Funds;

(d) I have been in touch with Mr. Maurice Bisgyer, Secretary of the B'nai B'rith and with Henry Monsky, who I understand is preparing to issue a circular letter to all B'nai B'rith officers expressing opposition to the National Budgeting Proposal;

(e) I communicated today with Dr. A. M. Dushkin, the educator, who is calling a meeting for next Monday or Tuesday at which he will endeavor to obtain a representative - either himself or someone else - on the Committee on the Referendum on Budgeting. Dr. Dushkin told me that he had spoken to Harry Lurie who assured him that Jewish education was not affected by the National Budgeting proposal since local causes were outside the scope of the program;

(f) I have been in touch with Rabbi Leon S. Lang, President of the Rabbinical Assembly of America, in order to get him to join the Committee on the Referendum on Budgeting and to circularize the members of the Rabbinical Assembly with regard to the action contemplated;

(g) I have called a meeting of the Yiddish newspaper men and Editors of the English-Jewish papers in New York City for Monday, February 8th, at which I shall report to them on what happened at Atlanta and tell them of the implications for all of Jewish life arising out of the National Budgeting Program.

(h) I am sending a letter to some 200 key people throughout the country with whom I am acquainted, giving them a statement on what happened at Atlanta and calling upon them to use their influence against the acceptance of the Majority Proposal in their Welfare Fund communities.

(i) The Committee on the Referendum on Budgeting has issued a newspaper story containing the Statement of Principles adopted by a number of the delegates at Atlanta. A copy of this newspaper story is herewith attached.

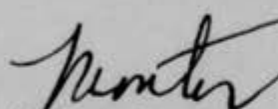
(j) The Committee on the Referendum on Budgeting is sending out today a copy of the Statement of Principles to some 3,000 Welfare Fund leaders throughout the country urging opposition to the Majority Proposal;

(k) The field representatives of the UPA have been given full data on what is involved in the Referendum initiated by the Council of Federations and have been asked to speak to a maximum number of Welfare Fund leaders to point out the harm that would be done to local communal autonomy by the Council proposal;

(l) I spoke by 'phone today to Mr. Harry L. Lurie of the Council of Federations who assured me that the Referendum would not be circulated to the communities until I have had an opportunity to examine the questionnaire and that the Majority and Minority Reports would be issued simultaneously.

With kindest personal regards, I am

Cordially yours,



Henry Montor
Executive Director

HM:BG
Enc.

DRAFT OF MINORITY REPORT
OF THE COMMITTEE ON STUDY OF NATIONAL BUDGETING PROPOSALS

THE ISSUE

The Jews of America must decide whether the funds they raise in their local communities through Welfare Fund or similar campaign organizations are to be distributed by their own choice and as a result of their own study and determination, or whether this decision shall be left in the hands of a small committee of men who after having interpreted the facts from their own viewpoint, shall decide and advise how much the agencies, movements and organizations in American Jewish life are to receive from funds raised locally.

EFFECT OF "ADVISORY" RECOMMENDATIONS

It is suggested by the majority of the Committee to Study National Budgeting Proposals that any recommendations that are made to local communities for the distribution of funds will be "advisory" in character. Experience indicates, however, that the effect of such "advisory" opinions is to become mandatory. The "advisory" recommendations of a national budgeting committee clothed with authority by the Council of Jewish Federations and Welfare Funds, with all the publicity that will be centered upon it, and all the prestige which would accrue to it would as a matter of course exercise tremendous pressure upon local communities.

Since the recommendations of allotments and ratios are to be purely "advisory" in character, it is evident that the agencies in the national and overseas fields will continue their separate efforts to persuade the local communities with respect to the merit of their requirements. They will continue their independent presentations of their needs in each community, and what purpose then is ~~there~~ served by a National Budgeting Committee? The communities will have removed from their midst their competitive presentations.

The creation of a National Budgeting Committee, even though it may style itself "advisory" in character, will have the following consequences:

- (a) It will have the effect of eliminating the educational value which Jewish leaders in every community derive from a study of the needs and of all the relevant facts with respect to the agencies which apply to their Welfare Funds.
- (b) It will create a hard mold of uniform thinking which must in time unfavorably affect Jewish thought and movements in the country. The thinking of a small committee, hand-picked by the Council, will be substituted for the thinking of representative men and women in hundreds of cities in the United States. The relationship between ~~local~~ the local community leaders and the causes which they are called upon to serve, and in whose behalf they are asked to raise funds will become steadily less personal and less informed.
- (c) The "advice" of a National Budgeting Committee will inevitably be colored by its ideologic bias and will come to serve as a fixed pattern for all Jewish communities in America.

ARE FACTS THE ISSUE?

The Council of Jewish Federations and Welfare Funds has ample power at the present time to make factual studies of every organization appearing before local Welfare Funds for contributions. Moreover, we urge that the Council of Federations should have the right to expand any services that may be needed in order to present local communities with factual data on the basis of which they may make just and wise decisions in the matter of the distribution of funds.

If it is only facts that are involved, why is a national budgeting committee being proposed to "evaluate" these facts? Is it not because facts themselves must be interpreted and being interpreted involve a subjective approach?

Differences of opinion on ideologies will determine decisions with respect to the facts. The introduction of ideologies into budgeting constitutes one of the most dangerous innovations in American Jewish communal life. It will sharpen and multiply conflict and divisiveness in every community. The majority report of the Committee acknowledges the role which points of view will play in the drafting of national budgets. It states that the introduction of national budgeting service "does not mean that decisions on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ~~intangible~~ ideologies, would and should also play their part."

It is a beclouding of the issue to make it appear that the sole aim of the establishment of a national budgeting process is to discover facts about organizations. These facts are available in abundant measure and as a result of the cooperative process which has been developed between the Council and various organizations, there are being created new and expanded forms of information which deal with every phase of the activities of these organizations in America. Every community in America will have at its disposal all the pertinent data with respect to past expenditures, as well as detailed analyses of current budgets. This material is collected by the Council, and will be made available to all Welfare Funds.

It has been said that there must be in America a group of fair-minded, impartial men to whom could be entrusted the solemn responsibility of fixing ratios for agencies participating in Welfare Funds. It is obvious, however, that any group of men, if they are at all alive to the movements and issues in Jewish life, must have an attitude toward these issues and a point of view. A survey of some of the leading personalities in the American Jewish community at this time will reveal quite a number of such "fair-minded and ~~imxx~~ impartial" men, but whose point of view has been quite definitely tempered by their economic, social or cultural heritage and environment.

In view of the manner in which American Jewish life is organized today, it is inevitable that one point of view should predominate in the upper economic level. The democratic procedure weighs the various factors by averaging the majority opinion of the rank and file with the minority opinions of individual leaders. Out of the amalgam comes a point of view which is a fair reflection of the state of mind of the total community. But to abstract from each community one or two personalities with a preconceived set of ideas on Jewish life is to provide not an accurate cross-section of American-Jewish public opinion, but merely the view-point of one economic group.

If the Jews of America raised sufficient funds to meet the needs of all the agencies in their full measure, it would be possible to apportion the funds on the basis of determinable expenditures. But when the amounts are so exceedingly limited and decisions must be reached on the proper allocation of inadequate funds, the

question of evaluation arises. In the field of evaluation the subjective point of view assumes commanding significance.

How, then, shall an evaluation be reached as to the comparative importance of one cause in relation to another? Properly, this should be the privilege and duty of each Jewish community and should not be relegated to a handful of men outside of the community.

WHO IS AFFECTED BY NATIONAL BUDGETING PROCESS?

There is an erroneous belief that all that is involved in the proposals for National Budgeting is the determination of ratios for the three agencies formerly in the United Jewish Appeal. Once there has been entrusted ^{to} a small committee of the Council the power to recommend ratios, it is clear that all agencies, causes and movements in Jewish life will soon be similarly affected.

Are the civic-protective agencies, with their varying approaches to the Jewish problem, prepared to entrust their fate into the hands of a small body of men who may or may not share their fundamental convictions? In the field of Jewish education, will the lay and professional educators accept the point of view of some men whose philanthropic outlook on Jewish life does not necessarily include an appreciation of Jewish education?

The awesome "power of the purse" is traditional. Can any movement, having its roots in deep convictions concerning Jewish life and destiny place its fate in the hands of those who are not animated by the same convictions and outlook? Is it cause for wonder, then, that these proposals have aroused the greatest anxiety and opposition?

Until such time as Jewish communities in America are democratically organized in Jewish community councils, and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a truly democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it, reinforced by such factual information and data which the Council can supply.

Welfare Funds now make local decisions with respect to scores of causes. They are not deterred from making contributions to such organizations as the American Jewish Committee, American Jewish Congress, B'nai B'rith, and Jewish Labor Committee because they function in similar fields. Support is not withheld from Hias because its activities are in the same area as both the National Refugee Service and the Joint Distribution Committee, nor from the Ort.

To make it appear that unity in American Israel will be preserved or achieved by this device of National Budgeting is to mislead and to confuse the real issue. The real issue is control and domination!

THE MINORITY RECOMMENDATIONS

The minority members of the Committee to Study National Budgeting Proposals were compelled to reject the proposals of the majority members as harmful and dangerous.

In place of them they submitted the following proposals:

- (a) Every reasonable effort should be made to work out equitable proposals for a reconstitution of the United Jewish Appeal.
- (b) If these efforts fail and if there will ^{not} be any United Jewish Appeal in 1941, the Committee urges upon local communities to proceed to consider the independent applications of the former beneficiaries of the United Jewish Appeal in the same spirit of fairness as they did before there was a United Jewish Appeal, and to allocate to each agency whatever in their judgment after a study of all available facts should be allocated. There should be no delay in fixing allocations or in proceeding immediately with the campaigns in each community.

The Majority Report of the Committee to Study Budgeting Proposals includes the suggestion that 1940 ratios might be one of the measuring rods to be used making allocations. It is a regrettable departure from the impartial fact-finding service which the National Budgeting Committee proposes to set up to suggest ratios before there has been any definition of the needs. It should be emphasized that the 1940 ratios for the agencies constituting the United Jewish Appeal were not the result of scientific evaluation. They were the result of bargaining procedures as is indicated by the fact that only a small percentage of the total sum raised by the United Jewish Appeal was actually divided by the 1940 Allotment Committee. Enormous changes have taken place within the past year so that any adherence to former ratios would be as unfair as to use the standards of 1936 or 1939 as the criteria of how funds raised by American Jewry in 1941 may be most constructively used.

By urging that the 1940 ratios be accepted as a guide by American Jewish communities in the distribution of funds raised in 1941, the Committee to Study National Budgeting Proposals has already infringed upon any budget committee to be set up by removing from its competence the largest part of

what might be subject to its decisions and by prejudicing in advance the thinking of such a budgeting committee with respect to the needs of the agencies.

- (c) The committee believes that a competent and intensive process of fact-finding, both on programs of service and on financial experience, should be continued and that these studies should be under the auspices of the Council.

THE COUNCIL SHOULD REMAIN FACT-FINDING BODY

The Council of Jewish Federations and Welfare Funds was created eight years ago to correlate information for the use of Welfare Funds and to further Jewish communal organization.

We urge against transferring to the Council a power too great for any handful of men to wield, when the fate of great causes is at stake.

WHAT WILL BE THE DECISION OF THE WELFARE FUNDS?

The Welfare Funds of America now are engaged in a referendum ~~at~~ to determine whether they shall accept the majority report or the minority report of the Committee to Study National Budgeting Proposals.

The minority report asks of the Welfare Funds for endorsement of the proposal that the fact-finding services of the Council be expanded to meet the needs of comprehensive information, but that the evaluation of ideas and budgeting be left to the individual community.

THE POST-WAR JEWISH PICTURE

(A statement made in Boston, Massachusetts, February 9, 1941)

by

James G. McDonald

Chairman, President's Advisory Committee on Political Refugees

"The question that must be faced by Jewish leaders at the present time is what will be done for and to the Jewish communities at the end of the war. Some Jewish optimists believe that when the war is over, the Jews in Poland will carry on life as before. It will be incomparably worse for these harassed Jews after the war, even if Hitler is defeated. It is inconceivable that the small Jewish business man can be restored to his little enterprise or that the Jewish peasant will be able to return to his occupation.

"Irrespective of the peace settlement, the problem of mass migration will face Jews on a vast scale. It is now two years since President Roosevelt spoke of the necessity of resettling 15,000,000 to 20,000,000 people at the end of the war. At that time when this statement was made at the White House many of us felt that the President was an alarmist. Now we know that his estimate was not an exaggeration, even if the Allies win.

"It is in this connection that new consideration and larger attention must be given to the problem of extending the absorptive capacity of Palestine for Jewish immigration.

"A non-Jew owes it to himself and to the Jews to tell them the truth which is that American Jewry has not, in fact, been generous in the crisis that has overwhelmed world Jewry. What has been given by the Jews is a fraction of what was and is needed.

"The Jews have been very slow to take in the terribleness of the facts of Jewish needs and of the Jewish position.

"The wealthy Jews would not associate themselves in their minds with the mass of Jews. The Jewish aristocrats of finance and social position refused to see that they were one with the Jewish people and that the destiny of the latter was their destiny.

"Why should these rich, well-placed Jews have this feeling of separateness from their fellow Jews? It is because they do not know their past or their history, or in some cases, are ashamed of it."

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS

February 13, 1941

From: Mr. H.L. Lurie, Executive Director

To: Committee on the Referendum for Budgeting

You may be interested in copy of my letter to Mr. Simon Shetzer,
Chairman of your Committee.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.

C
O
P
Y

February 11, 1941

Mr. Simon Shetzer
142 E. Jefferson Avenue
Detroit, Michigan

Dear Mr. Shetzer:

The letter being sent out under your signature in behalf of the Committee on the Referendum for Budgeting was sent on to me recently. I am sure it was not your intention to exaggerate or mis-state the problem but the letter and "Statement of Principles" certainly do not give the impression of an objective and impartial approach to the question.

The issue is not whether the Council or any of its committees shall have a mandate to distribute funds which local communities raise. You know definitely that no such mandate was or will be requested. A number of our member agencies did ask the Council specifically to set up an actual allotment process to take the place of the United Jewish Appeal Allotment Committee. These requests were not accepted and the present proposal, which our Board of Directors has approved, is solely for an advisory budget and fact finding service which the member agencies can use to the extent that they see fit. It would be very unrealistic to believe that the recommendations of a committee on national agency budgets would receive consideration by local communities, unless such recommendations were completely fair to all causes.

The local communities have not always had this freedom of action. You know that the UJA Allotment Committee with its authority over the distribution of funds was, in effect, a method for reaching national decisions and eliminating the local community from any real voice in fund distribution. Similarly, the agreement between the JDC and the UPA in 1938 for a 60-40 division, operating with an effectuating clause, provided for a distribution of funds on a national formula, irrespective of the actual decisions and allotments that might have been made by local welfare funds. The budget proposal is, on the contrary, geared to the principle of local autonomy and makes possible the exercise of that autonomy on the basis of competent research and interpretation.

I regret also that the statement issued with your letter which refers to the difficulties of voting procedure carries with it the implication that a vote was not taken because of a desire to avert the results of the action that might have been taken at that time. You were a member of the Credentials Committee and were present at the meeting of the Board of Directors when the problem was under consideration. It was apparent that too few of the delegates had credentials to make voting easy or fair and that under the by-laws, it was not clear whether voting privileges extended to individual delegates as well as to member agencies. The Board of Directors, therefore, believed that it would be a more democratic procedure to submit the referendum to all member agencies, rather than to permit only those to vote who had been accredited by their agencies and were present at the Assembly.

Mr. Simon Shetzer, Detroit

2.

February 11, 1941

It is to be regretted that your Committee on the Referendum is beclouding the issue by such phrases as "standardized control", "straight jacket of uniformity", etc. The real issue is whether a properly constituted national committee can make an intelligent appraisal of agency needs and costs and whether such an advisory service will be of benefit to the local communities. I am sure that the basic cause of Jewish community organization is being poorly served by this attempt to present the issue in a distorted fashion.

I am sending copies of this letter to the members of your Committee.

With kindest regards, I am

Cordially,

H.L. LURIE

HLL/ed

February 14, 1941

Mr. Henry Montor
United Palestine Appeal
41 East 42nd St.
New York, N.Y.

My dear Mr. Montor:

I believe that it would be a good strategic move to have Jewish community councils, wherever they exist, take action on the Council proposals for national budgeting. The country at large knows that these community councils are far more representative of real community sentiment than federation boards or welfare fund boards, so that even in those communities where welfare federations or welfare funds would approve the proposals, the fact that the community councils in those cities disapprove, would have a tremendous effect. The country at large would know that the rank and file of American Jewry doesn't want the proposals, and that they are being forced upon American Jewry by small groups. I would suggest that the Shetzer committee contact Jewish community councils at once. A meeting of the Cleveland Jewish Community Council has already been called for that purpose.

We had a splendid meeting last evening of the officers of all the Zionist groups in the city at which the entire situation was canvassed, and a Steering Committee was appointed.

With all good wishes, I remain

Very cordially yours,

AHS:BK

No. 13

MEMORANDUM

TO: DR. ABBA HILLEL SILVER

February 14, 1941

FROM: MR. HENRY MONTOR

Attached hereto is a copy of an article by
Professor Mordecai M. Kaplan which has been issued by the
Committee on the Referendum for Budgeting.

HM:BC

Committee on Referendum for Budgeting
207 Fourth Avenue
New York City

RELEASE ON RECEIPT

DO YOUR OWN BUDGETING!

A Discussion of a Vital Issue

By

Prof. Mordecai M. Kaplan
Distinguished Scholar and Writer

Before American Jews had a chance to make up their minds about the merits or the demerits of the "Divided Jewish Appeal," a surprise was sprung on them in the form of a generous offer to save them the trouble of thinking altogether. The offer came from the Council of Jewish Federations and Welfare Funds which recently met in Atlanta. The Council proposes to set up a thought saving device by appointing a National Budgeting Committee that would recommend ratios for all national and overseas appeals and agencies.

It is generally conceded that it is more democratic and socially wholesome for people to learn to rely on their own intelligence. To be sure, not every one is in a position to know the facts about the various causes for which appeals are made. No one can gainsay the need of having a fact-finding body that would provide the necessary information on the basis of which the local communities might be in a position to apportion their aid intelligently. The proposed committee, however, is not to be a fact-finding but a policy-making body. Its members will weigh and evaluate each appeal, whether it be for relief, welfare, education, or aid to Palestine. They will inevitably become the arbiters of Jewish life and destiny. Are American Jews so indifferent to their future as Jews, or so hopelessly confused about it, that they are ready to place it in the hands of a receivership?

What is it, we are moved to ask, that prompts our would-be-receivers to be so concerned at this time to put a quietus on the possible desire of Jews, either individually or collectively in their local communities, to think for themselves? It is not difficult to answer that question, once we know to what school of Jewish thought these would-be-receivers belong. It is the school known as "escapist." Those who belong to it are convinced that Jewish life is nothing but a burden and a liability. They are certain that the greatest service they can render their fellow-Jews is to help them liquidate their Judaism. And one of the most effective ways of liquidating Judaism is to exempt Jews from having to think about Jewish affairs.

This is the policy of assimilationism, of which there are two types, black or fascist, and red or communist. The first type of assimilationism appeals to the large givers, and the second type of assimilationism appeals to the functionaries whose business it is to be little spenders. The cooperation of black and red is no longer an incredible phenomenon. On a world scale, the aim to destroy democracy has made them brothers in arms; in this instance, the liquidation of Jewish life has made them bed-fellows. The paradox of it all is that where no Jewish issue is at stake, these same people would give their lives for the cause of democracy.

By contrast with the money power and efficient organization of the escapist Jews, the affirmative Jews are weak, helpless and unorganized. They are the Jews who are interested in developing a rich cultural content for Jewish living, in establishing a democratic form of American Jewish community life, in the upbuilding of Palestine, and in obtaining peace terms for the Jewish people, which will insure its continuity in the world. But these Jews belong, as a rule, to the middle or lower brackets, socially and economically, and are therefore without the leadership that can translate their aspirations into deeds.

On the other hand the escapist Jews, being in possession of money, prestige and influence, always manage to have the initiative in the conduct of the most important Jewish institutions and funds, despite their being outnumbered ten to one by the affirmative Jews. They are the ones who are responsible for the break which converted the United Jewish Appeal into a divided Jewish appeal. But they are not satisfied with having administered a fatal blow to American-Jewish unity. They are determined to follow up their success and to demoralize completely those who hold out for the conservation of Jewish values, by launching a flank attack and by using Trojan horse and blitzkrieg methods to strike panic into the hearts of their opponents.

What really happened at Atlanta was a sort of reorganization, under apparently different generalship, of the very forces which had manoeuvred the discontinuance of the joint campaign. Thus was the frontal attack on affirmative Jewry made to appear as a flank attack. The Trojan horse method consists in submitting a referendum on a seemingly innocuous proposal to organize an advisory committee that shall work out and recommend ratios for all national and overseas agencies engaged in relief and welfare work. The "horsey" part of the proposal is its apparent innocuousness. Formally, the committee which is to make the recommendations is to function only in an advisory capacity. But, actually, who will take it upon himself to challenge recommendations backed by the authority of experts and philanthropists who had presumably made a thorough study of the comparative claims to support of each appeal?

As for the blitzkrieg tactics, the German army has nothing on those who are pushing the referendum. The elements of surprise and rapidity are being worked so methodically and effectively, that before the masses of American-Jewry wake up to a realization of what is happening to them, they will find themselves completely in the grip of the new escapist order of American-Jewish life. If the initiators of the referendum would have their way, no community would know about the referendum until the very day on which it is to be voted on. As it is, by the first of April all the votes must be in. For so revolutionary a measure, this is indecent haste indeed.

I am the last person in the world to halt any trend in Jewish life that might make for better organization and efficiency in the collection and administration of funds for Jewish purposes. Such organization and efficiency are indispensable to the unity and vitality of Jewish life. But when I see them being carried out by Jews who are escapists in their outlook on Jewish life, in a spirit that is certain to throttle active interest on the part of the masses in the purposes for which their funds are to be used, I feel it my sacred duty to sound the tocsin, and to warn all who have the will to live as Jews not to be taken in by any specious kind of smooth working arrangement which spells ultimate torpor and death.

By the same token, I would urge upon all affirmative Jews to take an active part in all the local federations and welfare funds, and to earn for themselves an effective hearing in the Council of Federations. They should be in a position to come forward with an alternative plan for Jewish unity. It should be a plan based on a carefully formulated constitution which, after being submitted to each local federation and adopted by a majority of them, would become the governing instrument of American Jewry. Such a constitution would define and delimit the powers of the local and the central body, and set up a system of checks and balances without which no form of organization can be truly democratic. We Jews dare not countenance any social measure, instrument or agency whose belief in democracy is suspect. Our fate as a people is too much bound up with the fate of democracy to allow our leaders to play with any kind of totalitarianism in their conduct of Jewish communal affairs.

In the meantime, we must all unite to frustrate the attempt to insinuate totalitarian spirit and methods into American Jewish life and vote an emphatic NO in the referendum on The National Budgeting Committee.

February 14, 1941

THE MINORITY REPORT
OF THE COMMITTEE TO STUDY NATIONAL BUDGETING PROPOSALS

THE ISSUE

The Jews of America are now called upon to decide whether the funds they raise annually in their local communities through Welfare Funds (or similar campaign bodies) are to be distributed through the decision of their own local budgeting committee; or by a small national committee to be named by the Board of the Council of Jewish Federations and Welfare Funds.

EFFECT OF "ADVISORY" RECOMMENDATIONS

It is suggested by the Majority of the Committee that any recommendations that are made to local communities for the distribution of funds will be "advisory" in character. Experience indicates, however, that such "advisory" opinions are bound to become mandatory in effect. The "advisory" recommendations of a national budgeting committee, clothed with authority by the Council of Jewish Federations and Welfare Funds, with all the publicity that will be centered upon it, and all the prestige which would accrue to it, would, as a matter of course, exercise tremendous pressure upon local communities.

If the recommendations of allotments and ratios are to be purely "advisory" in character, it is evident that the agencies in the national and overseas fields will continue their separate efforts to persuade the local communities with respect to the merit of their requirements. They will continue an independent presentation of their needs in each community. What purpose then is served by a National Budgeting Committee? Obviously, it is intended that the "advice" of the Budgeting Committee shall become binding upon the communities.

The creation of a National Budgeting Committee, styled "advisory,"

will have the following consequences:

- (a) It will have the effect of eliminating the educational value which Jewish leaders in every community derive from a close study of the needs and the relevant facts with respect to the agencies applying to their Welfare Funds.
- (b) It will create a hard mold of uniform thinking which must in time unfavorably affect Jewish thought and movements in the country. The thinking of a small committee, hand-picked by the Council, will be substituted for the thinking of representative men and women in hundreds of cities in the United States. The relationship between the local community leaders and the causes which they are called upon to serve, and in whose behalf they are asked to raise funds, will become steadily more remote, less personal and less informed.
- (c) The "advice" of a National Budgeting Committee, colored by its ideologic bias, will come to serve as a fixed pattern for all Jewish communities in America.

FACT-FINDING IS NOT THE ISSUE

The Council of Jewish Federations and Welfare Funds has ample power at the present time to make factual studies of every organization appearing before local Welfare Funds for contributions. Moreover, we are strongly in favor of expanding any service given by the Council in order to supply local communities with factual data on the basis of which they may make equitable decisions in the matter of the distribution of funds.

These facts, to a large degree, are already available, and as a result of the cooperative process which has been developed between the Council and various organizations, there are being created new and expanded forms of information dealing with every phase of the activities of these organizations in America. Every community in America can have

at its disposal all the pertinent data with respect to their purposes, their past expenditures, as well as detailed analyses of their current budgets. This material is collected by the Council, and can be made available to all Welfare Funds.

If it is only facts that are involved, why is a National Budgeting Committee being proposed to "evaluate" these facts? It is because the facts must be interpreted and, being interpreted, they involve a subjective approach.

WHAT IS MEANT IS EVALUATION

The Majority Report acknowledges the role which varying points of view will play in the drafting of national budgets. It is frank enough to say that the introduction of a national budgeting service

"does not mean that decisions on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies, would and should also play their part."

Differences of opinion on ideologies are bound to determine decisions with respect to the facts. The attempt to evaluate ideologies by a National Budgeting Committee constitutes one of the most dangerous innovations in American Jewish communal life. It will sharpen and multiply conflict and divisiveness in every community.

It beclouds the issue to make it appear that basic to the idea of the National Budgeting Committee is the desirability of setting up a fact-finding agency. The real purpose is not so much to find the facts, which are available in abundant measure, but to set up a group of men nationally selected to whom is to be entrusted the exclusive responsibility for fixing ratios of apportionment for all agencies participating in the local Welfare Funds.

This tremendous responsibility is to be given to a group of what is

called fair-minded, impartial men. It is obvious, however, that if there are any men competent through experience and knowledge to act for and on behalf of American Jewry in matters of such great importance, they must have acquired a definite point of view with regard to the various problems of Jewish life; and they are bound to be conditioned by the ripened conclusions they have arrived at with regard to these problems. There are leading personalities in the American Jewish community who are well-meaning, devoted and conscientious, but they invariably have a point of view and, whatever it may be, it has been tempered by their economic, social and cultural heritage and environment. In this sense, every man belongs to one or another group in American Jewish life.

In the upper economic level one point of view seems to predominate. It usually has great influence in communal life. The democratic procedure in the community serves the public interest by averaging the majority opinion against the view of individual leaders. Out of the amalgam, the state of mind of the specific community, however colored, is fairly reflected; but to abstract from each community one or two personalities occupying place and prestige in the upper economic level with their preconceived notions on the problems of Jewish life, would provide not an accurate cross-section of communal opinion, but would register merely the views of the top layer of one group.

If American Jewry would be raising sufficient funds for the needs of all the agencies, it might be possible to apportion the funds on the basis of determinable expenditures. But the amounts collected are so inadequate and the decisions reached deal chiefly with minimum requirements, so that the question of evaluation arises and plays an important part in determining programs of work. In the field of evaluation the subjective point of view assumes dominant significance. But evaluation there must be somewhere along the line. How is such evaluation to be

reached as between one cause and another?

That is a function that can best be exercised in the local communities where the funds are raised and where local public opinion has a chance to control.

THE 1940 RATIOS ARE OBSOLETE

The Majority Report includes the suggestion that 1940 ratios might be one of the measuring rods to be used in making initial allocations in 1941. It is a regrettable departure from the impartial fact-finding service which the National Budgeting Committee proposes to set up to suggest ratios at this time. It should be emphasized that the 1940 ratios for the agencies constituting the United Jewish Appeal were not the result of scientific evaluation. They were the result of an agreement between the JDC and the UPA, as is indicated by the fact that only a small percentage of the total sum raised by the United Jewish Appeal was actually divided by the 1940 Allotment Committee. In other years there were other agreements. Enormous changes have taken place within the past year so that any adherence to former ratios would be as unfair as to use the standards of 1936 or 1939 as the criteria of how funds raised by American Jewry in 1941 may be most constructively used.

By urging that the 1940 ratios be accepted by American Jewish communities as a guide in the distribution of funds raised in 1941, the Committee to study National Budgeting Proposals has already infringed upon the functions of any budget committee to be set up, by removing from its competence the largest part of what might be subject to its decisions and by prejudicing in advance the thinking of such a budgeting committee with respect to the needs of the agencies in 1941.

WHO IS AFFECTED BY NATIONAL BUDGETING PROCESS?

There is an erroneous belief that all that is involved in the proposals for National Budgeting is the determination of ratios for the three

agencies formerly in the United Jewish Appeal. Once there has been entrusted to a small committee of the Council the power to recommend ratios, it is clear that all agencies, causes and movements in Jewish life will come under its jurisdiction and control.

Are the civic-protective agencies, with their varying approaches to the Jewish problem, prepared to entrust their fate into the hands of a small body of men who may or may not share their fundamental convictions? In the field of Jewish education, will the lay and professional educators accept the point of view of some men whose philanthropic outlook on Jewish life does not necessarily include an appreciation of Jewish education?

Can any movement, having its roots in deep convictions concerning Jewish life and destiny, place its fate in the hands of those who are not animated by the same convictions and outlook? Is it cause for wonder, then, that these proposals have aroused the greatest anxiety and opposition?

Until such time as Jewish communities in America are democratically organized in Jewish community councils, and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it, reinforced by such factual information and data as the Council will supply.

Welfare Funds now make local decisions with respect to scores of causes. They are not deterred from making contributions to such organizations as the American Jewish Committee, American Jewish Congress, B'nai B'rith and Jewish Labor Committee, although they function in similar fields. Support is not withheld from Hias because its activities are in the same area as both the National Refugee Service and the Joint Distribution, nor from Ort.

To make it appear that unity in American Israel will be preserved or achieved by this device of National Budgeting is to mislead and to confuse the real issue. The real issue is control and domination!

THE MINORITY RECOMMENDATIONS

The Minority members were compelled to reject the proposals of the Majority members as harmful and dangerous. In place of them they submit the following proposals:

- (a) Every reasonable effort should be made to work out an equitable arrangement for a reconstitution of the United Jewish Appeal in 1941.
- (b) If these efforts fail and there will not be any United Jewish Appeal in 1941, the Committee urges local communities to consider the independent applications of the former beneficiaries of the United Jewish Appeal in the same spirit of fairness as they did before there was a United Jewish Appeal, and to allocate to each agency such amounts as their judgment, after a study of all available facts, will suggest. There should be no delay in fixing allocations or in proceeding immediately with a united campaign in each community. Delay means a paralysis of the 1941 campaign.
- (c) The Minority members of the committee believe that the fact-finding activities of the Council should be continued and enlarged.

THE COUNCIL SHOULD REMAIN A FACT-FINDING BODY

The Council of Jewish Federations and Welfare Funds was created eight years ago to correlate information for the use of Welfare Funds and to further Jewish communal organization.

We urge against transferring to the Council a power too great for any handful of men to wield, when the fate of great causes is at stake.

WHAT WILL BE THE DECISION OF THE WELFARE FUNDS?

The Welfare Funds of America are now engaged in a referendum to determine whether they shall accept the Majority Report or the Minority Report.

We are a people who have valued and fostered freedom of opinion. Our communities have been open to all appeals - religious, sociological, national and educational. It was always conceded that all Jews cannot have the same uniform ideology but that each individual and every group have the right to adhere to any ideological principles they may find compatible with their thinking, giving all other Jews the freedom to do the same thing.

Whatever may be the guise under which the proposals of the Majority will be submitted to a referendum of the Welfare Funds, the consequence of acceptance will be that American Jews will have turned over to a small committee of men not only the right to determine how the funds they contribute may be put to use, but also the power to determine the value and the relations of the views, aims and aspirations which are part of Jewish life in the United States. The determining of this issue gives power to the small committee to determine the destiny of American Jewry. That power should be retained by the local communities and should not be handed over to any National Budgeting Committee.

The Minority Report asks of the Welfare Funds endorsement of the proposal that the fact-finding services of the Council should be expanded but that the work of evaluation and of budgeting be left to the individual community where it properly belongs.

LIST OF MEMBER AGENCIES AND NUMBER OF ASSIGNED VOTES

<u>City and Member Agency</u>	<u>No. of Delegates</u>	<u>City and Member Agency</u>	<u>No. of Delegates</u>
AKRON, OHIO - JSSF...JWF	4	CINCINNATI, OHIO - JCC...UJSA	5
ALBANY, N. Y. - JCC	2	CLEVELAND, OHIO - JWF	6
ALBUQUERQUE, N. M. - JFC	2	COLUMBUS, OHIO - UJF...JWF	2
ALEXANDRIA, LA. - JWF	2	CORPUS CHRISTI, TEXAS - JWF	2
ALLENTOWN, PA. - UJC	2	CUMBERLAND, MD. - JCF-WM	2
ALTOONA, PA. - FJP	2	DALLAS, TEXAS - JFSS	2
ASHEVILLE, N. C. - FJC	2	DAVENPORT, IOWA - JC	2
ALTANTA, GA. - FJSS...JWF	4	DAYTON, OHIO - JFSS...UJC	4
ALTANTIC CITY, N. J. - FJC	2	DES MOINES, IOWA - JWF	2
BAKERSFIELD, CALIF. - UJWF	2	DETROIT, MICH. - JWF	6
BALTIMORE, MD. - AJC...UJA	6	DULUTH, MINN. - JWF	2
BAYONNE, N. J. - JCC	2	EASTON, PA. - JCC	2
BINGHAMTON, N. Y. - JCC	2	EDMONTON, ALBERTA, CANADA - JF	2
BIRMINGHAM, ALA. - UJF	2	ELGIN, ILL. - JWC	2
BOSTON, MASS. - AJP...UJC	6	EL PASO, TEXAS - JF	2
BRIDGEPORT, CONN. - JWB&CS. JCC	4	ERIE, PA. - JCC	2
BROOKLYN, N. Y. - FJC	6	EVANSVILLE, IND. - JCC	2
BROCKTON, MASS. - UJA	2	FARGO, N. D. - JC	2
BUFFALO, N. Y. - JFSS...UJWF	6	FITCHBURG-LEOMINSTER, MASS. - JCC	2
BAY CITY, MICH. - NEM-JWF	2	FLINT, MICH. - FJC	2
BUTLER, PA. - JCC	2	FORT WAYNE, IND. - JF	2
BUTTE, MONT. - JWC	2	FORT WORTH, TEXAS - JF	2
CAMDEN, N. J. - FJC	2	FRESNO, CALIF. - JNWF	2
CANTON, OHIO - JWF...JWL	4	GARY, IND. - JWF	2
CENTRALIA, WASH. - CC-JWF	2	HAMILTON, ONT., CANADA - JSSF..UJWF	4
CHATTANOOGA, TENN. - JWF	2	HAMMOND, IND. - UJA	2
CHICAGO, ILL. - JC...JWF	8		

City and Member Agency	No. of Delegates	City and Member Agency	No. of Delegates
HARTFORD, CONN.-JWF	3	MONROE, LA. - UJC N.E. La.	2
HELENA, ARK.-FJC	2	MONTGOMERY, ALA. - JF	2
HOLYOKE, MASS.-UJA	2	NASHVILLE, TENN. - JCC	2
HOUSTON, TEXAS - JCC	2	NEWARK, N. J. - CJC	4
HUNTINGTON, W.VA.-UJF	2	NEW BEDFORD, MASS. - UJA	2
HARRISBURG, PA. - UJC	2	NEW HAVEN, CONN. - JCC	3
INDIANAPOLIS, IND.-JF...JWF	4	NEW ORLEANS, LA.-JC&EF...JWF	4
JACKSONVILLE, FLA.-JCC	2	NEW YORK, N. Y. - FSJPS	6
JOHNSTOWN, PA. - UJA	2	NIAGARA FALLS, N. Y. - JF	2
JOLIET, ILL.- JWC	2	NEWBURGH, N. Y. - UJC	2
JOPLIN, MO. - JWF	2	NORFOLK, VA. - UJF	2
KANSAS CITY, MO.-JWF...UJC	5	OAKLAND, CALIF.-JF...UJWF	4
KNOXVILLE, TENN. - FJC	2	OMAHA, NEB. - FJS	2
LAFAYETTE, IND. - FJC	2	PASSAIC, N. J. - JCC	2
LANCASTER, PA. - OJC	2	PEORIA, ILL. - JWF	2
LIMA, OHIO - AJC	2	PETERSBURG, VA. - UJCF	2
LINCOLN, NEB. - JWF	2	PHILADELPHIA, PA.-FJC...AJF	7
LITTLE ROCK, ARK. - FJC	2	PITTSBURGH, PA.-FJP...UJF	6
LONG BEACH, CALIF. - UJWF	2	PONTIAC, MICH. - FJC	2
LOS ANGELES, CALIF.-FJWO...JCC	6	PORTLAND, ORE. - FJC...OJWF	4
LOUISVILLE, KY. - CJO...JWF	4	PROVIDENCE, R. I. - JFSS	3
LOWELL, MASS. - UJA	2	RALEIGH, N. C. - FJC	2
MADISON, WIS. - JWF	2	READING, PA. - JCC	2
MEMPHIS, TENN. - FJWA...JWF	2	RICHMOND, VA. - JCC	2
LANSING, MICH. - FJC	2	RIVERSIDE, CALIF. - JJDC	2
MIAMI, FLA. - GMJF	2	ROANOKE, VA. - UJA	2
MIDDLETOWN, N. Y. - UJA	2	ROCHESTER, N.Y.-JWC...UJWF	5
MILWAUKEE, WIS. - FJC...JWF	3	ROCKFORD, ILL. - FJC	2
MINNEAPOLIS, MINN. - FJS	3	ROCK ISLAND, ILL. - UJC	2

City and Member Agency	No. of Delegates	City and Member Agency	No. of Delegates
SACRAMENTO, CALIF. - UJWF	2	TACOMA, WASH. - FJF	2
SAGINAW, MICH. - JWF	2	TOLEDO, OHIO - JF...UJW	4
SALEM, OHIO - JF	2	TORONTO, ONT., CANADA-FJP...JWJWF	5
SALT LAKE CITY, UTAH - UJC	2	TRENTON, N. J. - JF	2
SAN ANTONIO, TEXAS - JSSF	2	TROY, N. Y. - UHC	2
SAN DIEGO, CALIF. - UJF	2	TULSA, OKLA. - JCC	2
SAN FRANCISCO, CALIF.-FJC...JNWF	5	TYLER, TEXAS - FJC	2
SAN JOSE, CALIF. - JF	2	UTICA, N. Y. - JCC	2
SAVANNAH, GA. - UJA	2	VANCOUVER, B.C., CANADA-JAC...JEWJF	2
SANTA ANA, CALIF. - UWF-OC	2	VICKSBURG, MISS. - JWF	2
SCHENECTADY, N. Y. - UJA	2	VIRGINIA, MINN. - FJS	2
SCRANTON, PA. - JF...UJA	4	WACO, TEXAS - JFC...UJA	4
SEATTLE, WASH. - FJF...JWS	4	WARREN, OHIO - JF	2
SELMA, ALA. - JWF	2	WASHINGTON, D.C.-JSSA...JCC...UJA	4
SHARON, PA. - UJA-SV	2	WATERBURY, CONN. - JFA	2
SHEBOYGAN, WIS. - FJC	2	WATERTOWN, N. Y. - JFC	2
SHEFFIELD, ALA. - FC	2	WEST PALM BEACH, FLA.-FJC-PBC	2
SIOUX CITY, IOWA - FJSS	2	WHEELING, W. VA. - JCC	2
SIOUX FALLS, S. D. - JWF	2	WICHITA, KAN. - M-K JWF	2
SOUTH BEND, IND. - JWF	2	WILKES-BARRE, PA. - WV-JC	2
SPOKANE, WASH.- JWA	2	WILLIAMSPORT, PA. - FJC	2
SPRINGFIELD, MASS.-JSSB...JWF	4	WILMINGTON, DEL. - JFD	2
ST. LOUIS, MO. - JF...JWF	5	WINDSOR, ONT., CANADA-UJWF	2
ST. PAUL, MINN. - UJF...JWA	4	WINNIPEG, MANITOBA, CANADA-JWF	2
STEUBENVILLE, OHIO - JCC	2	WINSTON-SALEM, N. C. - JCC	2
STOCKTON, CALIF. - NJWF	2	WORCESTER, MASS.-JSSA...JWF	4
SYRACUSE, N. Y. - JWF	2	YORK, PA. - JOC	2
		YOUNGSTOWN, OHIO - JF	2

February 21, 1941

Mr. Samuel Goldhamer
320 Chester-Twelfth Bldg.
Cleveland, Ohio

Dear Mr. Goldhamer:

In acknowledging your letter of February 14th may I observe that your view on the subject of national budgeting has apparently changed. As I recall the material that was originally circulated by the committee to study national budgeting proposals, you expressed yourself as feeling last September that the time was not propitious for national budgeting. You felt apparently that the introduction of the subject at this time could only lead to divisiveness.

Those who are associated with the Committee on the Referendum for Budgeting have a deep conviction that what is proposed in the terms of a ratio-fixing body is unsound and must have unfortunate consequences for any movement with an ideological Jewish basis. If, however, the discussion is to be labelled as the introduction of "notes of discord", we shall, of course, have stultified American Jewish life. I am sure that is not what you desire.

Cordially yours,

Simon Shetzer
Chairman

SS:MFE

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The 1941 Jewish Welfare Fund Appeal of Cleveland

under the auspices of the
Jewish Welfare Federation

Campaign Headquarters:
416 Statler Hotel

Mr. Simon Shetzer, Chairman
Committee on the Referendum for Budgeting
207 Fourth Avenue
New York City

Dear Mr. Shetzer:

In reply to your letter of February 6 inviting my membership on your proposed Committee on the Referendum for Budgeting, may I say that as a member of the Board of Directors of the Council of Federations and Welfare Funds, and as a Director of the Cleveland Federation and the Federation's Welfare Fund activity, I must express my great regret that any attempt is being made to counter the efforts of the National Council in carrying out the expressed wishes of its constituency of Federations and Welfare Funds.

During the past fifty years of the existence of Federations and other such forms of organized Jewish communal life, the principle of centralized budgetary and advisory service has been recognized and accepted; in fact in even a more direct and effective manner than is now contemplated nationally by the majority recommendation of the Council Board. This recommendation comes, furthermore, not on the initiative of the Council itself, but results from a demand from its constituency for some kind of coordinated program of budgetary study, evaluation and recommendation.

The action contemplated by your proposed Committee, cannot in my judgment serve but to introduce new notes of discord in an already unfortunately aggravated national situation which appears to be having repercussions in every Jewish community throughout the country.

Yours sincerely,

February 14, 1941.

(signed) S. Goldhamer
Executive Director

\$12,000,000 War Emergency Campaign

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (KEREN HAYESOD)
JEWISH NATIONAL FUND (KEREN KAYEMETH)
For the Defense and Upbuilding of the Jewish National Home in Palestine

41 EAST 42ND STREET

NEW YORK CITY

NATIONAL OFFICERS

Honorary Chairmen

Albert Einstein
Herbert H. Lehman
Julian W. Mack
Henry Monsky
Nathan Straus
Henrietta Szold

National Chairman

Abba Hillel Silver

National Co-Chairmen

Stephen S. Wise
*Chairman,
Administrative Committee*

Louis Lipsky
*Chairman,
Executive Committee*

Solomon Goldman
Israel Goldstein
Edmund I. Kaufmann
Morris Rothenberg

Treasurer

Charles J. Rosenbloom

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Charles Ress
Elihu D. Stone
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David Wertheim

Executive Director

Henry Montor

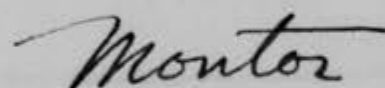
February 21, 1941

Dr. Abba Hillel Silver
The Temple
Cleveland, Ohio

Dear Dr. Silver:

You may be interested in an exchange of correspondence between Mr. Samuel Goldhamer and Mr. Simon Shetzer, Chairman of the Committee on the Referendum for Budgeting.

Cordially yours,



Henry Montor
Executive Director

HM:FE

\$12,000,000 War Emergency Campaign
UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (KEREN HAYESOD)
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Louis E. Levinthal
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Elihu D. Stone
Joe Weingarten
David Wertheim

Executive Director

Henry Montor

February 24, 1941

Dr. Abba Hillel Silver
The Temple
Tenth and Ansel Roads
Cleveland, Ohio

Dear Dr. Silver:

The B'nai B'rith has not yet sent out its letter on national budgeting. I have been assured by both Mr. Monsky, who was here last week, and by Mr. Bisgyer that the B'nai B'rith is planning to send out such a letter and that I will receive it within the coming days. I too wish that this would be expedited but apparently it is not possible to rush these people.

With kindest regards, I am

Cordially yours,

Henry Montor
Henry Montor
Executive Director

HM:JB

REPORT OF THE
COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS

(As approved by the Board of Directors, February 1, 1941)

Council of Jewish Federations and Welfare Funds
165 West 46 Street New York City

February 24, 1941

REPORT OF THE COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS

(As approved by the Board of Directors, February 1, 1941)

ORIGIN OF COMMITTEE

At the May 18, 1940 meeting of the Board of Directors of the Council, a resolution adopted at the Western States Regional Conference in Salt Lake City on April 15, 1940 was submitted requesting the Council to set up a National Budgeting Committee. This specific action calling for a committee of the Council to study national and overseas agencies, to determine on the proper allocation of budgets and services among these agencies, and to give advice with respect thereto to the member agencies was one of a series of similar actions and expressions of opinion of member agencies, individually and through their regional organizations, over a period of years.

The Board on May 18th, after careful discussion of the requests, provided for a special committee to study the problem of national budgeting under the following resolution:

That the President of the Council appoint a committee, including representatives of large and small welfare funds and of unorganized cities, to study and report to the Board of Directors on proposals for national budgeting, collect facts with reference to the agencies involved, and consult with national and overseas agencies concerning the desirability and the methods of procedure that might be involved if a national budgeting process were to be established.

This committee was also authorized to enlist other members for the committee in addition to those mentioned in the resolution and to secure necessary funds for its work outside of the regular budget of the Council.

MEMBERSHIP OF COMMITTEE

Following the May 18th Board meeting, the committee was appointed in June with the following active members:

Jacob Blaustein, Chairman

William Rosenwald, Acting Co-chairman

Mrs. Dora Ehrlich, Detroit

Henry Montor, New York City

A. Richard Frank, Chicago

Stanley C. Myers, Miami

Samuel Goldhamer, Cleveland

Ben M. Selekman, Boston

Samuel A. Goldsmith, Chicago

William J. Shroder, Cincinnati

William Haber, New York City

Edward M. M. Warburg, New York City

Joseph C. Hyman, New York City

James L. White, Salt Lake City

George L. Levison, San Francisco

Rabbi Abba Hillel Silver, Cleveland

Solomon Lowenstein, New York City

Ira M. Younker, New York City

DISTINCTION BETWEEN THE COMMITTEE TO STUDY NATIONAL BUDGETING PROPOSALS AND THE 1940 UNITED JEWISH APPEAL ALLOTMENT COMMITTEE

This Committee to Study National Budgeting Proposals should not be confused with the 1940 United Jewish Appeal Allotment Committee.

The latter was concerned with the three beneficiary organizations in the 1940 UJA (i.e., Joint Distribution Committee, United Palestine Appeal and National Refugee Service) as regards the allotment of funds obtained from the 1940 UJA campaign — and its decisions were mandatory on the three agencies. The 1940 UJA Allotment Committee was composed of two members each of the JDC and UPA and three members (with an alternate) representing the welfare fund cities appointed by the Council with the approval of the constituent agencies.

The Committee to Study National Budgeting Proposals is not limited in its considerations to the three (JDC, UPA and NRS) organizations but is concerned with the problems in connection with all national and overseas agencies which make appeals for funds regularly to local communities. Although its membership includes individuals affiliated with several of the national and overseas agencies, it was appointed by the Council to study national budgeting proposals. Unlike the authority of the UJA Allotment Committee, the conclusions of a national budgeting committee would be solely advisory in character and would not necessarily determine the actual distribution of funds since such distribution would depend ultimately upon local community actions and decisions.

It might be added that both of these committees were set up long before it appeared that there would be no 1941 UJA.

INITIAL STEPS OF COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS

As a first step in discharging the responsibilities of the Committee on the Study of National Budgeting Proposals, the staff of the Council was asked to prepare an analysis of the problems involved and the possible procedures, advantages and disadvantages of national budgeting services. A thorough and comprehensive memorandum on these aspects was prepared with the active participation of the co-chairmen of the Committee and circulated among the members of the Committee in September 1940 with the request that the Committee members study it carefully and forward their comments in advance of an October meeting of the Committee. This was done, and comments were received from practically all members.

COMMITTEE AND BOARD ACTIONS LAST OCTOBER

The Committee met in New York City on October 25th. All but five members (Rabbi Silver, Mrs. Ehrlich and Messrs. Selekman, Warburg and White) were present. Rabbi Silver, Mrs. Ehrlich and Mr. White had previously written their comments on the memorandum. These had been distributed to the other members of the Committee and were carefully considered at the meeting. After full consideration of the various phases of the problem, preliminary recommendations were prepared and presented to the Board of Directors on the following day. The conclusions reached by the Committee (with partial objection on the part of Mr. Montor) and presented to the Board were as follows:

- 1) Budgeting of national and overseas agencies should be considered as one aspect of the program of local communities. Such a program must take into account the total American responsibility for needs of both a general nature and those of special interest to Jews.
- 2) A national budgeting process in principle is desirable and necessary.
- 3) The functions of the Committee should be to obtain complete data from all agencies, to evaluate the work of each agency and to recommend to the communities comparative allocations to the different agencies.
- 4) The Committee should ultimately consider the programs and expenditures of all national and overseas agencies applying to welfare fund communities for support. But as a first step, the Committee believed it should review the work of the Allotment Committee of the 1940 UJA and on the basis of this experience, to consider means of extending similar studies to agencies operating in similar or related fields. It was assumed that such studies would be undertaken with the cooperation of the agencies studied.
- 5) The Committee should consider the personnel and costs necessary to conduct such studies.

This report was adopted by the Board on October 26th, and the Committee was authorized "to take such further steps as may be necessary to develop plans for the establishment of a system of national budgeting."

APPRAISAL OF THE PROCEDURES AND RESULTS OF THE 1940 UJA ALLOTMENT COMMITTEE AND THE INQUIRY CONDUCTED BY IT

The Chairman of the Committee then asked the staff of the Council to make an appraisal for the Committee's review of the procedures and results of the Allotment Committee of the 1940 UJA and the Inquiry conducted by it. The report of the Inquiry and the auxiliary studies made have not been

officially released but opportunities were had to discuss questions involved with members of the Allotment Committee and the professional staff of the Inquiry. There was also opportunity to read some of the reports prepared by the Inquiry which are in process of being edited and which will be officially released to this Committee when edited.

The conclusions which the Committee has reached in its study of the Allotment Committee procedures are as follows:

- 1) It has been demonstrated that a group serving as a Budgeting Committee, especially those members who do not represent the beneficiary agencies, can arrive at definite and reasonable judgments concerning needs of agency programs in relation to available funds.
- 2) The procedures of the Inquiry indicated that more effective impartial methods of study and evaluation might have been developed in an independently conducted inquiry. It is, however, generally believed that the experience and information of the agencies is required for an adequate interpretation of collected data, and that advisory services of beneficiary agencies should be continued in the study process.
- 3) It should be stated again and recognized that the Allotment Committee of the UJA differed from a national budgetary service that would be set up by welfare funds under the auspices of the Council in at least one important function. Decisions of the Allotment Committee of the UJA were mandatory on the division of funds. Conclusions reached by an independent national budgeting committee would be solely advisory in character since welfare fund distribution would depend ultimately upon local community actions and decisions.

FINAL RECOMMENDATIONS AT THE JANUARY 30, 1941 MEETING OF THE
COMMITTEE ON THE STUDY OF NATIONAL BUDGETING PROPOSALS.

These recommendations were unanimously approved (among the members present) at a further meeting of the Committee on January 30, excepting that Mr. Montor objected to most of them. Letters were received from Rabbi Silver and Mr. Goldhamer who could not be present in which they stated their general positions. Rabbi Silver is opposed to what the Committee proposes, Mr. Goldhamer is in favor of it.

The Committee believes that there would be considerable value in an advisory national budgeting service which would translate into factual terms, and programs of agencies that are presented in fund raising appeals.

It is believed that such impartial evaluations and studies, conducted with the cooperation of the participating agencies, would serve the following useful purposes, among others:

- 1) For the local communities: it would give to the many thousands of local contributors who represent every existing community interest and whose broad base of support makes possible the national and overseas programs carried on, the specific answers to the many questions constantly being asked by them with respect to the operations and functions of these agencies; it would assist their local budgeting committees in being fair and impartial in supporting these organizations and in reaching equitable decision with respect to them, it would help bring about improved coordination and less duplication of effort among the beneficiary organizations towards the goal of better economy and greater efficiency, and it would place them in better position to collect maximum sums within their communities for these causes;
- 2) For the national and overseas agencies: Contributors are asking questions and they want the answers -- and they want them objectively from an unbiased and authoritative source. From now on, campaign efforts must appeal to both the head and the heart. The story of needs and wants must be told -- but the analytical record must be there to back it up. It is believed that greater funds will be forthcoming when contributors are convinced from sources other than the particular agencies themselves that necessary jobs are actually being done at the lowest cost of doing them.

It is believed that the following will answer some of the objections sometimes raised against a national budgeting service:

- 1) Contacts between the national and overseas agencies and the local communities need not, and should not, be eliminated. On the contrary it is believed by this Committee that the educational work, and the creation of interest, by the agencies within the local communities should go on.

- 2) Setting up a National Budgeting Service does not in itself mean the removal of separate applications to the local communities by the different agencies. That, to some degree at least, might be desirable, but whether future appeals would be separate or united, and if united, to what extent, would always be the result of other decisions. In any event, whether future appeals will be separate or united, they would be helped by a National Budgeting Service.
- 3) A National Budgeting Service does not mean that decision on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies would, and should, also play their part. But there should be a balanced consideration of the intangibles with the tangibles. Incidentally, we think it is a mistaken idea of some that only the leaders in a particular organization can judge it fairly and honestly.
- 4) There is nothing in a National Budgeting Service that would prevent local communities from assuring contributors that funds are being distributed in accordance with the wishes of those contributors. For it must be borne in mind that the findings of the National Budgeting Service would not be mandatory upon either the agencies or the local communities. Its work would be purely advisory in character and the local communities would avail themselves of the findings of the National Budgeting Service only to the extent they deemed it desirable.

With the dissolution of the UJA and the immediate requests from many of the Council's member agencies for assistance in dealing with the problem of 1941 budgeting, the President of the Council requested the Committee to study the situation and to make recommendations to the Board of Directors at its meeting in Atlanta on January 31st, for later submission to the General Assembly there. The Committee has considered the new conditions created by the discontinuance of the UJA and the problems that will face local budget committees in dividing funds among the three agencies instead of allotting one lump sum to a joint appeal. The Committee has applied to this problem the principles and conclusions which it had reached in its study of the whole problem of national budgeting and presents the following over-all recommendations:

- 1) In methods of joint fund raising and distribution of funds, the UJA with its Allotment Committee made a real contribution in the development of agency cooperation, in efficiency of fund raising appeals, and in establishing excellent relationships between the agencies of the UJA and the local welfare funds. The Committee believes that the dissolution of the UJA was unfortunate and undesirable. It is late, but not too late, to have a 1941 United Jewish Appeal, provided there is a will and desire on the part of all parties to do so. That seems to be the overwhelming desire of the welfare funds and their contributors over the country all of whom are genuinely concerned with, and interested in, the programs of these agencies and perform important functions for them. This desire they have strongly indicated. The Committee urges that another immediate effort be made toward that end with such help as the Council can render, - and it is suggested that if the former conferees of the agencies cannot agree on a 1941 UJA, other methods of negotiations be attempted, such as the inclusion in the negotiations of the present neutral members of the Allotment Committee, or in any other way that the agencies believe would be helpful, including if they deem it desirable, the appointment of other agency conferees.

Furthermore, the Committee believes that all possible steps should be taken to establish methods of joint appeals and inter-agency cooperation in arriving at equitable fund allocations for all agencies operating in the same or related fields of service.

- 2) Even if there will not be a 1941 UJA, the Committee believes local communities should not permit the Causes to suffer, but on the contrary that the local communities should do their utmost in supporting them.

Further, the Committee believes that joint fund raising by local communities is inherently correct and should be continued.

- 3) The Committee believes that a competent and intensive process of fact finding both on programs of service and on financial experience should be continued and that these studies should be under the auspices of a committee of the Council.
- 4) The Committee believes in the establishment of a national budgeting service, advisory in character, which will help local communities evaluate the relative needs of separate agency appeals.
- 5) The Committee recommends to the Board of the Council that there be proposed to the General Assembly that the Council take steps immediately to set up a National Advisory Budgeting Committee with proper facilities for studies and evaluation of agencies. These functions might be entrusted to the present Committee on the Study of National Budgeting Proposals.
- 6) The Committee recommends that from time to time, as opportunity and fact finding are made available, sub-committees be appointed to specialize in the study of each different field of agencies.
- 7) As a first step and to give precedence and immediate consideration to the three agencies that constituted the 1940 UJA, i.e., the Joint Distribution Committee, the United Palestine Appeal and the National Refugee Service, the Committee recommends that a Special Commission of not less than five members or more than nine members be named for the year 1941 by the President of the Council, the Chairman of its Board and the Chairman of its Committee to Study National Budgeting Proposals, and approved by the Board of Directors of the Council. This Commission shall consist of laymen who, after appointment, shall sever connections which they may have on the Boards of the three agencies under review.

The decisions of this Committee shall be final in its advisory recommendations to the welfare funds and shall not be subject to change by the Council. Its findings and recommendations shall be transmitted to member agencies through the Council office, and the Council office shall be authorized to transmit to this Special Commission any inquiries, suggestions or recommendations of its member agencies. This Commission shall be authorized to employ such staff as may be required for its purposes, the cost to be financed by the Council.

- 8) The Committee recommends as a method of procedure, that the three welfare fund members of the 1940 UJA Allotment Committee be looked to for guidance in recommending a basis for initial allotments to the three agencies formerly in the UJA, which can serve as a guide to welfare funds conducting early campaigns in 1941. One type of proposal to deal with the problem of initial installments under discussion is as follows:
 - a. That welfare funds in 1941 set aside a total amount to cover the allocations to be made to the JDC, the UPA and the NRS.
 - b. That an initial installment up to 60 percent of the total be distributed among the three agencies on the basis of the total 1940 allotments to these agencies made by the UJA from nationally collected funds, i.e., \$6,050,000 to the JDC, \$2,900,000 to the UPA, and \$2,500,000 to the NRS. (The NRS also received \$1,000,000 directly from the New York City campaign of the UJA for its local New York services.)
 - c. That on the basis of continued studies, the Special Commission to be established as outlined above, should recommend not later than May 30, 1941, a basis for total 1941 allocations to these three agencies. The final 1941 allocation would take into account the needs of these agencies, the new factors in needs and program that have been developed, and would attempt to adjust the final recommended allocations on the basis of agency needs and operations.
- 9) The Committee has also been asked to express an opinion now, on the 1941 campaign goals of the agencies formerly in the UJA. It is in no position at this time to suggest the total budgets of the agencies to which local welfare funds should relate their individual allotments. On the basis of facts available, it believes that welfare funds should try to secure for these agencies funds substantially in excess of the amounts secured by the UJA in 1939 and 1940. It fully accepts the fact that insofar as the overseas agencies are concerned, the needs to be met are overwhelming in character and that within the total program of local and American obligations, communities have

a responsibility for securing maximum funds for major overseas causes.

Similarly, we in the United States, have sole responsibility for caring for the refugees who come to this country, and must continue to care for them on the basis of the standards which have been established for local American responsibility. The Committee therefore suggests that within the responsibilities of local funds for total American and overseas needs, welfare funds should exceed the sum raised in 1939 and in 1940 for the UJA by the largest possible sum which they can effectively secure in their respective communities.

CONCLUSION

This report was unanimously approved (excepting objection by Mr. Montor) at the last meeting of the Committee to Study National Budgetary Proposals. It has been submitted to you in detail. The Committee feels that the importance of the subject requires it.

A MINORITY REPORT
ON THE PROPOSAL TO ESTABLISH A NATIONAL ADVISORY BUDGET SERVICE

(Submitted by Mr. Henry Montor, New York)*

- * Mr. Montor has informed Council office that this minority report submitted by him has the endorsement of Dr. Abba Hillel Silver, Cleveland, and Mrs. Dora Ehrlich, Detroit, who together with Mr. Montor were members of the Committee to Study National Budgeting Proposals. The Committee appointed by the Council consisted of 18 individuals including the Chairman and Acting Co-Chairman.

February 24, 1941

THE MINORITY REPORT
OF THE COMMITTEE TO STUDY NATIONAL BUDGETING PROPOSALS

THE ISSUE

The Jews of America are now called upon to decide whether the funds they raise annually in their local communities through Welfare Funds (or similar campaign bodies) are to be distributed through the decision of their own local budgeting committee; or by a small national committee to be named by the Board of the Council of Jewish Federations and Welfare Funds.

EFFECT OF "ADVISORY" RECOMMENDATIONS

It is suggested by the Majority of the Committee that any recommendations that are made to local communities for the distribution of funds will be "advisory" in character. Experience indicates, however, that such "advisory" opinions are bound to become mandatory in effect. The "advisory" recommendations of a national budgeting committee, clothed with authority by the Council of Jewish Federations and Welfare Funds, with all the publicity that will be centered upon it, and all the prestige which would accrue to it, would, as a matter of course, exercise tremendous pressure upon local communities.

If the recommendations of allotments and ratios are to be purely "advisory" in character, it is evident that agencies in the national and overseas fields will continue their separate efforts to persuade the local communities with respect to the merits of their requirements. They will continue an independent presentation of their needs in each community. What purpose then is served by a National Budgeting Committee? Obviously, it is intended that the "advice" of the Budgeting Committee shall become binding upon the communities.

The creation of a National Budgeting Committee, styled "advisory", will have the following consequences:

- (a) It will have the effect of eliminating the educational value which Jewish leaders in every community derive from a close study of the needs and the relevant facts with respect to the agencies applying to their Welfare Funds.
- (b) It will create a hard mold of uniform thinking which must in time unfavorably affect Jewish thought and movements in the country. The thinking of a small committee, hand-picked by the Council, will be substituted for the thinking of representative men and women in hundreds of cities in the United States. The relationship between the local community leaders and the causes which they are called upon to serve, and in whose behalf they are asked to raise funds, will become steadily more remote, less personal and less informed.
- (c) The "advice" of a National Budgeting Committee, colored by its ideologic bias, will come to serve as a fixed pattern for all Jewish communities in America.

FACT-FINDING IS NOT THE ISSUE

The Council of Jewish Federations and Welfare Funds has ample power at the present time to make factual studies of every organization appearing before local Welfare Funds for contributions. Moreover, we are strongly in favor of expanding any service given by the Council in order to supply local communities with factual data on the basis of which they may make equitable decisions in the matter of distribution of funds.

These facts, to a large degree, are already available, and as a result of the cooperative process which has been developed between the Council and the various organizations, there are being created new and expanded forms of information dealing with every phase of the activities of these organizations in America. Every community in America can have at its disposal all the pertinent data with respect to their purposes, their past expenditures, as well as detailed analyses of their current budgets. This material is collected by the Council, and can be available to all Welfare Funds.

If it is only facts that are involved, why is a National Budgeting Committee being proposed to "evaluate" these facts? It is because the facts must be interpreted and, being interpreted, they involve a subjective approach.

WHAT IS MEANT IS EVALUATION

The Majority Report acknowledges the role which varying points of view will play in the drafting of national budgets. It is frank enough to say that the introduction of a national budgeting service

"does not mean that decisions on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies, would and should also play their part."

Differences of opinion on ideologies are bound to determine decisions with respect to the facts. The attempt to evaluate ideologies by a National Budgeting Committee constitutes one of the most dangerous innovations in American Jewish communal life. It will sharpen and multiply conflict and divisiveness in every community.

It beclouds the issue to make it appear that basic to the idea of the National Budgeting Committee is the desirability of setting up a fact-finding agency. The real purpose is not so much to find the facts, which are available in abundant measure, but to set up a group of men nationally selected to whom is to be entrusted the exclusive responsibility for fixing ratios of apportionment for all agencies participating in the local Welfare Funds.

This tremendous responsibility is to be given to a group of what is called fair-minded, impartial men. It is obvious, however, that if there are any men competent through experience and knowledge to act for and on behalf of American Jewry in matters of such great importance, they must have acquired a definite point of view with regard to the various problems of Jewish life; and they are bound to be conditioned by the ripened conclusions they have arrived at with regard to these problems. There are leading personalities in the American Jewish community who are well-meaning, devoted and conscientious, but they invariably have a point of view and, whatever it may be, it has been tempered by their economic, social and cultural heritage and environment. In this sense, every man belongs to one or another group in American Jewish life.

In the upper economic level one point of view seems to predominate. It usually has great influence in communal life. The democratic procedure in the community serves the public interest by averaging the majority opinion against the view of individual leaders. Out of the amalgam, the state of mind of the specific community, however colored, is fairly reflected; but to abstract from each community one or two personalities occupying place and prestige in the upper economic level with their preconceived notions on the problems of Jewish life, would provide not an accurate cross-section of communal opinion, but would register merely the views of the top layer of one group.

If American Jewry would be raising sufficient funds for the needs of all the agencies, it might be possible to apportion the funds on the basis of determinable expenditures. But the amounts collected are so inadequate and the decisions reached deal chiefly with minimum requirements, so that the question of evaluation arises and plays an important part in determining programs of work. In the field of evaluation the subjective point of view assumes dominant significance. But evaluation there must be somewhere along the line. How is such evaluation to be reached as between one cause and another?

That is a function that can best be exercised in the local communities where the funds are raised and where local public opinion has a chance to control.

THE 1940 RATIOS ARE OBSOLETE

The Majority Report includes the suggestion that 1940 ratios might be one of the measuring rods to be used in making initial allocations in 1941. It is a regrettable departure from the impartial fact-finding service which the National Budgeting Committee proposes to set up to suggest ratios at this time. It should be emphasized that the 1940 ratios for the agencies constituting the United Jewish Appeal were not the result of scientific evaluation. They were the result of an agreement between the JDC and the UPA, as is indicated by the fact that only a small percentage of the total sum raised by the United Jewish Appeal was actually divided by the 1940 Allotment Committee. In other years there were other agreements. Enormous changes have taken place within the past year so that any adherence to former ratios would be as unfair as to use the standards of 1936 or 1939 as the criteria of how funds raised by American Jewry in 1941 may be most constructively used.

By urging that the 1940 ratios be accepted by American Jewish communities as a guide in the distribution of funds raised in 1941, the Committee to study National Budgeting Proposals has already infringed upon the functions of any budget committee to be set up, by removing from its competence the largest part of what might be subject to its decisions and by prejudicing in advance the thinking of such a budgeting committee with respect to the needs of the agencies in 1941.

WHO IS AFFECTED BY NATIONAL BUDGETING PROCESS?

There is an erroneous belief that all that is involved in the proposals for National Budgeting is the determination of ratios for the three agencies formerly in the United Jewish Appeal. Once there has been entrusted to a small committee of the Council the power to recommend ratios, it is clear that all agencies, causes and movements in Jewish life will come under its jurisdiction and control.

Are the civic-protective agencies, with their varying approaches to the Jewish problem, prepared to entrust their fate into the hands of a small body of men who may or may not share their fundamental convictions? In the field of Jewish education, will the lay and professional educators accept the point of view of some men whose philanthropic outlook on Jewish life does not necessarily include an appreciation of Jewish education?

Can any movement, having its roots in deep convictions concerning Jewish life and destiny, place its fate in the hands of those who are not animated by the same convictions and outlook? Is it cause for wonder, then, that these proposals have aroused the greatest anxiety and opposition?

Until such time as Jewish communities in America are democratically organized in Jewish community councils, and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it, reinforced by such factual information and data as the Council will supply.

Welfare Funds now make local decisions with respect to scores of causes. They are not deterred from making contributions to such organizations as the American Jewish Committee, American Jewish Congress, B'nai B'rith and Jewish Labor Committee, although they function in similar fields. Support is not withheld from Hias because its activities are in the same area as both the

National Refugee Service and the Joint Distribution Committee, nor from Ort.

To make it appear that unity in American Israel will be preserved or achieved by this device of National Budgeting is to mislead and to confuse the real issue. The real issue is control and domination!

THE MINORITY RECOMMENDATIONS

The Minority members were compelled to reject the proposals of the Majority members as harmful and dangerous. In place of them they submit the following proposals:

- (a) Every reasonable effort should be made to work out an equitable arrangement for a reconstitution of the United Jewish Appeal in 1941.
- (b) If these efforts fail and there will not be any United Jewish Appeal in 1941, the Committee urges local communities to consider the independent applications of the former beneficiaries of the United Jewish Appeal in the same spirit of fairness as they did before there was a United Jewish Appeal, and to allocate to each agency such amounts as their judgment, after a study of all available facts, will suggest. There should be no delay in fixing allocations or in proceeding immediately with a united campaign in each community. Delay means a paralysis of the 1941 campaign.
- (c) The Minority members of the committee believe that the fact-finding activities of the Council should be continued and enlarged.

THE COUNCIL SHOULD REMAIN A FACT-FINDING BODY

The Council of Jewish Federations and Welfare Funds was created eight years ago to correlate information for the use of Welfare Funds and to further Jewish communal organization.

We urge against transferring to the Council a power too great for any handful of men to wield, when the fate of great causes is at stake.

WHAT WILL BE THE DECISION OF THE WELFARE FUNDS?

The Welfare Funds of America are now engaged in a referendum to determine whether they shall accept the Majority Report or the Minority Report.

We are a people who have valued and fostered freedom of opinion. Our communities have been open to all appeals - religious, sociological, national and educational. It was always conceded that all Jews cannot have the same uniform ideology but that each individual and every group have the right to adhere to any ideological principles they may find compatible with their thinking, giving all other Jews the freedom to do the same thing.

Whatever may be the guise under which the proposals of the Majority will be submitted to a referendum of the Welfare Funds, the consequence of acceptance will be that American Jews will have turned over to a small committee of men not only the right to determine how the funds they contribute may be put to use, but also the power to determine the value and the relations of the views, aims and aspirations which are part of Jewish life in the United States. The determining of this issue gives power to the small committee to determine the destiny of American Jewry. That power should be retained by the local communities and should not be handed over to any National Budgeting Committee.

The Minority Report asks of the Welfare Funds endorsement of the Proposal that the fact-finding services of the Council should be expanded but that the work of evaluation and of budgeting be left to the individual community where it properly belongs.

COMMUNITIES WHICH REJECTED PROPOSAL

Selma, Ala.
Long Beach, Calif.
Los Angeles, Calif. (JCC)
Bridgeport, Conn. (JCC)
New Haven, Conn.
Waterbury, Conn.
Washington, D. C.
Miami, Fla.
Rockford, Ill.
Rock Island, Ill.
Fort Wayne, Ind.
Sioux City, Iowa
Louisville, Ky.
Fitchburg-Leominster, Mass.
Holyoke, Mass.
Lowell, Mass.
New Bedford, Mass.
Springfield, Mass.
Detroit, Mich.
Pontiac, Mich.
Duluth, Minn.
St. Paul, Minn.
Joplin, Mo.
Omaha, Neb.
Bayonne, N. J.
Camden, N. J.
Newark, N. J.
Trenton, N. J.
Albuquerque, N. M.
Albany, N. Y.
Middletown, N. Y.
Newburgh, N. Y.
Niagara Falls, N. Y.
Rochester, N. Y.
Schenectady, N. Y.
Troy, N. Y.
Utica, N. Y.
Watertown, N. Y.

Asheville, N. C.
Canton, Ohio
Cincinnati, Ohio
Columbus, Ohio
Dayton, Ohio
Steubenville, Ohio
Warren, Ohio
Tulsa, Okla.
Portland, Oregon
Easton, Pa.
Harrisburg, Pa.
Johnstown, Pa.
Philadelphia, Pa.
Pittsburgh, Pa.
Reading, Pa.
Scranton, Pa.
Sharon, Pa.
Wilkes-Barre, Pa.
Knoxville, Tenn.
Norfolk, Va.
Spokane, Wash.
Tacoma, Wash.
Madison, Wisc.
Milwaukee, Wisc.
Sheboygan, Wisc.

Feb. 24-1941

200 - 2¢ stamps

\$4.00 total



Council of Jewish Federations and Welfare Funds,
Inc.

including the Bureau of Jewish Social Research

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

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Executive Director H. L. LURIE · *Associate Director* GEORGE W. RABINOFF

February 25, 1941

Jewish Welfare Fund
Chester-Twelfth Building
Cleveland, Ohio

Gentlemen: Attention of Rabbi Abba Hillel Silver, Chairman

The General Assembly of the Council of Jewish Federations and Welfare Funds, at its meeting in Atlanta on February 2nd, received the final report and recommendations of its special Committee on National Budgeting Proposals. This Committee had been authorized at the Board's May 1940 meeting in response to the many requests from the Council member agencies throughout the country. After an intensive study, the Committee defined basic principles for a national advisory budget service which were adopted at the October 1940 meeting of the Board of Directors.

The final report of the Committee, considered at Atlanta, recommends that every additional effort should be made to bring about a re-establishment of the United Jewish Appeal for Overseas and Refugee Needs. The report also urges local communities to do their utmost to support the overseas and national causes. The report reaffirms the principle of joint fund raising by local communities and advises that this principle be strengthened, irrespective of whether the appeals are received from the agencies separately or jointly. These recommendations of the Committee received unanimous approval.

The other major recommendation of the report -- the establishment of a national advisory budget service -- was accepted by the Committee after careful consideration, with one dissenting vote. The report indicates the feasibility of establishing such service and expresses the belief that they can be made increasingly helpful to the Council's member agencies. The Board of Directors of the Council, after full discussion of all phases of the matter, adopted the Committee's report and recommended that such an advisory service be made available to assist member agencies with their budgeting problems. Seventeen members of the Board of Directors voted in favor of the proposal and five against.

The Board had intended to present the proposal to the General Assembly at Atlanta for action. However, this was not feasible, due to the fact that the Committee on Credentials (Mr. Joseph P. Loeb, Los Angeles, Mr. Simon Shetzer, Detroit and Mr. Reuben B. Resnik, Dallas) reported that the by-laws of the Council

on member-agency voting were somewhat ambiguous as to voting procedure and did not clearly indicate who might be considered "accredited voting delegates" at the Assembly. Therefore, the Board decided to refer the matter to the entire membership so that each member agency might have an opportunity to register its views.

It therefore becomes necessary for your agency to consider the proposal. April first has been set as the date for completing the voting, and we request that you bring this to the attention of your organization officially as soon as possible. The ballots will be counted in accordance with the provisions of the by-laws indicating the number of votes to which each member is entitled.

You will find enclosed with this communication the following documents:

1. The Report of the Committee to Study National Budgeting Proposals which was approved by the Council's Board of Directors.
2. A Minority Report, submitted by Mr. Henry Montor.
3. A list of member agencies and the number of votes to which each is entitled.
4. Two copies of the referendum ballot, - one to be returned to the Council office, and a duplicate for your files.

The details of the national advisory budget service are contained in the committee report beginning on page 8 with item 3 and including Items 3, 4, 5, 6 and 7.

Specifically the plan provides for:

1. A National Committee representing welfare funds to furnish an advisory budget service for member agencies.
2. A competent fact-finding service to make intensive studies of the programs and finances of the various overseas and national agencies appealing to welfare funds for support, together with such other studies as may be required by the Committee or be helpful to member agencies.
3. As a first practical step, a Special Commission of 5 to 9 lay representatives of member agency cities to deal with the specific problem of the three agencies heretofore included in the UJA, and make recommendations concerning the requirements and budgetary needs of these agencies for 1941. This special commission will act independently, as outlined in Item 7 (pp. 8-9).

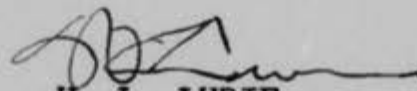
COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.

Page 3

Approval of the project means only that the Council will be authorized to extend its fact-finding services, to transmit evaluations and recommendations and submit them to member agencies for such use in local budgeting as each community cares to make of them. It should be specifically understood that favorable action on this proposal by a member agency does not in any sense bind it to use, accept or to be guided by any recommendations that may grow out of the project. Since a large number of our member agencies have expressed a desire for this type of budget service, approval by your organization and other members will permit the Council to give this service to those who want it.

I hope it will be possible for your agency to take action promptly so that the Board of Directors may proceed. Please advise the Council office if any further information or explanation is desired.

Very sincerely,


H. L. LURIE
Executive Director

HLL/ed
Enclosures

THE PEOPLES BANK AND SAVINGS COMPANY
CINCINNATI, OHIO

WILLIAM J. SHRODER
PRESIDENT

February 25, 1941

Dear Rabbi Silver:

As one of those in your community most active in Jewish welfare and communal activities you will, I am sure, be more than passingly interested in the referendum which the Council of Jewish Federations and Welfare Funds is conducting among its 203 member federations, welfare funds and community councils in 167 cities on the plan to set up a national advisory budget service.

At its meeting in Atlanta, preceding that of the Assembly, the Board of Directors approved the report of its Committee on the Study of National Budgeting Proposals, which report recommended the establishment of an advisory budget service, and ordered that a referendum be held to determine the views of the Council's member organizations.

Each member organization of the Council will soon receive a ballot on which to record its views. Copies of the Committee's report and of the minority report, opposing certain aspects of the proposals are also being sent. Each member organization must act on the referendum before April 1, 1941.

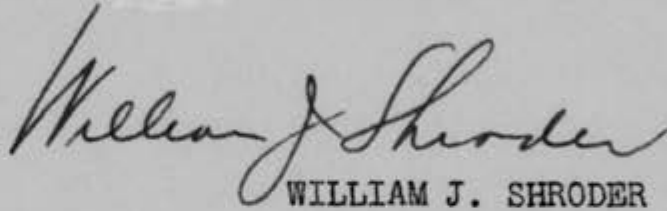
I feel it my duty, as Chairman of the Board, to try to make its conclusions effective by urging the member organizations of the Council to approve the proposals. I think my reasons will interest you. I am sending you a prepared statement of my thinking, outlining what I believe these proposals will mean to the future of Jewish community organization in this country and why a large majority of the Board of the Council and I are so strongly in favor of their adoption.

In the past two decades we have made progress in the intelligent planning of our welfare programs, - the integration of Jewish with the general American community programs, and the effective organization of our Jewish communal affairs. From a more or less chaotic, ineffective and disorganized state of Jewish community activity, we have in varying degrees in different cities, advanced to integrated, fairly harmonious and fully functioning communities, alive to their great responsibilities for the needs of the Jewish group, at home and abroad. In these difficult days it is more essential than ever that this process should continue and that our efforts to meet our total obligations, both to our Jewish causes and to the general American community of which we are an important part, be intelligently planned and effectively executed.

Page 2

I believe that the proposals upon which the Council member organizations have been requested to vote are constructive. The proposed services would help communities to deal with their varied responsibilities with a broad perspective and to relate the many insistent demands upon them to the sum total of Jewish needs. They should be of great aid in organizing our total resources to meet the overwhelming requirements of the Jewish group here and overseas, and to the realization of the aims of all of us as Jews and as Americans.

Sincerely,

A handwritten signature in cursive script, reading "William J. Shroder". The signature is written in dark ink and is positioned above the printed name.

WILLIAM J. SHRODER

February 25, 1941

STATEMENT ON BUDGETING PROPOSALS
by William J. Shroder

For years, the budget committees of local welfare funds have been demanding that the Council provide them with more information and help in their task of allocating funds to the many regional, national and overseas causes appealing for support. They have been helped but not satisfied by the Council's reports on the income and expenditures of the non-local agencies. They have been insistent that their national service agency - the Council - provide them with the facts on needs and programs which only a complete research program could provide, as well as some method of measuring the extent of their obligations.

Feeling that it could no longer postpone definite consideration of these requests, the Board of Directors of the Council, at its meeting in May, 1940, appointed a committee, headed by Jacob Blaustein of Baltimore, to study the possibility of setting up a national advisory budgeting service to meet these demands.

That committee recommended that the Council set up a national advisory committee with proper facilities for studies and evaluation of agencies making appeals to local welfare funds. It also suggested that a special commission of 5 to 9 members be set up immediately to study and report on the specific 1941 needs and programs of the agencies in the 1940 United Jewish Appeal.

It is important that we know what a national advisory budgeting service will do as well as what it will not do for the communities. Certainly it will not solve the problems of the Jew in America nor meet the needs of Jews in other lands. But it will be a step forward in the intelligent and effective organization of Jewish community affairs. Specifically:

1. It will strengthen community organizations in this country - by developing improved relationships between the national agencies themselves, and between the national agencies and the local communities; by promoting a greater degree of efficiency and harmony in the conduct of community affairs; and by broadening the knowledge of divergent elements of each community of, and their interest in, all legitimate Jewish causes.

2. It will provide local communities with a broader picture and more complete understanding of the needs and aspirations of the Jewish groups both at home and abroad than has ever been available to them in the past. It will offer communities a reasonable gauge of their own responsibilities for meeting the vast needs.

3. It will lay a firm foundation for improved fund-raising programs in each community by basing appeals on authoritative and unquestioned facts and figures, objectively and fairly interpreted, rather than on competitive and often conflicting pressures.

4. It will encourage the development of more specific and realistic budgets by each of the national and overseas agencies, budgets embodying the recognition of the relationships of their own programs and expenditures to total needs and to the funds available at the moment or in the predictable future.

5. It will stimulate greater cooperation between the national agencies, especially those operating in the same fields, in regard to their functional programs, and might help eliminate any possible unnecessary duplication among them. This tends to improve the quality of work and possibly to permit savings which could be used for the extension of services or for other approved purposes.

On the other hand, there are a number of things which a national budgeting advisory service will not do:

1. It will not in any way affect the freedom of action of any member organization. It will not relieve the welfare funds from the task of making allocations to the causes appealing for support. Each community, as in the past, will decide how it wishes to dispose of its funds and to discharge its responsibilities, after studying or ignoring, the material provided by the national advisory budgeting service.

2. It will not, and should not, seek to eliminate contacts between national organizations and their sympathizers in each community. It would, on the other hand, promote wider understanding of all causes among all elements in the community.

3. It will not place responsibility, even to make recommendations, in the hands of individuals who might be considered opposed to any important Jewish cause. In order to be of any use whatsoever, the national advisory budgeting committee would have to be composed of fair-minded individuals commanding the respect of all elements in the Jewish community and known for their broad attitude toward all legitimate Jewish causes. They would have to be of the same type as the individuals who composed the neutral group which the Council named to represent the welfare funds in the 1940 UJA Allotment Committee, which distributed the funds entrusted to it to the satisfaction of all the agencies involved.

4. It would not reduce the responsiveness of any local budget committee to the interests and sympathies of local contributors. A national advisory budgeting service would have to take into account the degree of interest which contributors throughout the country manifest in the different causes and would have to carry on its work in collaboration with the national and overseas agencies being studied. It could not function otherwise.

The Board of Directors approved the proposals on February 1 in Atlanta by a vote of 17 to 5. They decided to submit the matter to a referendum of member organizations rather than to the General Assembly of the Council for two reasons. First: - the matter was considered important enough to require an expression of opinion from all member organizations, including those which were not represented at Atlanta. Second, the Credentials Committee at Atlanta, composed of Joseph P. Loeb of Los Angeles, Simon Shetzer of Detroit and Reuben B. Resnik of Dallas, reported that the status of official delegates to the General Assembly was not clear.

The boards of the Council's member organizations throughout the country should study the proposal in all of its aspects. They should be guided by calm reasoning on the effect of this proposal on the development of their community life and should not be influenced by its assumed effect on one cause or another. The good of our people as a whole supersedes any advantage to one or more of its parts. I trust that after considering its implications for improved Jewish community organization and for the strengthening of American Jewish life, the member organizations will act favorably on it in the forthcoming referendum.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.

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

FOR YOUR INFORMATION

February 26, 1941

The General Assembly of the Council of Jewish Federations and Welfare Funds, at its meeting in Atlanta on February 2nd, received the final report and recommendations of its special Committee on National Budgeting Proposals. This Committee had been authorized at the Board's May 1940 meeting in response to the many requests from the Council member agencies throughout the country. After an intensive study, the Committee defined basic principles for a national advisory budget service which were adopted at the October 1940 meeting of the Board of Directors.

The final report of the Committee, considered at Atlanta, recommends that every additional effort should be made to bring about a re-establishment of the United Jewish Appeal for Overseas and Refugee Needs. The report also urges local communities to do their utmost to support the overseas and national causes. The report reaffirms the principle of joint fund raising by local communities and advises that this principle be strengthened, irrespective of whether the appeals are received from the agencies separately or jointly. These recommendations of the Committee received unanimous approval.

The other major recommendation of the report -- the establishment of a national advisory budget service -- was accepted by the Committee after careful consideration, with one dissenting vote. The report indicates the feasibility of establishing such service and expresses the belief that they can be made increasingly helpful to the Council's member agencies. The Board of Directors of the Council, after full discussion of all phases of the matter, adopted the Committee's report and recommended that such an advisory service be made available to assist member agencies with their budgeting problems. Seventeen members of the Board of Directors voted in favor of the proposal and five against.

The Board had intended to present the proposal to the General Assembly at Atlanta for action. However, this was not feasible, due to the fact that the Committee on Credentials (Mr. Joseph P. Loeb, Los Angeles, Mr. Simon Shetzer, Detroit and Mr. Reuben B. Resnik, Dallas) reported that the by-laws of the Council on member-agency voting were somewhat ambiguous as to voting procedure and did not clearly indicate who might be considered "accredited voting delegates" at the Assembly. Therefore, the Board decided to refer the matter to the entire membership so that each member agency might have an opportunity to register its views.

It therefore becomes necessary for your agency to consider the proposal. April first has been set as the date for completing the voting, and we request that you bring this to the attention of your organization officially as soon as possible. The ballots will be counted in accordance with the provisions of the by-laws indicating the number of votes to which each member is entitled.

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1. A National Committee representing welfare funds to furnish an advisory budget service for member agencies.
2. A competent fact-finding service to make intensive studies of the programs and finances of the various overseas and national agencies appealing to welfare funds for support, together with such other studies as may be required by the Committee or be helpful to member agencies.
3. As a first practical step, a Special Commission of 5 to 9 lay representatives of member agency cities to deal with the specific problem of the three agencies heretofore included in the UJA, and make recommendations concerning the requirements and budgetary needs of these agencies for 1941. This special commission will act independently, as outlined in Item 7 (pp. 8-9).

Approval of the project means only that the Council will be authorized to extend its fact-finding services, to transmit evaluations and recommendations and submit them to member agencies for such use in local budgeting as each community cares to make of them. It should be specifically understood that favorable action on this proposal by a member agency does not in any sense bind it to use, accept or to be guided by any recommendations that may grow out of the project. Since a large number of our member agencies have expressed a desire for this type of budget service, approval by your organization and other members will permit the Council to give this service to those who want it.

I hope it will be possible for your agency to take action promptly so that the Board of Directors may proceed. Please advise the Council office if any further information or explanation is desired.

Very sincerely,

H. L. LURIE
Executive Director

HLL/ed
Enclosures

Committee on the Referendum for Budgeting

207 FOURTH AVENUE
NEW YORK, N.Y.

(In Formation)

SIMON SHETZER, Detroit
Chairman

February 26, 1941

DR. ISRAEL A. ABRAMS, Pittsburgh, Pa.
SAUL ABRAMS, Providence, R. I.
A. DAVID ADLER, Steubenville, Ohio
JUDGE SAMUEL BARNET, New Bedford, Mass.
MRS. OSCAR G. BENDER, Philadelphia, Pa.
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RABBI MORDECAI L. BRILL, Bethlehem, Pa.
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RALPH WECHSLER, Newark, N. J.
JOE WEINGARTEN, Houston, Texas
SAMUEL B. WEINSTEIN, Portland, Ore.
BEN R. WINICK, Knoxville, Tenn.
JAKE L. ZUBER, Houston, Texas

Dr. Abba Hillel Silver,
The Temple,
Cleveland, Ohio

Dear Dr. Silver:

The Council of Jewish Federations and Welfare Funds is now conducting a referendum among the member agencies of the Council. This referendum calls upon the Welfare Fund communities of America to decide whether they shall accept the majority report or the minority report of the Committee to Study National Budgeting Proposals, which was created by the Council in the latter part of 1940.

It is the belief of those of us associated with the Committee on the Referendum for Budgeting that the minority report should be adopted in the current referendum. I herewith enclose for your consideration a copy of the minority report which states in full the reasons which animate our opposition to the establishment of a National Advisory Budgeting Committee.

It is our hope that there will be free and unlimited discussion of this proposal within your community. We are convinced that the interests of Jewish life in America require not merely a discussion by the Board of a local Welfare Fund. There should, in addition, be reflected within the Board the sentiment prevalent in the local community. This is vital in view of the wide ramifications involved in the establishment of the Committee which, whatever its superficial advantages, must have serious repercussions on the development of autonomous, intelligent thinking on Jewish problems.

I shall be happy to hear further from you after you have had an opportunity to study the proposal and our point of view.

Cordially yours,

Simon Shetzer
Chairman

SS:MJB
Enc.

February 26, 1941

THE MINORITY REPORT
OF THE COMMITTEE TO STUDY NATIONAL BUDGETING PROPOSALS

THE ISSUE

The Jews of America are now called upon to decide whether in distributing the funds they raise annually in their local communities through Welfare Funds they will have before them complete facts on which to make their own decisions or whether they wish to use the predigested budgetary thinking of a small national budgetary advisory committee to be named by the Board of the Council of Jewish Federations and Welfare Funds.

EFFECT OF "ADVISORY" RECOMMENDATIONS

It is suggested by the Majority of the Committee that any recommendations that are made to local communities for the distribution of funds will be "advisory" in character. Experience indicates, however, that such "advisory" opinions are bound to become mandatory in effect. The "advisory" recommendations of a national budgeting committee, clothed with authority by the Council of Jewish Federations and Welfare Funds, with all the publicity that will be centered upon it, and all the prestige which would accrue to it, would, as a matter of course, exercise tremendous pressure upon local communities.

If the recommendations of allotments and ratios are to be purely "advisory" in character, it is evident that the agencies in the national and overseas fields will continue their separate efforts to persuade the local communities with respect to the merit of their requirements. They will continue an independent presentation of their needs in each community. What purpose then is served by a National Budgeting Committee? Obviously, it is intended that the "advice" of the Budgeting Committee shall become binding upon the communities.

The creation of a National Budgeting Committee, styled "advisory," will

have the following consequences:

- (a) It will have the effect of eliminating the educational value which Jewish leaders in every community derive from a close study of the needs and the relevant facts with respect to the agencies applying to their Welfare Funds.
- (b) It will create a hard mold of uniform thinking which must in time unfavorably affect Jewish thought and movements in the country. The thinking of a small committee, hand-picked by the Council, will be substituted for the thinking of representative men and women in hundreds of cities in the United States. The relationship between the local community leaders and the causes which they are called upon to serve, and in whose behalf they are asked to raise funds, will become steadily more remote, less personal and less informed.
- (c) The "advice" of a National Budgeting Committee, colored by its ideologic bias, will come to serve as a fixed pattern for all Jewish communities in America.

FACT-FINDING IS NOT THE ISSUE

The Council of Jewish Federations and Welfare Funds has ample power at the present time to make factual studies of every organization appearing before local Welfare Funds for contributions. Moreover, we are strongly in favor of expanding any service given by the Council in order to supply local communities with factual data on the basis of which they may make equitable decisions in the matter of the distribution of funds.

These facts, to a large degree, are already available, and as a result of the cooperative process which has been developed between the Council and various organizations, there are being created new and expanded forms of information dealing with every phase of the activities of these organizations in America.

Every community in America can have at its disposal all the pertinent data with respect to their purposes, their past expenditures, as well as detailed analyses of their current budgets. This material is collected by the Council, and can be made available to all Welfare Funds.

If it is only facts that are involved, why is a National Budgeting Committee being proposed to "evaluate" these facts? It is because the facts must be interpreted and, being interpreted, they involve a subjective approach.

WHAT IS MEANT IS EVALUATION

The Majority Report acknowledges the role which varying points of view will play in the drafting of national budgets. It is frank enough to say that the introduction of a national budgeting service

"does not mean that decisions on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies, would and should also play their part."

Differences of opinion on ideologies are bound to determine decisions with respect to the facts. The attempt to evaluate ideologies by a National Budgeting Committee constitutes one of the most dangerous innovations in American Jewish communal life. It will sharpen and multiply conflict and divisiveness in every community.

It beclouds the issue to make it appear that basic to the idea of the National Budgeting Committee is the desirability of setting up a fact-finding agency. The real purpose is not so much to find the facts, which are available in abundant measure, but to set up a group of men nationally selected to whom is to be entrusted the exclusive responsibility for fixing ratios of apportionment for all agencies participating in the local Welfare Funds.

This tremendous responsibility is to be given to a group of what is called fair-minded, impartial men. It is obvious, however, that if there are any men competent through experience and knowledge to act for and on behalf of American Jewry in matters of such great importance, they must have acquired a definite point of view with regard to the various problems of Jewish life; and they are bound to be conditioned by the ripened conclusions they have arrived at with regard to these problems. There are leading personalities in the American Jewish community who are well-meaning, devoted and conscientious, but they invariably have a point of view and, whatever it may be, it has been tempered by their economic, social and cultural heritage and environment. In this sense, every man belongs to one or another group in American Jewish life.

In the upper economic level one point of view seems to predominate. It usually has great influence in communal life. The democratic procedure in the community serves the public interest by averaging the majority opinion against the view of individual leaders. Out of the amalgam, the state of mind of the specific community, however colored, is fairly reflected; but to abstract from each community one or two personalities occupying place and prestige in the upper economic level with their preconceived notions on the problems of Jewish life, would provide not an accurate cross-section of communal opinion, but would register merely the views of the top layer of one group.

If American Jewry would be raising sufficient funds for the needs of all the agencies, it might be possible to apportion the funds on the basis of determinable expenditures. But the amounts collected are so inadequate and the decisions reached deal chiefly with minimum requirements, so that the question of evaluation arises and plays an important part in determining programs of work. In the field of evaluation the subjective point of view assumes dominant significance. But evaluation there must be somewhere along the line. How is such

evaluation to be reached as between one cause and another?

That is a function that can best be exercised in the local communities where the funds are raised and where local public opinion has a chance to control.

THE 1940 RATIOS ARE OBSOLETE

The Majority Report includes the suggestion that 1940 ratios might be one of the measuring rods to be used in making initial allocations in 1941. It is a regrettable departure from the impartial fact-finding service which the National Budgeting Committee proposes to set up to suggest ratios at this time. It should be emphasized that the 1940 ratios for the agencies constituting the United Jewish Appeal were not the result of scientific evaluation. They were the result of an agreement between the JDC and the UPA, as is indicated by the fact that only a small percentage of the total sum raised by the United Jewish Appeal was actually divided by the 1940 Allotment Committee. In other years there were other agreements. Enormous changes have taken place within the past year so that any adherence to former ratios would be as unfair as to use the standards of 1936 or 1939 as the criteria of how funds raised by American Jewry in 1941 may be most constructively used.

By urging that the 1940 ratios be accepted by American Jewish communities as a guide in the distribution of funds raised in 1941, the Committee to study National Budgeting Proposals has already infringed upon the functions of any budget committee to be set up, by removing from its competence the largest part of what might be subject to its decisions and by prejudicing in advance the thinking of such a budgeting committee with respect to the needs of the agencies in 1941.

WHO IS AFFECTED BY NATIONAL BUDGETING PROCESS?

There is an erroneous belief that all that is involved in the proposals for

National Budgeting is the determination of ratios for the three agencies formerly in the United Jewish Appeal. Once there has been entrusted to a small committee of the Council the power to recommend ratios, it is clear that all agencies, causes and movements in Jewish life will come under its jurisdiction and control.

Are the civic-protective agencies, with their varying approaches to the Jewish problem, prepared to entrust their fate into the hands of a small body of men who may or may not share their fundamental convictions? In the field of Jewish education, will the lay and professional educators accept the point of view of some men whose philanthropic outlook on Jewish life does not necessarily include an appreciation of Jewish education?

Can any movement, having its roots in deep convictions concerning Jewish life and destiny, place its fate in the hands of those who are not animated by the same convictions and outlook? Is it cause for wonder, then, that these proposals have aroused the greatest anxiety and opposition?

Until such time as Jewish communities in America are democratically organized in Jewish community councils, and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it, reinforced by such factual information and data as the Council will supply.

Welfare Funds now make local decisions with respect to scores of causes. They are not deterred from making contributions to such organizations as the American Jewish Committee, American Jewish Congress, B'nai B'rith and Jewish Labor Committee, although they function in similar fields. Support is not withheld from Hias because its activities are in the same area as both the National Refugee Service and the Joint Distribution, nor from Ort.

To make it appear that unity in American Israel will be preserved or achieved by this device of National Budgeting is to mislead and to confuse the real issue. The real issue is control and domination!

THE MINORITY RECOMMENDATIONS

The Minority members were compelled to reject the proposals of the Majority members as harmful and dangerous. In place of them they submit the following proposals:

- (a) Every reasonable effort should be made to work out an equitable arrangement for a reconstitution of the United Jewish Appeal in 1941.
- (b) If these efforts fail and there will not be any United Jewish Appeal in 1941, the Committee urges local communities to consider the independent applications of the former beneficiaries of the United Jewish Appeal in the same spirit of fairness as they did before there was a United Jewish Appeal, and to allocate to each agency such amounts as their judgment, after a study of all available facts, will suggest. There should be no delay in fixing allocations or in proceeding immediately with a united campaign in each community. Delay means a paralysis of the 1941 campaign.
- (c) The Minority members of the committee believe that the fact-finding activities of the Council should be continued and enlarged.

THE COUNCIL SHOULD REMAIN A FACT-FINDING BODY

The Council of Jewish Federations and Welfare Funds was created eight years ago to correlate information for the use of Welfare Funds and to further Jewish communal organization.

We urge against transferring to the Council a power too great for any handful of men to wield, when the fate of great causes is at stake.

WHAT WILL BE THE DECISION OF THE WELFARE FUNDS?

The Welfare Funds of America are now engaged in a referendum to determine whether they shall accept the Majority Report or the Minority Report.

We are a people who have valued and fostered freedom of opinion. Our communities have been open to all appeals - religious, sociological, national and educational. It was always conceded that all Jews cannot have the same uniform ideology but that each individual and every group have the right to adhere to any ideological principles they may find compatible with their thinking, giving all other Jews the freedom to do the same thing.

Whatever may be the guise under which the proposals of the Majority will be submitted to a referendum of the Welfare Funds, the consequence of acceptance will be that American Jews will have turned over to a small committee of men not only the right to determine how the funds they contribute may be put to use, but also the power to determine the value and the relations of the views, aims and aspirations which are part of Jewish life in the United States. The determining of this issue gives power to the small committee to determine the destiny of American Jewry. That power should be retained by the local communities and should not be handed over to any National Budgeting Committee.

The Minority Report asks of the Welfare Funds endorsement of the proposal that the fact-finding services of the Council should be expanded but that the work of evaluation and of budgeting be left to the individual community where it properly belongs.

Committee on the Referendum for Budgeting

207 FOURTH AVENUE
NEW YORK, N.Y.

(In Formation)

SIMON SHETZER, Detroit
Chairman

February 28, 1941

Dr. Abba Hillel Silver,
The Temple,
10th and Ansel Rd.,
Cleveland, Ohio

Dear Dr. Silver:

I am glad to send you herewith a release describing the action taken by the Cleveland Jewish Community Council.

This democratic expression of opinion is, I believe, an accurate reflection of what most American communities are thinking.

May I suggest that you use the Cleveland action as the basis for decision in your own community?

With kind regards, I am

Cordially yours,

SS:MBC
Enc.

Simon Shetzer
Chairman

DR. ISRAEL A. ABRAMS, Pittsburgh, Pa.
SAUL ABRAMS, Providence, R. I.
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BERNARD W. ROSENBERG, Warren, Ohio
CHARLES J. ROSENBLUM, Pittsburgh, Pa.
RABBI SAMUEL S. RUDERMAN, New London, Conn.
SAMUEL M. SALNY, Fitchburg, Mass.
SAMUEL H. SCHAEFER, Denver, Colo.
MELVIN H. SCHLESINGER, Denver, Colo.
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JAKE L. ZUBER, Houston, Texas
RABBI HARRY Z. ZWELLING, New Britain, Conn.

Committee on the Referendum for Budgeting
207 Fourth Avenue
New York, N. Y.

RELEASE ON RECEIPT

CLEVELAND, OHIO, COMMUNITY COUNCIL OVERWHELMINGLY REJECTS
NATIONAL BUDGETING PROPOSAL

Cleveland, Ohio.--By the overwhelming majority of 81 to 2, the Cleveland Jewish Community Council, at a meeting on Wednesday evening, February 26th, adopted a resolution against the establishment of a national budgeting advisory service as contemplated in the majority proposal of the Board of Directors of the Council of Jewish Federations and Welfare Funds, which is now the subject of a referendum among member agencies of the Council.

Representing 150 of the leading Jewish organizations of Cleveland, the Community Council went on record as rejecting the program which has been characterized as an effort to remove from the local communities the autonomy with respect to causes to be assisted.

The following is the text of the resolution which was adopted by the Community Council:

"The Jewish Community Council organized under the sponsorship of the Cleveland Jewish Welfare Federation as a democratically representative body of our Jewish community, at a special meeting of its full body of delegates, after due discussion and consideration of the proposals of the Council of Jewish Federations and Welfare Funds for the establishment of a so-called national advisory budgeting service and a special commission to make recommendations on the needs of the Joint Distribution Committee, United Palestine Appeal and National Refugee Service, hereby expresses its disapproval of such proposals and urges the Cleveland Jewish Welfare Federation and Welfare Fund to reject such projects at the forthcoming referendum thereon".