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

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, Mizrahi 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:BX

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 American Jewish life are to benefit from funds raised locally. ^{funds are to be allocated and how}

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 belauding of the issue to make it appear that the sole aim of the establishment of a national budgeting process is to discover facts about organizational. 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., ADASSAH, 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 these 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 state 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,

ARS:BX
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
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WEST VIRGINIA

Bluefield
Charleston
Huntington
Wheeling

Committee on the Referendum for Budgeting

207 FOURTH AVENUE
NEW YORK, N.Y.

(In Formation)

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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 (KEFEN 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
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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,

Montor

Henry Montor
Executive Director



HM:FE

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

February 5, 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 (KEFEN KAYEMETH)
For the Settlement in Palestine of Jews of Germany, Poland, Rumania and Other Lands

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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.

Issac 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 Fran
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, Mizrahi, Poale Zion and Hadaassah 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.

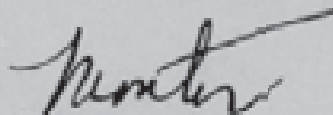
(j) The Committee on the Referendum on Budgeting is sending out today a copy of the Statement of Principles to some 3,000 Welfare Fund leaders throughout the country urging opposition to the Majority Proposal;

(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 ~~fact~~ 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 ~~existing~~ 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 ~~imx~~ 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, E'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 Shetser,
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,

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:BX

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 maneuvered 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 "horse" 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 now 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 formulas. 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 Drt.

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.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS

February 15, 1941

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. - FJF	2	DALLAS, TEXAS - JFSS	2
ASHEVILLE, N. C. - FJC	2	DAVENPORT, IOWA - JC	2
ATLANTA, GA. - FJSS...JWF	4	DAYTON, OHIO - JFSS...UJC	4
ATLANTIC 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	5	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...JNL	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.-JCAEP...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
LA FAYETTE, 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. - GMAJF	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...JLWF	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...JLWF	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-FBC	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 Shetser
Chairman

SS:MFE

Y

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

Associate Treasurers

Abraham L. Liebovitz
Jacob Sincoff

Vice-Chairmen

Barnett R. Brickner
Leon Gellman
James G. Heller
Edward L. Israel
Louis E. Levinthal
Charles Riss
Elihu D. Stone
Joe Weingarten
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 Shetser, 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

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Charles Riss
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 26th. 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. Mentor 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 Chairmen 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.

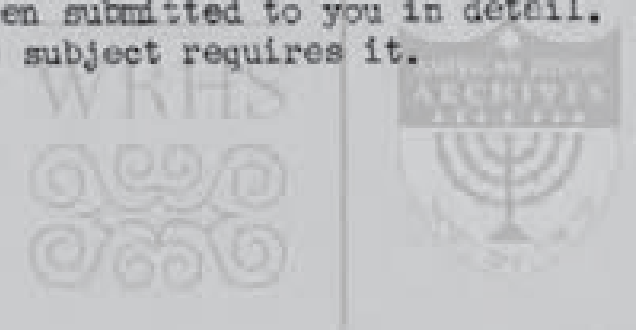
- 8) The Committee recommends as a method of procedure, that the three welfare fund members of the 1940 UJA Allotment Committee be looked to for guidance in recommending a basis for initial allotments to the three agencies formerly in the UJA, which can serve as a guide to welfare funds conducting early 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

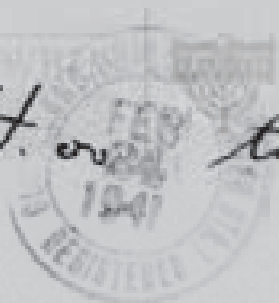
Selma, Ala.
Long Beach, Calif.
Los Angeles, Calif. (JCC)
Bridgeport, Conn. (JCC)
New Haven, Conn.
Waterbury, Conn.
Washington, D. C.
Miami, Fla.
Rockford, Ill.
Rock Island, Ill.
Fort Wayne, Ind.
Sioux City, Iowa
Louisville, Ky.
Fitchburg-Leominster, Mass.
Holyoke, Mass.
Lowell, Mass.
New Bedford, Mass.
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.
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Spokane, Wash.
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Madison, Wisc.
Milwaukee, Wisc.
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Feb. 24-1948

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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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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 E. 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. 3-9).


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,


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 Reuber 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.

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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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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,

E. L. LUFIE
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. 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:WJB
Enc.

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.
DR. LEWIS BERLIN, Norfolk, Va.
EDWARD BERMAN, Bayonne, N. J.
ISRAEL BERMAN, Little Falls, N. Y.
ROBERT M. BERNSTEIN, Philadelphia, Pa.
RABBI ISADORE BRESLAU, Washington, D. C.
RABBI MORDECAI L. BRILL, Bethlehem, Pa.
CHARLES BROWN, Los Angeles, Calif.
JESSE B. CALMENSEN, St. Paul, Minn.
MAURICE N. DANNENBAUM, Houston, Texas
BEN DUBENSTEIN, Dayton, Ohio
ALBERT K. EPSTEIN, Chicago, Ill.
MOSE M. FELD, Houston, Texas
GERSHON FENSTER, Tulsa, Okla.
RABBI LEON I. FEUER, Toledo, Ohio
RABBI LEON FRAM, Detroit, Mich.
RABBI JACOB FREEDMAN, Fall River, Mass.
JOSEPH GOLDBERG, Worcester, Mass.
HYMAN GOLDMAN, Washington, D. C.
ABRAHAM GOLDSTEIN, Hartford, Conn.
GUSTAVE L. GOLDSTEIN, Los Angeles, Calif.
RABBI EMANUEL GREEN, Aurora, Ill.
RABBI SIMON GREENBERG, Philadelphia, Pa.
RABBI EUGENE GREENFIELD, Portsmouth, Va.
JOSEPH E. GROSSBERG, Schenectady, N. Y.
ISAAC S. HELLER, New Orleans, La.
RABBI JAMES G. HELLER, Cincinnati, Ohio
ALEX HIMMELMAN, Milwaukee, Wis.
OLIVER M. KAUFMANN, Pittsburgh, Pa.
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I. M. LEIBERMAN, Jacksonville, Fla.
ALEXANDER LOWENTHAL, Pittsburgh, Pa.
D. BERYL MANISCHWITZ, Cincinnati, Ohio
MORTIMER MAY, Nashville, Tenn.
RABBI ABRAHAM J. MELCH, Birmingham, Ala.
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SOC. M. REITER, Newburgh, N. Y.
JACK S. RICH, Vicksburg, Miss.
AARON RICHE, Los Angeles, Calif.
ABRAHAM ROCKNER, Elizabeth, N. J.
MRS. SIDNEY H. ROGOVIN, Asheville, N. C.
HENRY ROSENBAUM, Plainfield, N. J.
CHARLES J. ROSENBLUM, Pittsburgh, Pa.
RABBI SAMUEL S. RUDERMAN, New London, Conn.
HYMAN M. SEIDELMAN, Milwaukee, Wis.
MAURICE SHADEN, Johnstown, Pa.
RABBI AARON SHAPIRO, Augusta, Ga.
RABBI MAX SHAPIRO, Miami, Fla.
FELIX SHUVINSKY, Birmingham, Ala.
DR. HARRY P. SHUGERMAN, Birmingham, Ala.
MRS. ADOLPH SHEROFF, Los Angeles, Calif.
DR. ABBA HILLEL SILVER, Cleveland, Ohio
LOUIS E. SPIEGEL, Washington, D. C.
NATHAN M. STEIN, Milwaukee, Wis.
J. M. STUCHEN, Rockford, Ill.
Z. SWETT, Portland, Ore.
WILLIAM H. SYLK, Philadelphia, Pa.
HERMAN P. TAUBMAN, Dallas, Texas
MAX TIGER, Elizabeth, N. J.
MRS. RAPHAEL TOUNOVER, Washington, D. C.
ABRAHAM I. USLANDER, Elizabeth, N. J.
RALPH WECHSLER, Newark, N. J.
JOE WEINGARTEN, Houston, Texas
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BEN R. WINICK, Knoxville, Tenn.
JACK L. ZUBER, Houston, Texas

February 23, 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 declares 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 PROPOSALS?

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 enforcement 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,

Simon Shetzer
Chairman

SS:MBC
Enc.

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.*
DR. LEWIS BERLIN, *Norfolk, Va.*
EDWARD BERMAN, *Bayonne, N. J.*
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RABBI LEON FRAM, *Detroit, Mich.*
RABBI JACOB FREEDMAN, *Fall River, Mass.*
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OLIVER M. KAUFMAN, *Pittsburgh, Pa.*
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BEN R. WINICK, *Knoxville, Tenn.*
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".