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United Jewish Appeal, United Palestine Appeal, 1944-1945.

National Conference for Palestine

SPONSORED BY THE UNITED PALESTINE APPEAL

41 EAST 42nd STREET

NEW YORK 17, N. Y.



September 20, 1944

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Dear Dr. Silver:

The National Conference of the United Palestine Appeal which is to be held November 18-19 at the Stevens Hotel in Chicago, acquires extraordinary significance in the light of the fact that complete liberation of Europe is imminent and that far-reaching decisions affecting the destiny of the Jewish people, as of all mankind, are now being made. The place of Palestine bulks largest in all programs for the solution of the problem of the homelessness of the countless Jews. There will be reflected at Chicago the determination of all responsible sections of American Jewry to go forward with the upbuilding of the Jewish Homeland in terms equivalent to the necessity and the opportunity.

It is our hope that the fighting in Europe may have ceased by then. In any event, there will be cause for gratification in the triumphant progress of the United Nations armies. The "post-war planning" that has been talked of for years is now upon us. We want the Chicago conference to be a forum, not only for a review of the past, but for the airing of our problems and our prospects.

As a member of the National Council of the United Palestine Appeal your presence is especially important. The framework within which we shall be able to plan American Jewry's support of the constructive enterprises in Palestine will be determined by the leaders of each Jewish community, unifying their forces in a mighty national endeavor. You have played an important part in the years of preparation and progress. We need your participation even more now as we go forward to final achievement.

It is important that you make hotel reservations at once, by mailing the enclosed reservation card. May I also urge you to make travel reservations to and from Chicago as promptly as possible. The Conference will adjourn at 6 P.M. Sunday night.

I shall be glad to have from you any suggestions as to the type of problem you would like to see particularly emphasized during our discussions.

With very best wishes for a New Year of peace, I am

Cordially yours,

Rudolf G. Sonneborn Chairman, National Council

RGS: MBR

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayesod)

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Executive Director
HENRY MONTOR

October 19, 1944

Dr. Abba Hillel Silver The Temple Cleveland, Ohio

Dear Dr. Silver:

May I invite you to address the National Conference of the United Palestine Appeal, which will take place at the Hotel Stevens, Chicago on November 18-19.

The principal difficulty we face in a conference of this kind is finding adequate time for those who should speak and who have something to say—all within the compass of a relatively few hours. It is nevertheless essential from the point of view of what they can say and of the strong, united front for Palestine we present that advantage be taken of whatever time is available.

As a matter of form, I should like to suggest this particular background for your address. At the luncheon on Sunday noon, James G. McDonald, Chairman of the President's Advisory Committee on Political Refugees, will present a statement on the refugee problem with the kind of documentation that marked his letter of resignation as League of Nations High Commissioner. I understand he is devoting an entire month to the preparation of the statement. He is reviewing what has or has not been done by the governments of the world to meet the refugee problem.

It would seem to me appropriate that you might speak at the following session on the obligation of the governments to make it possible for Palestine to resolve the Jewish problem.

I am forced to point out that the time schedule compels the limitation of your message to fifteen minutes. A written paper makes possible an adherence to this schedule. Because of the number of those we feel should participate in the Conference strict adherence to such a schedule is imperative -- in fairness to all.

Cordially yours,

James G. Heller National Chairman

JGH: MBG

October 23, 1944

Dr. James G. Heller, National Chairman United Palestine Appeal 41 East 42nd St. New York, N.Y.

My dear Dr. Heller:

Permit me to acknowledge your kind letter of October 19 and your invitation to speak at the Sunday afternoon session of the National Conference of the United Palestine Appeal in Chicago. I regret that I will not be able to attend. I am to be in New York on the Sunday preceding and I cannot be away from my post on two successive Sundays. I am sorry that this is so, but then my absence will make it possible for some of the other speakers to have a little more time on your very crowded program.

Very sincerely yours,

AHS:BK

\$32.000.000-1944 The Quota for United Jewish Appeal Tor Refugees Overested in FOR REFUGEES, OVERSEAS NEEDS AND PALESTINE

on behalf of

PALESTINE APPEAL UNITED

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Isidor Coons Henry Montor

Executive Committee:

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Albert H. Lieberman
Abraham L. Liebovitz
Irving D. Lipkowitz
Rabbi Irving Miller Bernard A. Rosenblatt Simon Shetzer Jacob Sincoff Rudolf G. Sonneborn Mrs. Roger W. Straus and officers

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Rabbi Abba Hillel Silver The Temple East 105th St. and Ansel Rd. Cleveland, Ohio

Dear Friend:

Attached hereto are the minutes of a meeting of the Executive Committee of the United Jewish Appeal held in New York City on Friday, October 6, 1944.

Cordially yours,

Isidor Coons

Executive Vice-Chairmen

CM:RZF Enc.

MINUTES OF SECOND MEETING OF 1944 ALLOTMENT COMMITTEE OF UNITED JEWISH APPEAL HELD NOVEMBER 10-11, 1944

The second meeting of the 1944 Allotment Committee of the United Jewish Appeal was held at Hotel Biltmore, New York City, on Friday, November 10th, 1944, at 10:00 A.M. o'clock. There were present the following:

Mr. David M. Watchmaker Representing the communities at Mr. Herbert R. Bloch large selected by UPA and JDC Mr. Stanley C. Myers) as per agreement Mr. I. Edwin Goldwasser Representing the JDC Mr. Isaac H. Levy Dr. James G. Heller Representing the UPA Mr. Rudolf G. Sonneborn Mr. William Rosenwald Representing the NRS Mr. Moses A. Leavitt Staff Representative of JDC Mr. Henry Montor Staff Representative of UPA Mr. Joseph Beck Staff Representative of NRS

The meeting was called to order by Mr. Watchmaker, as Chairman, who presided. Mr. Myers acted as Secretary of the meeting.

It was announced that copies of the minutes of the previous meeting held on October 6th, 1944, had been distributed to all members of the Committee.

Upon motion made and carried such minutes were approved as submitted.

In response to an inquiry by the Chairman the agency representatives stated that no one other than those present would speak on behalf of the agencies in connection with their requests for allotments.

Messrs. Rosenwald and Beck then presented the request of NRS for an allotment of \$102,000 out of available funds from the 1944 United Jewish Appeal. This request represents the anticipated 1944 operating deficit of NRS and is in addition to the \$1,000,000 distributed to that agency out of

the first \$15,000,000 raised under the 1944 UJA agreement. (Written report of NRS to the 1944 Allotment Committee and financial and factual information are filed among the records of the Committee.) In the course of discussion by the Committee regarding this request it was noted that the request of \$102,000 representing the 1944 anticipated operating deficit of the agency is based upon actual expenditures and income from January 1 to August 31, 1944, and estimated expenditures and income from September 1 to November 31, 1944; that the agency had approximately \$17,000 cash in bank, and a working capital of \$400,000. After further discussions the following resolution was offered by Mr. Levy, seconded by Dr. Heller and unanimously adopted:

"RESOLVED that this Committee, out of the first funds available over and above the first \$15,000,000 raised through the 1944 UJA, allot to NRS an amount not exceeding \$80,000 necessary to meet the 1944 operating deficit of that agency, with the understanding that cash in bank on December 31, 1944, (over the working capital of \$400,000) be considered in computing such operating deficit."

Mr. Levy then presented the request of JDC for an allotment of \$9,971,295.23 out of the 1944 UJA fund in addition to the funds already received or to be received by that agency out of the first \$15,000,000 distributed under the 1944 agreement to meet the anticipated deficit of that agency for the year 1944. He emphasized that the request of JDC was less than the actual needs, but that the request was made with the recognition and understanding that JDC was a member of a partnership asking American Jewry for funds and that the request of JDC must relate to the whole world picture.

Mr. Leavitt on behalf of JDC amplified the information and data contained in the written report and statistical data and information filed with the Committee by JDC (the written reports and other financial data referred to are filed among the permanent records of this Committee).

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He explained, among other matters, how allotments to meet overseas needs are made by the Executive Committee of JDC and accrued as liabilities when approved; that allotments never approach the amounts requested because of lack of funds and illustrated this with reference to situations in specific countries.

Dr. Heller then presented the request of UPA for an allotment of \$12,200,260.08 out of the 1944 UJA, in addition to the funds received or to be received by that agency out of the first \$15,000,000 to meet its anticipated deficit for the calendar year 1944. He also amplified the report and financial and factual information filed by UPA with the Committee. (The report, financial and factual information of UPA referred to is filed among the permanent records of the Committee). He pointed out that the UPA operates on a cash basis and that the requested allocation represents the actual anticipated cash deficit of UPA on December 31, 1944.

In discussing the request of UPA and its financial data the following factors were noted among others. The statement of UPA for 1944 covering actual expenditures and income for the period of January 1 to August 31, 1944, and estimated income and expenditures for the period September 1, 1944, to December 31, 1944, does not include funds received during 1944 from prior years' campaigns in the approximate sum of \$4,000,000; the financial figures of UPA are on a cash basis and reflect cash income from 1944 campaigns only, and expenditures during the 1944 calendar year; the income item of \$4,000,000 from prior years' campaigns is reflected, however, in the analysis of deficits also contained in the factual information filed by UPA.

In discussing the JDC request and its financial data it was noted that JDC experience during previous years indicates that a percentage

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of allotments accrued as liabilities may be cancelled in the future upon subsequent review in the light of changing conditions; that all allotments accrued prior to January 1, 1944, had been reviewed by JDC and JDC deficit as of December 31, 1943, reflected cancellations of allotments whenever cancellations were deemed possible by the JDC; that the agency maintains a cash working fund of \$600,000; that JDC had received legacies and trust funds of \$288,000 not applied to any anticipated budget; that such legacies and trust funds are subject to restrictions and cannot be used for general purposes; that the liability item of \$7,127,489.11 for accounts payable for relief disbursed through clearence arrangements and funds borrowed locally might be reduced to the extent of the loans that may not be repaid because of impossibility of repayment due to death of lenders, etc.

The discussion of the agency requests and of the financial information and data submitted continued until 6:00 P.M. o'clock when the meeting was recessed until the following day.

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The meeting reconvened at 9:30 A.M. on Saturday, November 11th, 1944. All of the members of the Committee present the preceding day, with the exception of Messrs. Rosenwald and Beck, were present at this meeting.

Mr. Watchmaker again presided, and Mr. Myers recorded.

The meeting was called to order and with the permission of the members Mr. Montor made a statement regarding UPA needs and the request made by it of the Allotment Committee.

It then being 11:00 A.M., at the suggestion of Mr. Levy the meeting recessed for three minutes in memory of those who have given their lives in the service of our country.

The Chairman made the observation that this Committee was not constituted to determine the validity of programs or questions of agency policies; that in his opinion questioning of the financial information and other data presented by an agency did not impute the validity of agency programs but were directed to the validity of financial conclusions based on financial facts.

The Chairman's views were concurred in by Messrs. Levy and Heller.

The following resolution was offered by Mr. Sonneborn and seconded by Dr. Heller.

"RESOLVED, that all available funds from the 1944 UJA over and above the first \$15,000,000 distributed by agreement, plus the additional sum to be alloted to the NRS, be divided between JDC and UPA on the following basis:

To the JDC in the same ratio that \$10,000,000 bears to \$22,200,000.

To UPA in the same ratio that \$12,200,000 bears to \$22,200,000."

The following amendment to the above resolution was offered by Mr. Goldwasser and seconded by Mr. Levy.

"RESOLVED, that the first \$12,000,000 over and above the original \$15,000,000, plus the additional sum to be alloted to the NRS, be divided as follows:

65% thereof to JDC 35% thereof to UPA

and the excess over said \$12,000,000 to be divided as follows:

60% thereof to JDC 40% thereof to UPA."

In the discussion on the resolution and the amendment, members of the Committee considered the advisability of distributing only a portion of the available funds at this time and postponing until after December 31, 1944, final action on the division of the belance.

Upon vote taken the above original resolution and amendment thereto were both defeated.

Mr. Levy then moved that action be taken at this time only on the first \$8,000,000 raised above the original \$15,000,000 plus the additional sums alloted to the NRS, and that action on the balance of funds be deferred until January 1, 1945. This motion was seconded by Mr. Goldwasser, and upon vote taken was lost.

Mr. Levy then moved that action be taken at this time only on the first \$10,000,000 raised above the original \$15,000,000 plus the additional sums alloted to the MRS, and that action be deferred on the balance until after January 1, 1945. This motion was seconded by Mr. Goldwasser and upon vote taken was carried.

Mr. Myers then moved that the division of \$10,000,000 referred to in the previous motion be on the basis of 50% to JDC and 50% to UPA. This motion was seconded by Dr. Heller.

Mr. Levy offered an amendment to the foregoing motion that the division of the aforementioned \$10,000,000 be on the following basis:

To UPA in the ratio of \$8,200,000 to \$17,200,000: To JDC in the ratio of \$9,000,000 to \$17,200,000.

The amendment was seconded by Mr. Bloch and carried and declared by the Chairmen to be the decision of the Committee.

Upon motion by Mr. Goldwasser the Committee decided that the UJA be directed to divide all available funds in accordance with the previous decision of the Committee.

Mr. Montor then advised the committee that he believed a statement from its members issued to the Jewish Communities of America as to the needs of JDC and UPA might result in additional grants by local Federations out of campaign surpluses resulting from successful campaigns. Upon motion made and carried, Messrs. Montor and Coons, Campaign Directors of UJA, were authorized to prepare a letter addressed to communities requesting such additional grants and submit same to the members of the Committee for their approval.

The meeting adjourned at 2:10 P.M.

(sgd) STANLEY C. MYERS

Secretary

Approved:

DAVID M. WATCHMAKER

Chairman

A meeting of <u>large city executives</u> held in New York City on February 25, approved a proposal that the budget chairmen or other designated representatives of large city welfare funds constitute an intercity allotment committee for determining ellocations for their respective communities after hearings with agencies and studying of reports and programs. Consideration and action on this proposal is in process.

Cooperation in National Campaign and Publicity

Preliminary conversations were held by the office of the Council with representatives of the campaign organization of the JDC and the UPA looking toward the development of the maximum cooperation in campaigning and publicity possible under the present arrangement of separate appeals. Report on the items discussed and the agreements reached will be sent soon to our member agencies.

At the same time, consideration is being given to the development of centrally organized services for welfare funds on a basis of intercity cooperation to
assist local fund raising campaigns, as a substitute for and in addition to services
formerly rendered by the UJA. Its purpose will be to help local welfare funds with
their campaigning, publicity and allotment problems, to try to mitigate as far as
possible the necessity for duplication of fund raising and campaign expenditures by
the separate agencies.

Factual Aids in Local Budgeting

The Council has in preparation a report on the development of the UJA over a period of years, the history of UJA allotments, and a review of the negotiations for a 1945 UJA.

Local Action

In view of all of these developments the following facts are primary:

- 1. The extent of needs overseas has not been changed by the termination of the UJA.
- 2. Welfare fund cities will continue to have a single unified campaign. Each contributor will be approached only once to make one gift for all of the agencies formerly included in the national UJA, and many others.
- 3. The major difference will be the requirement that each community divide funds among the JDC, UPA, and NRS instead of making a lump sum grant to be divided nationally. In approaching this task communities will want to keep in mind the following:

It is assumed that local budget committees will not act until they have all available facts before them upon which to base a decision. In this connection, it might be noted that the 1944 Allotment Committee of the UJA has not yet met to allocate the final funds for last year estimated at about \$5,000,000.

If agency representatives participate in hearings before the Budget Committee it is accepted procedure that all of the agencies rather than only one should be heard.

A budget committee which is representative of the various elements of the community and thus has the confidence of all sections will be an important factor in easing local tensions. Some communities are planning to set aside a lump sum for the agencies formerly comprising the UJA and to make the specific allocations to these three after the campaign, when the entire situation may have been clarified more fully.

4. Some communities immediately are contacting their key workers and leaders to give them a balanced picture of the situation, to make sure they understand that there will be no separate campaigns locally, and to concentrate on the primary task of raising maximum funds rather than on discussion of responsibility for termination of the UJA. This prompt action is being taken to avoid confusion and misunderstanding which they have reported as resulting from various and conflicting communications issued by the several agencies.

The Council of Jewish Federations and Welfare Funds will be in regular communication with member agencies to report on current developments and to provide information and assistance. A liaison committee has been authorized to assist communities with any special situations which may arise and communities are asked to report such matters to the Council.

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Dr. James G. Heller, Chairman

11-17-44

19

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WANT A REPLY?

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PLEASE CONVEY TO THE DELEGATES AND FRIENDS ATTENDING UPA CONFERENCE IN CHICAGO

MY DEEP REGRET AT MY INABILITY TO ATTEND SESSIONS AND MY EARNEST GOOD WISHES FOR THE

SUCCESS OF THEIR DELIBERATIONS AND FOR THE PROGRESS OF OUR WORK IN THIS FATEFUR.

HOUR IN OUR HISTORY. ONE CANNOT THINK OF OUR SUBSTANTIAL ACHIEVEMENTS IN OUR

PALESTINE AS WELL AS MUCH OF WHAT HAS BEEN ACHIEVED UPBUILDING WORK IN

OUR MOVEMENT IN THIS COUNTRY WITHOUT REFERENCE TO THE UPA. ALL WHO HAVE SHARED

IN ITS WORK AND IN ITS LEADERSHIP HAVE JUST CAUSE TO BE PROUD.

Sender's Name

ABBA HILLEL SILVER

Address

PRIVATE AND CONFIDENTIAL

P. 5

MINUTE OF MEETING FOR DISCUSSION OF 1945 UNITED JEWISH APPEAL
At the United Jewish Appeal, 342 Madison Avenue

New York City

November 28th, 1944 3:45 p.m.

PRESENT: Dr. James G. Heller

Judge Morris Rothenberg for the United Palestine

Mr. Rudolf G. Sonneborn Appeal

Judge Bernard A. Rosenblatt

Mr. Henry Montor

Mr. Isaac H. Levy

Mr. Louis Broido

Mr. Joseph M. Berne for the Joint Distribution

Mr. I. Edwin Goldwasser Committee

Mr. Joseph C. Hyman Mr. Moses A. Leavitt

The meeting was the third held between representatives of the Joint Distribution Committee and United Palestine Appeal to discuss terms for a 1945 United Jewish Appeal.

Mr. Levy reiterated the position of the JDC and stated that it cannot expect less than 60% of the money in 1945. Moreover, the JDC cannot tolerate having a full partner who is permitted to collect on the side, referring to the Jewish National Fund. The JDC is convinced that its needs require far greater sums of money in 1945 but "in the interest of non-controversy, we have agreed to the lesser amount".

Dr. Heller referred to the National Conference of the United Palestine Appeal in Chicago and to a meeting there of the Administrative Committee at which the unanimous opinion was registered against a 60-40 division in 1945. He referred to the fact that for the current year the Keren Hayesod and Keren Kayemeth have requirements totalling in excess of \$34,000,000 which would impose upon the United Palestine Appeal the necessity of obtaining some \$26,000,000 from American Jews. He also referred to the recent judgment of the Allotment Committee which, he said, certainly didn't indicate an opinion by that body that the relation between the JDC and the UPA was a 60-40 relation. The UPA sees no possibility of agreeing to the 60-40 ratio for 1945, he said.

Mr. Levy denied that the Allotment Committee decision had any bearing on the subject. It had only determined the division of \$10,000,000. This bore upon the requirements for immediate needs but did not take into consideration the future, that is, 1945.

Mr. Leavitt made an extended statement on the position of the Jews in Europe as justifying larger amounts in 1945 for the JDC. There are 1,500,000 Jews still left in Europe, the JDC estimates. The requirements for immediate help are astronomical. The JDC has prepared an estimate of needs which will be submitted to its Board of Directors and to the Annual Meeting of the JDC on December 10th.

This amounts to \$46,570,000. Mr. Leavitt discussed the UNRRA and said that UNRRA was not now taking care of any of these Jews. He referred to the needs of 600,000 Jews known to be in the liberated area. He cited the presence of 60,000 Jews in France for whom \$750,000 a month is being asked. The JDC was unable to provide this amount. It was true that the Belgian Government was distributing 35 francs a day to all persons in Belgium in need, Jews and non-Jews alike, but whereas that amount might be enough for a non-Jew who had a home or livelihood to return to, it was far from sufficient for a Jew. France, Belgium and Holland have already indicated that they don't want UNRRA in their countries. Poland, Greece and Yugoslavia will request UNRRA's help. It was true, Mr. Leavitt said, that the JDC could not handle the vast problem of relief for 1,500,000 Jews. It could never get that kind of money. JDC is endeavoring to get Governments and Intergovernmental agencies to help but in the meantime the JDC must provide every assistance possible.

Mr. Berne asked how any one could compare the needs of 1,500,000 Jews in Europe with the needs in Palestine.

Dr. Heller then stated the UPA position and described the relations between the relief needs in Europe and the present solution of the Jewish problem in Palestine. There were many Jews who have come to the conviction, particularly as a result of the recent era, that continuing to provide money solely for relief was to pour water down a bottomless drain. The 560,000 Jews in Palestine, he said, are the best example of constructive relief. It was not possible to establish a conflict between relief in Europe and the upbuilding of Palestine. The upbuilding of Palestine was very directly a contribution to the relief of Jews in Europe. He felt it important to emphasize that the situation of the Jews in Europe is a charge upon the world. The world admitted its responsibility and it is important for Jews to force the world to accept it in concrete terms.

Dr. Heller referred to the budget figures mentioned by Mr. Leavitt which contemplated various changes in 1945. Dr. Heller pointed out that the present Palestine budget does not include changes that might occur during the year. A very sharp upward revision of the immigration tempo would completely upset the budgetary figures and require vast amounts not now included in the budgetary estimates. Under those circumstances, with peace in Europe restored, the Palestine budget would be not \$46,000,000 but hundreds of millions of dollars.

Mr. Broido said that he was persuaded by Mr. Leavitt with regard to the facts on UNRRA. He felt that the UPA had failed to meet the burden of proving its case that a 50-50 ratio was justified. He was approaching the problem objectively and he thought that the normal reaction was one of sympathy with Mr. Leavitt's statement.

Judge Rothenberg observed that the figures had been presented now and on previous occasions to prove the UPA case. This was particularly true in connection with the meetings of the Allotment Committee.

Judge Rosenblatt said that the experience of the last thirty or forty years was that money spent in Rumania was a dead loss. The whole problem of meeting the needs of Jews has to be reconsidered in the light of the situation that has developed in Europe and the transformation that has taken place in Palestine. He emphasized that the UPA is not asking American Jewry to help Palestine, which has attained a state of economic sufficiency, but American Jews are being asked to help the Jews of Europe who are going to Palestine.

Mr. Leavitt took exception to Judge Rosenblatt's remark. He declared that on various occasions the statement has been made by Zionists that what had been done with JDC money in Europe was a dead loss. He thought it should be taken into consideration that the same might well have been said for Palestine. It was only a miracle that prevented Rommel from passing beyond El Alamein. In that event the 560,000 Jews in Palestine would have disappeared as had millions of other Jews in Europe. That criterion did not seem to him to be reasonable.

Mr. Goldwasser referred to a remark by Judge Rosenblatt that if 100,000 Jews could be brought to Palestine the cost that would be involved for the JDC would be minimal in comparison with the cost that would have to be borne in Palestine for the integration of these Jews into the economy of the country. Mr. Goldwasser made various estimates to show that it requires \$7,200,000 to feed 100,000 Jews in Europe. On that basis alone the needs of the JDC in 1945 would be tremendous.

Judge Rothenberg said that the problem cannot be figured in terms of dollars and cents. The needs of the UPA are great, so are those of the JDC. The \$34,000,000 budgets in Palestine represent minimum needs. His position was that the JDC was important and Palestine was equally important. The JDC agrees that it is not in a position to save all the people who need assistance in Europe. No more can Palestine meet the needs of all of them. The 50-50 formula has been suggested as an attempt to recognize the equality of importance in both tasks.

Mr. Broido continued on his theme that the views of ideological supporters of causes were not pertinent. He was interested in the raising of money and he did not feel that the UPA had justified its claim for more than a 60-40 ratio. Judge Rothenberg's answer was that the way to meet the needs of both the JDC and the UPA was not to minimize the requirements of either but to ask the United States community for more money.

Mr. Montor addressed himself to Mr. Broido's position. He appreciated Mr. Broido's services to the UJA but he had to remind Mr. Broido that he was not at the meeting as an impartial observer but as a special pleader for and representative of the JDC. It was highly questionable for him to assume the role of objective student of the problem. Moreover, he did not think that any purpose was served at this meeting by extended discussions of the JDC and UPA positions. All present were mature, adult people. They knew thoroughly the problems of the JDC and the UPA and had discussed then for many years. He for one was prepared to make long speeches about the position in Palestine. If it were wished, he could repeat an hour's speech that he made to the Allotment Committee of the UJA but he saw no point in exchanging passionate declarations. There ought to be some realism about the problem facing the agencies. Figures had been bandied about. He thought it important to relate the discussion to the actualities. In 1944 the UJA would raise anywhere from \$28,000,000 to \$30,000,000. A quota of \$45,000,000 was being talked about for 1945. He did not think that more than that could be raised even if that could be achieved. Under the circumstances there ought to be some reference to campaign problems in a discussion of money to neet needs. He was not prepared to enter into a long discussion of the UPA requirements as Mr. Leavitt had. They were known to all but he did not think that some answer ought to be given to Mr. Broido as to why the UPA was insisting upon a 50-50 ratio. In the first place it was his conviction that the lessons of the last ten years in Europe had not been lost on the Jews of America. They were determined that out of the wreckage of Europe something constructive and stable should emerge. It was the determination, he felt, of the Jews of America to build in Palestine a structure which would help to solve the Jewish problem in permanent terms. The determination to obtain a great share of the public funds for Palestine had a definite bearing on the desire of American Jewry to divert a greater part of their resources to this

constructive and long-range program. In the second place, consideration needed to be given to the fact that a change had taken place in the structure of Jewish communal leadership and thinking. Those who believed strongly in the future of Palestine have become more and more the leaders, the givers, the workers in the Jewish community of America. Obviously they respond and associate themselves with the needs of the JDC but they were also determined that the primary purpose of constructive solution to the Jewish problem should be adequately safeguarded. Those people who in the past made philanthropic relief their sole activity in the Jewish community have become a less visible feature of the communities. They have cut down on their giving, they have withdrawn from leadership. In some cases they have even withdrawn from the Jewish community. These factors must be taken into account. It was his belief that the success of the campaign in 1945 would be enhanced by advising the country that the funds would be divided on a 50-50 basis.

Mr. Hyman took sharp issue with Mr. Montor. He would be willing to advise the JDC to take its chances on getting a proper response from the Jews of the United States. "I know where, if the question were put to American Jewry, they would want the larger part of their money to go."

Mr. Levy said that "we of the JDC are craven cowards for listening to a moment to a suggestion that American Jews would not spend their first and last cent to save their fellow Jews in Europe."

Mr. Leavitt asked Mr. Broido how he thought the public would want UJA funds distributed.

Mr. Broido said that the inclusion of Palestine in the UJA has alienated certain givers. It was not fair for Mr. Montor to say that the leadership of America had changed and that certain types of givers had withdrawn when he should know that the reasons for that were bound up with the inclusion of the UPA in the UZA. However, the JDC was prepared to bear that penalty because it believes in a UJA.

Mr. Levy said that having listened to all the discussions he thought that the JDC was very modest in its claims.

There was a lengthy discussion led by Messrs. Sonneborn and Levy on whether a 50-50 division would help raise more money in 1945.

Mr. Broido took issue with Dr. Heller, who had indicated that the country would resent the fact that the JDC had proposed a departure from previous UJA practice in its insistence on a virtual abandonment of the JNF. Mr. Broido said it was Dr. Heller who had proposed changes in asking for a 50-50 ratio and for eliminating the ceiling on the JNF. There then followed a lengthy discussion on the JNF.

Dr. Heller reiterated that it was not in the power of the UPA to negotiate further on the subject of the JNF.

Mr. Levy expressed resentment at the remarks made by Mr. Montor. The JDC and the UPA had presented their respective points of view. The JDC was not going to negotiate with the UPA on the basis of who can get more through a separate campaigr. He thought it essential that there be a UJA.

Mr. Levy then made a reference to the current issue of the "New Palestine" in which Dr. Goldstein had referred to the JDC as a subsidiary of the American Jewish Committee. He and Mr. Hyman thought the remark was most inaccurate and unfair.

Mr. Levy said that no further progress could be reached and again stated the JDC position that the division should be 60-40 with an initial distribution of no less than \$15,000,000 with the JNF included in the 40% for the UPA.

Judge Rothenberg asked Mr. Broido whether he still stood by the position he had taken at an earlier meeting at which he said that he was prepared to permit the status quo of 1944 to remain. Mr. Broido, apparently ill at ease, denied that he had made such a statement at a previous meeting and insisted that he had supported Mr. Levy's position.

Judge Rothenberg repeated Mr. Levy's proposal in order to have it clear that the JDC position was for a 60-40 division with a pooling of the JNF funds in the UJA.

Dr. Heller stated again the UPA position which was that the funds in 1945 should be distributed on a 50-50 basis with an initial distribution of any amount beginning with \$15,000,000; that the JNF be relieved of a ceiling and of the necessity of a countervaling sum to the JDC of \$600,000. Also the JNF was prepared to agree to the setting up of a Mediation Committee with the power to assess damages, if any incurred, to the UJA. Mr. Hyman said that there was nothing further to discuss. Dr. Heller indicated that if there was to be another meeting it would be left to the offices of the JDC and UPA to arrange.

Meeting concluded at 6:15 p.m.

KEREN HAYESOD LTD.

P.O.B. 583 Jerusalem

BY AIR MAIL

Ref. 11/0/34 AU/MR

December 17th, 1944

Henry Montor, Esq., Executive Director, United Palestine Appeal, 41 East 42nd Street, New York City.

Dear Mr. Montor,

re: American Fund for Palestinian Institutions, Inc.

With further reference to my letter of 31.10.1944 I am attaching, herewith, the material I have collected regarding the various institutions comprised in the network of the American Funds for Palestinian Institutions Inc. I should like to point out in general that the material is not as complete as I should have wanted it to be, but it proved rather difficult within so short a time to obtain the relevant data from all the institutions, directly or indirectly.

For the sake of convenience, I have divided the institutions into four groups:

- a) Institutions receiving more or less regular allocations from the Jewish Agency.
- b) Institutions which will receive allocations from the Jewish Agency in the course of the present financial year, 1944-45.
- c) Institutions which receive subsidies from the Jewish Agency indirectly.
- d) Institutions not receiving any subsidies from the Jewish Agency, neither directly nor indirectly.

Group a) comprises the following:

Mikveh Israel Agricultural School
Palestine Symphony Orchestra
Haifa Nautical School
B'rit Ivrith Clamit
Hebrew Language Academy
Habimah Theatre
Palestine Conservatoire of Music
Bezalel Art & Craft School
Physical Training in Schools

Mr. H. Montor, New York (Continued)

Group b) comprises:

Hechaluz, America Tel Aviv Museum Group c) comprises:

Hebrew Teachers College, Beth Hakerem Trade School for Yemenite Girls, Rehoboth United Theological Colleges (Rabbi Amiel)

Group d) comprises:

Julian W. Mack School & Workshops
Palestine Hebrew Writers Association
Bialik Museum
Day Nursery for Yemenite Children Shaarajim
Day Nursery for Oriental Children
Economic Committee for Palestine
Hospital for the Insane & Incurable (Ezrath Nashim)
Kolel Shomre Nachomoth

The local Committee of the A.F.P.I. includes: Julius Simon, Chairman; E. Borlin; Dr. Katznelson; Miss Szold; Ch. Passman; Max Grunberg, Tel-Aviv; Rabbi Davidovitz, Tel-Aviv; Mrs. Ina Britachgi-Schimmer, on behalf of this Committee, collects all the material on the various institutions covered by this Fund.

In the table attached you will find figures relating to the participation of the Jewish Agency and the A.F.P.I. in the institutions under group a).

I will not now go into the justification of the institutions under group a) appealing also to A.F.P.I. for help, in addition to the subsidies, each receives through the Jewish Agency from Keren Hayesod moneys. I quite understand that an arrangement should be worked out and a formula laid down on the basis of which allocations for these institutions would be fixed in a more general way. Before allocations from the Jewish Agency are decided upon, each individual case will have to be re-examined in order to ascertain whether there are grounds for appealing to non-Palestinian sources, and whether subsidies on the part of the Jewish Agency should not cease too, if such appeal is found to be unjustified from our point of view.

With regard to "Physical Training in Elementary Schools", included in a), I am informed that during the year 1944 Elementary Schools received LP.253.from A.F.P.I. in all. You were absolutely correct in pointing out that the number of children - 45600 - aided by A.F.P.I. should not be given in the propaganda material of this Fund, since this is the total number of children in Elementary Schools under the Department of Education of the Jewish National Council. Moreover, in the 1944 Memorandum it is stated that 60,000 in all, primarily refugees, are being maintained by this Fund. It is obvious, then, that the statements made therein do not tally at all with actual fact. You may already have observed from my cable to you of 15.11. that one half of the expenses for physical training of children is indirectly borne by the Jewish Agency, and in accordance with an agreement made no special appeal should be made to non-Palestinian sources in aid of educational institutions. In this connection, I have had word with Dr. A. Katznelson who agrees that moneys for this purpose should not be obtained from A.F.P.I., and the amount lacking which is relatively small

Mr. H. Montor, New York (Continued)

should be made up by the Jewish Agency; he promised too, soon to write to Mr. El. Kaplan on this matter. In my cable of 15.11.1944 I informed you that the Institute for Physical Training in Haifa apparently ceased to exist in 1940, and any amounts received from America were used for settling debts of this Institute; and, naturally, an institution which is no longer in existence can hardly be described as one supported by the A.F.P.I.

Regarding institutions under group b) I have just learned that the "Hechalutz" is likely to be granted an allocation of \$16,000 for the present financial year; in their cable of 19.11.1944, addressed to Dr. Rosenblatt, the Jewish Agency express that they are in favour of the allocation of this sum which is to be used for the intensification of training in the U.S. and not for the maintenance of Hechalutz farms or for current expenses. The American Fund, therefore, in this case need not be asked to discontinue its allocations. By the way, the accounts of the Keren Hayesod in America show that in the course of previous years since 1939 the Hechalutz received a total sum of \$21,350, but at a meeting of the Board of the Keren Hayesod, held on 19.11.44, it was decided to write off this debt.

I have the following observations to make regarding institutions in group c):

The Hebrew Teachers College in Beth Hakerem: During the year 5703, the Educational Department of the Jewish National Council contributed LP.2927 towards the maintenance of this institution. As you know, the Keren Hayesod gives a grant in aid towards Schools of the Jewish National Council, and at the time it was agreed that the National Council should not be authorized to conduct any campaign in aid of Vaad Leumi Schools, either in Palestine or abroad, without previous consent of the Jewish Agency. It should be ascertained from the Jewish National Council whether they consider it justified and agree that such appeal for aid to the Teachers College be addressed to the A.F.P.I.

Trade School for Yemenite Girls in Rehovoth: In 5702 this School obtained LP.402 from the Educational Department of the Jewish National Council.

United Theological Colleges & Trade Schools: During the year 5703 the Jewish Agency contributed LP.2500, and in 5704 LP.2600, to these Colleges, headed by Rabbi Amiel, Tel-Aviv.

No further details need by added to those obvious from the attached survey in regard to institutions under group d). From information conveyed to me it transpires that the Tel-Aviv Museum received from A.F.P.I. LP.50.- during 1943. I see no reason why this institute, which belongs to the Municipality of Tel-Aviv, should not be responsible for its upkeep just as it is for a number of similar institutions supported by the Municipality.

I should like to add a few words regarding the "Kolel Shomre Hachomoth" (Kolel Ungarn). According to the memorandum set out by the A.F.P.I. the expenses of this Fund during 1944 amount to \$150,000 of which America is asked to contribute \$60,000. In 5702, the expenses of this institution amounted to LP.10,419, and it need not be assumed that expenses increased $3\frac{1}{2}$ times. It is true that the income of the "Kolel" decreased considerably since the outbreak of the war, that is, since it no longer draws on Central and Eastern European Jewry.

At the end of my cable dated 15.11.1944 I pointed out that A.F.P.I. has

Mr. H. Montor, New York (Continued)

begun attempting to concentrate in their hands the collection of moneys for as great a number as possible of traditional institutions. They meet, however, with the resistance of various circles in the country. I would mention that I have kept in close contact with Mr. Yaffet of the Jewish National Council and he gave me some interesting particulars of negotiations between the Committee for traditional and social Institutions of the Jewish National Council on the one hand and the American Federated Council which should become the centre for all work in aid of traditional Institutions, on the other hand. In the meantime the A.F.P.I. entered into negotiations and proposed that all such work be centered with them. After discussions with Mr. Julius Simon, who is the representative of the A.F.P.I. in Palestine, a compromise was reached: Both the Federated Council and the A.F.P.I. should cooperate in centralizing in America all work in aid of Palestine traditional Institutions. Mr. Yaffet also told me that the Jewish National Council send a cable to Mr. Harry Lurie in New York informing him of the proposed fusion of A.F.P.I. with the Federated Council; Mr. Lurie was asked to communicate contents of this cable to you, and Mr. Yaffet promised at the same time to send you detailed information on this matter, by air mail. I trust that this material has already reached you or will reach you shortly. From what Mr. Yaffet told me, I gathered that the Jewish National Council is not in favour of A.F.P.I. being responsible for traditional institutions, too, and the prevailing opinion is that the A.F.P.I. should confine their activities to new, that is modern, institutions only, as they have done hitherto. It must be taken into consideration that there is no common language between Mr. Eduard Norman and his Committee in the U.S. and Palestine, and the heads of the religious institutions in this country; nor is there any desire on the part of these institutions to entrust them with their case and the care for their maintenance. They fear that their income will decrease and that they will have to give up their independence if they come within the scope of activity of the A.F.P.I.

The affiliation of the United Theological Colleges into the A.F.P.I. was consented to by Rabbi Amiel; as the institutions are relatively "young" and have as yet no envoyes or collectors in America, and he, therefore, thought that no harm could be done by this affiliation into the A.F.P.I. Likewise, the "Kolel Shomre Hachomoth" has nothing to lose through cooperation with the A.F.P.I., since its income has been derived from European countries and until now no drives on their behalf have been conducted in America.

Before writing you this letter, I perused the correspondence exchanged between you and Mr. Leo Herrman on the subject of the A.F.P.I. I can understand your doubts regarding the activity of the A.F.P.I. itself and still more regarding their tendency to extend their activity. However, the Z.O.A. has in principle consented to participate in the Board of this Fund and agreed that half of its membership be elected from within the Z.O.A.; it is essential, therefore, that their representatives follow up the activity of this Fund and keep in constant touch with you and through you with the Jewish Agency and ourselves, so that, as Judge Rothenberg said at a meeting of the United Campaign for Palestine, held on 22.9.1944, they should be in a position "to decide which of the Palestine Institutions should receive financial support from the Fund." But, as Mr. Wertheim suggested at the same meeting, it is also imperative that these amounts be transferred through the Vaad Leumi (Jewish National Council).

I should be pleased if you could furnish me with particulars of the actual payments made by A.F.P.I. to Palestinian Institutions, according to years. I have lists of the allocations but not of actual payments.

Mr. H. Montor, New York (Continued)

I should be obliged if you could also forward a list of members of the A.F.P.I. Board and mark the names of Z.O.A. members.

A copy of this letter is being sent to Mr. El. Kaplan. Should you require any further particulars in this connection I shall be glad to let you have them.

Yours faithfully,

A. Ulitzur

Encls.

AMERICAN FUND FOR PALESTINIAN INSTITUTIONS, Inc.

GROUP A.

Institutions Receiving Jewish Agency Grants.

1. MIKVEH ISRAEL

In the years up to the present war the annual budget of Mikveh Israel was almost entirely covered by the income of the Institute from school fees and from its farm. The Alliance Israelite Universelle in Paris contributed only very small amounts towards the maintenance of the school, and with the outbreak of the war, even these ceased. As property of a hostile power (France under Petain) the school was placed under Government control during the war.

Expenditures of the School - October 1942 - Sep	tember 1943.	EP
TUITION		_
Teachers' salaries, teaching equipment, et	c.	7,440.
BOARD		
Food, kitchen service, etc.		13,951.
CLOTHING		
Apparel and shoes, sewing and laundry		2,627.
HEALTH SERVICE .		
Maintenance of a hospital and general		
sanitary supervision		983.
GENERAL EXPENSES		3,721.
SPECIAL EXPENSES, AMORTIZATION		
AND MISCELLANEOUS		1,694.
TOTAL		30.416.
Income throughout the year:		
From pupils' school and boarding fees		12,051.
Scholarship Grants:		
From PICA	2,100.	
From Government of Palestine	1,500.	
From Society of Friends of Mikveh Israel	1.200.	4,800.
Sundry Allocations:		
From various donors in Egypt	2,305.	
From ICA	1,333.	
From AFPI	988.	
From the Jewish Agency	500.	
From various donors in Palestine	273.	
From the Government of Palestine	108.	5,507.
Various Sources of Income		202.
Income from the Ferm		6.515.
Deficit in 5703		29,075.

At the end of the year 5703 the financial position of Mikveh Israel was as follows:

Capital (of Alliance Israelite Universelle) Sinking Fund, Indemnity Fund, etc.	#P 48,815. 19.224.	· PP
Loans and Credits	68,039. 20,089.	88,128.
Cash in hand and at the Bank	931.	
Immovable property 58,802. Inventory 13,112. Stock and produce 6,236. Securities 89.	78,239.	
Debits and Expenditure in advance	5.991.	85,161.
Balance of Liabilities over Assets:		
Deficit in 1941/2 Deficit in 1942/3	1,626. 1,341.	2,967.

It should be pointed out that dividing the finances of the Institute into three, as was done in the Memorandum, is inappropriate since it neither conforms with the ultimate balance nor with the sectional accounts. In actual fact, the farm attached to the school yields an income and in 1943 showed a profit of EP 6,515,438 chiefly derived from the dairy, orchards and vegetables, the vineyards and from the lease of land.

Apart from the EP 500. paid in 5703, the Jewish Agency paid in that year, through the Department for Youth Immigration, the following amounts for boarding fees for youth transferred to Mikveh Israel through the Jewish Agency.

For boarding fees of 49 Teheran children in	4,797.	
training camp	1,395.	
For boarding fees of 52 Teheran children in groups	1,499.	7,691.
The Central Bureau for the Settlement of German Jews, attached to the Jewish Agency, also paid as training fees		1 206
		1,206.
The Department for Youth Immigration granted a loan for the laying in of food stores		150
	Total	9.047

In 5704 an additional amount of EP 412 was paid by the Department for Youth Immigration to meet the deficit caused by the maintenance of youths.

It will thus, be seen that a great many of the boys in the school are from among those maintained by the Department for Youth Immigration of the Jewish Agency for Palestine.

In 5704 EP 700, were allotted to the School by the Jewish Agency and over EP 25,000, through the Youth Immigration Department. At the end of 5704, 180 Youth

Immigration children were enrolled at the school.

In the course of the year the total number of students at the school at times reached 350, including youth and child immigrants from Teheran although the average number of students was 250.

During the past year 132 students completed their studies. Fees paid by pupils (other than Youth Immigrants) usually cover only 50% of the expense they cause to the Institute since the majority comes from circles of modest means.

The course of studies covers three years. Apart from technical tuition in all branches of agriculture common in this country, tuition is also given in general subjects. Half of each school day is spent on theoretical study, and the other half on practical agriculture on the School Farm.

2. PALESTINE SYMPHONY ORCHESTRA

The Palestine Symphony Orchestra, headed by Professor Huberman, was founded in 1936. The Palestine Orchestra Trust, the Hon. Treasurer of which was the late Brigadier F.H. Kish, was established to foster the activities of the orchestra and to help maintain it.

Balances of contributions from abroad and from Palestine formed the basis of the Trust funds, which reached BP 9,531 by the end of 5697. Since that time, the annual deficits were covered from the funds of the Trust amounting to EP 9,266 at the end of 5698, EP 6,211 at the end of 5699, EP 6,509 at the end of 5700 and EP 3,940 at the end of 5703.

The Income and Expenditure of the Orchestra in the year 5703 were as follows:

Expenditures:		
Expenditure of the Orchestra	EP 31,032	
Office expenses and general expenses directors' fees, employees' salaries		
rent, postage, telephone, etc.	3,205	
Various - amortization, etc.	349	34,586
Income:		
Income of the Orchestra	27.064	4
Various	25	27.089
Excess of Expenditure over	er Income	EP 7.497

The financial status of the Palestine Orchestra Trust Fund at the end of 5703 was:

LIABILITIES:

Capital (including EP 2,000 Relief Funds) Pensions Fund Income in advance - subscription fees on	EP 5,941 1,357
account of coming season Creditors and credit balances	2,229 993 10,520

ASSETS:

Cash on Hand and in Banks	EP	7,021
Bank Deposit account Pension Fund		1,277
Debtors		1,702
Movable Property		362
Expenditure in advance		158
	EP	10,520
Expenditure in advance	IP.	158

The Jewish Agency's grant to this institution amounted to EP 400 in the year 5704, as against EP 300 in former years. The orchestra has greatly increased its activities in the course of the last two years. Special concerts for the military were arranged and the Orchestra undertook many journeys into neighboring countries.

3. HAIFA NAUTICAL SCHOOL

The Jewish Agency and the Palestine Maritime League, Haifa, founded the Haifa Nautical School in 1937.

The budget of the school is based on grants from the Jewish Agency and the Palestine Maritime League, on tuition fees and contributions.

The Expenditure in 5703 was as follows:

Tuition, management and instruction EP 2,833 Professional training - Department of Navigation, main-	
tenance of boats and	
naval exercises 1,086	
General Expenses - postage, office expenses,	
travelling expenses 167	
Expenses in connection with final examin-	
ations 69	
Boats, library and text books 266	4,421
Income during the year:	
From students - tuition fees 1,720	
AFPI -914, Jewish Agency 1000 1,914	
Palestine Maritime League 538	
Various39	4.211
Excess of Expenditure over Income	
during 5703	EP 210

According to the school's report, during the first nine months of 5704 (October 1943 to end of June 1944) expenditure amounted to EP4,302 and income to EP3,478.

The school has four departments: Navigation, Nautical engineering; Radio; and construction of boats. The Palestine Government and the authorities in England have confirmed the school's curriculum. The school aims at giving its students professional nautical training and a general Hebrew education.

The Board of Trustees of the school has seven members; the Palestine Maritime League has three representatives on the Board, while the Jewish Agency and the Technicum have two representatives each.

The 5703 grant of the Jewish Agency amounted to EP 1,250. EP 1,000 of it were paid during 5703, and EP 250 in the beginning of 5704.

4. B'RIT IVRIT OLAMIT

The Head Office of the B'RIT IVRIT OLAMIT was transferred to Palestine in 1933. The organization is to serve as a focal point for the friends of the Hebrew language in the diaspora, it keeps in touch with the existing Hebrew associations and aims at creating new organizations for the dissemination of the Hebrew language. The B'rit is in constant contact with the following countries:

Aden, Algir, Argentine, Australia, Belgian Congo, Canada, Cuba, Cyprus, Egypt, England, Eritrea, India, Kenya, Lebanon, Lybia, Marocco, Mauritius, Persia, Portugal, South Africa, Switzerland, Syria, Tunis, Turkey, United States of America, Uruguay, Yemen.

In the U.S.A. and in South America, the activities of the Hebrew associations are strengthened and new impetus is being felt in the sphere of Hebrew education. Contacts have been created in the countries of the Middle East through the management of the Alliance Isrelite Universelle, and the B'rit Olamit is sending kindergarten and school teachers to these countries.

The B'rit is also sending text books from Palestine. These books came formerly from Poland. The greater part of the text books is sent free of charge.

The Executive of the Zionist Organization gave a grant of EP 400 towards the activities of the B'rit, while the Jewish Agency gave a grant of EP 100.

The Expenditure in the year 5703 was as follow	ws:	<u>rp</u>
Organization and travelling expenses	EP 269	
Publishing of "Am V'Sefer"	128	
Hebrew books for the Golah	495	
Secreteriate	516	
Rent and various expenses	158	1,566
Income:		
Zionist Executive	400	
Keren Hatarbut (U.S.A.)	765	
Contributions from abroad and in Palestine	150	
Sale of books	284	
Various	3	1,602
Excess of Income over Expenditu	re	<u>EP 36</u>

The financial status of the B'rit Olamit at the end of 5703 was:

Assets Cash in Hand and in Banks	<u>EP</u> 503	₽₽
Books in stock	28	
Debtors (for books) Movable property	68	620
<u>Liabilities</u> Debts to publishers of books		60
Excess of Assets over Liabilities		EP 560_

The directors of the B'rit claim that they keep a small capital reserve as they fear that the income from the Keren Hatarbut in America is not permanent and may be discontinued.

5. HEBREW LANGUAGE ACADEMY (Vaad Halashon)

Hebrew has become the language of teaching in the Jewish schools of Palestine, it devolves on the Vaad Halashon to fix Hebrew technical terms for all subjects. The Vaad Halashon aims at adapting the language to every day use and at freeing it from archaisms.

In the year 1932 Hebrew was recognized by the Palestine Government as one of the official languages of the country. This privilege involved the obligation to make the language fit for daily use and to provide exact terms for all the spheres of life.

A number of scientific committees work under the auspices of Vaad Halashon. Their work is of vital importance for the development of the Hebrew language and literature.

Vand Halashon publishes the quarterly "Leshonenu", for improving the language. We shall forward separately the accounts of Income and Expenditure of Vand Halashon for the years 5703 and 5704.

The Jewish Agency's grant (through Mosad Bialik) amounted to EP 1000 for the year 5704, EP 823 of which were paid in 5704, while the rest was paid at the beginning of 5705.

6. HABIMAH THEATRE

The Jewish Agency's grant to Habimah for 5704 amounted to EP 800. It is understood that Habimah's financial situation was not bad in the previous year, but at present it lacks means for the establishment of a dramatic school, which is to carry on the work of the institution.

We have not yet obtained a financial report, which will be forwarded on its receipt.

7. PALESTINE CONSERVATOIRE OF MUSIC

The Palestine Conservatoire was founded in 1933, it is managed by an Administrative Committee of 7 members and a Committee for Musical Education of 3 members. In the classes for non-professional musicians (the classes for music-lovers) there are 251 pupils. In addition there is an academy with 16 students receiving advanced musical training, and a seminary for teachers of singing and music in primary schools. The academy and the seminary have three-years' courses.

The Conservatoire pays the teachers 85 percent of the tuition fees received from the students of the academy and those of classes for non-professional musiciens.

Under the auspices of the Conservatoire, there are students' and children's orchestras, study groups for chamber music, choirs for professional singers and choirs for music lovers.

The pupils in the classes for music-lovers are given a musical education, they are taught fundamentals of music, harmony, listening and musical theory.

EP 2.844

The Expenditure in the year 5703 was:

Teachers' salaries

(The report and balance sheet refer to the period 9/1/42 to 8/30/43)

	TO 01011	
Employees' salaries and auditors' fees	609	
Rent and office expenses	491	
Concerts and orchestras	109	
Assistance to pupils	166	
	EP 4, 219	
	7.610	
		<u>EP</u>
Income: which exceeded Expenditure in 5703	was as follows;	1.5
Tuition fees		2,899
Jewish Agency grants (incl. EP200 from fund	s	
of Council for Settlement of German Jew		
From America	839	
From other countries	50	
From Palestine contributions		7 777
	162	1,371
Admission fees, dues, etc.		124
		EP 4.394
		7.000 mm m m m m m m m m m m m m m m m m
Liabilities		

LIBOILITIES		
Debts to Jewish Agency (for loans obtained from funds		
of Council for the Settlement of German Jews)		1,446
Various Creditors		848
Credit balances and Income in advance		301
Funds for repairs and for doubtful debts	200	51
	EP	2.646

Assets		
Cash in Hand and in Banks	EP 152	
Debtors and Advances to teachers	269	
Musical instruments and furniture	422	843
Excess of liabilities over	assets	EP 1,803

It ought to be mentioned that the musical instruments and the library of musical scores owned by the Conservatoire are worth about EP 3,500.

8. BEZALEL ART & CRAFTS SCHOOL

The year 5703 was the eighth since the establishment of the school. In this year, there were 27 students at the school, besides those participating in supplementary courses. In the year 5704 the number of students rose to 42, and together with those visiting courses for drawing and finishing classes for teachers, their number reached 90.

The fundamental subjects taught are those of drawing and sketching. Sculpture and moulding, calligraphy and lettering, free and applied graphical arts, metal working, hand weaving and photography are also taught.

The Expenditure of the school for the year 5703 was as follows:

Salaries to teachers and employees	EP 1.665
Materials and wages	490
General expenses and various	178 EP 2,333

Income during the above period was as follows:

Grants and contributions:		
From Jewish Agency	EP 500	
From Jewish Agency, Dept. for the Settlement of Germ	an	
Jews	100	
From Home Crafts Society	154	
From AFPI	370	
From WIZO	200	
Contributions and scholarships	402	EP 1,726
Tuition fees and admission fees	The second second	345
Sale of objects produced and various		451 2,522
Excess of income over expendit	ure	EP 189
The financial status of the school at the e	nd of 5703	
Assets	P.P	
Cook in Hand and in Danks	740	

Assets Cash in Hand and in Banks	<u>₹₽</u> 349	
Stock - objects produced (nominal value)	2	
Inventory " "	ĩ	
Debtors	42	₹P 394
Liabilities		
Creditors and deposits	160	
Income in advance	21	181
Excess of Assets over Liabilities		EP 213

The following is a summary of the income and expenditure of the school in the first half of 5704.

Salaries	EP	1,243	
General expenses		225	
Materials	1 2	226	EP 1,694
Income from contribut:	ions,		
tuition fees	914 () () () () () () () () () (1,528

Deficit for the first half of 5704 EP 166

9. PHYSICAL TRAINING IN ELEMENTARY SCHOOLS

Physical Training in Elementary Schools is under the control of the Vaad Leumi's Physical Training Department, which provides teachers and the necessary means for these activities in elementary schools. The budget of the Department amounted to EP 3,000 in the year 5704, EP 2,400 of which were provided by the Vaad Leumi and EP 600 received from AFPI.

Physical Training in Secondary Schools

Half of the budget for these activities is covered by the schools themselves, mostly private schools under the control of the educational department of the Vaad Leumi - the second half of the budget was provided by the Jewish Agency.

Group B

Institutions to be supported by the Jewish Agency as from 5705

10. HECHALUTZ ORGANIZATIONS IN U.S.A.

Hechalutz Organizations in the United States of America will receive in 5705 from the American Keren Hayesod, New York the amount of \$16,000.

In the last 3 years the AFPI has allocated for two Training Farms in New Jersey and for vocational training the following amounts:

in 1942	\$25,000
in 1943	18,200
in 1944	26,640

From the accounts of the K.H. in New York we note that the Hechalutz Organizations received advances in previous years (since 1939) totalling \$21,350, but this amount has been subsequently written off.

11. TEL AVIV MUSEUM (Dizengoff House)

The Museum Tel Aviv was founded by the late Meir Dizengoff and Chaim Nahum Bialik in the year 1931. The aim was to foster a spirit of appreciation and love for art in the general public. The Museum collects and exhibits objects of art of all periods and from all countries, and particularly of Jewish artists from all over the world.

The Museum has the following Sections:
The Palestine section collects and exhibits the best creations of Palestine artists; Section for the exhibits of famous Jewish artists abroad; Section for valuable objects of art of various periods, and a Section for the Graphic Arts.

There is a Library in the Museum consisting of 4000 books on works of Art. The Committee of the Museum arranges exhibits all over the country and during the last few years, exhibits have also been held in various military camps.

Expenditure during the year 1943: Salaries	PD 7 F40		
201000000000000000000000000000000000000	EP 1,546		
Repairs, office expenses, etc.	389		
Exhibitions, printing, films, etc.	287		EP 2,222
Income during the year 1943:			.,
Donations and grants:			
Society of Friends of the Tel Aviv			
Museum	369		
Municipality of Tel Aviv	530		
Various donations	128	£P1.027	
Internal fees and Sale of Catalogs.	120	11,021	
Concerts, lectures, etc.		1,166	
Interest from the living legacy and	Fund	7. F. T. S. T.	
of the late Mr. Dizengoff and f	rom		
various sources	- 0	707	
	-	321	2,514
Balance of Income over	Expenditu	re	EP 292

The financial situation of the Tel Aviv Museum, at the end of the year 1943 was as follows:

Liabilities	1020
Subscribed capital EP 1,000, paid capital	250
Dizengoff Fund	10,000
Fund for the purchase of paintings	411
Living Legacy of the late Mr. Dizengoff - balance	763
ariang andrew or and removal areas areas	£P11,424

Assets
Cash at Banks
EP 722
Museum Building
Furniture
Debtors
Excess of liabilities over Assets
EP 728

12. HEBREW TEACHERS' COLLEGE, JERUSALEM

Group C

Institutions which are supported indirectly by the Jewish Agency
The institution is included in the educational network of the Knesseth
Israel. It had 68 students in the year 5703. There were 23 teachers at the
college, some of them giving only a number of lectures a week. The Director is
Mr. S. Dinaburg.

This institution receives a grant from the Vaad Leumi Education Department; which is supported by the Jewish Agency out of Keren Hayesod monies.

The Expenditure in 5703 was as follows:

Teachers' salaries EP	2,688	
Secretariate and Treasury	402	
Services and maintenance of garden	365	
Maintenance of building and insurance Equipment - library, requisites and	623	
materials	343	
Furniture	36	
Loans to students (from special Loan		
Fund of the school)	234	
Irrigation and work on farm	188	
Various expenses	234	EP 5,113
INCOME:		
Tuition fees	441	
Educational Department of Vaad Leumi	2,927	
AFPI	1,100	
Verious contributions	78	
Secondary school's participation in		
maintenance of building	200	
Repayments on account of loans to		
students	366	
Various income	230	5.342

Excess of Income over Expenditure EP 229

The excess of income was partly used for covering the deficit of former years amounting to EP 391.

13. YEMENITE SCHOOLS

The Trade School for Yemenite Girls in Marmorek Quarter near Rehoboth, the Day Nursery for Yemenite Children in Shaarayim near Rehoboth and the Day Mursery for Yemenite Children in Marmorek Quarter near Rehoboth, are maintained by the School Fund for Oriental Children.

The Educational Department of the Vaad Leumi (which receives grants from the Jewish Agency) is participating in the budget of the Trade School and allocated in 5703 EP 875 for this purpose.

300 children visit the above institutions.

According to the report of the Fund per end of 1942 - the expenditure of the Trade School in Marmorek Quarter and that of the Kindergarten in Shaarayim was as follows:

	£P
EP905	-
3,110	
677	4,692
	3,110

INCOME:

Contributions	(including	223	from	
	An	eric	a)	874

Grants from Institutions:

Hadassah - Lunch Fund Education Dept. of Vaed Leumi	270 402		
Government	168	840	
Payments of parents	499		
From Social Service Office,			
Rehoboth	93		
Income of farm	228		
Income of trade classes	197		
Income from Investments	590		
Various	97	1.704	3 418

Excess of expenditure over income EP 1.274

The financial situation of the Fund.

Assets

Liquid assets - cash, banks, etc.	1,542	
Investments - securities & mortgages	6,756	
Immovable property	3,000	
Cloth, linen and furniture	181	EP 11,479

Liabilities

3,326			
7.598			
10,924			
13			
542	*	EP	11.479
	7,598 10,924 13	7,598 10,924 13	7.598 10,924 13

14. UNITED THEOLOGICAL COLLEGES AND TRADE SCHOOLS

The Yeshivoth and Talmud Torah classes of the United Theological Colleges (talmudic educational system) are organized under the management of Rabbi Amiel. All the yeshivoth and Talmud Torah classes (three talmud torah classes excepted) are included among the institutions of "Mifal Hatorah" headed by Rabbi Meir Berlin, and they receive grants (through Mifal Hatorah) from the Jewish Agency. The following details were compiled from answers given to a questionnaire.

Havishuv Hechadesch Yeshiva, Tel Aviv.

The Yeshiva, which was founded in Tel Aviv in the year 1938, is headed by Rabbi Amiel. There are 81 students with 8 teachers and instructors. The students are young people. Besides the study of the Talmud and the Tenach, Hebrew, English, mathematics and history are being taught, the language of teaching being Hebrew. The Yeshiva aims at training young rabbis educated in a national spirit. Attached to the Yeshiva there are preparatory and talmud torah classes, and also a kitchen and a board school having 10 rooms.

The budget of expenditure amounted to EP 7,940 in 5703, the income was EP 7,895, 16 per cent of which from America, 66 per cent from Palestine, and the balance, from other countries.

The students are thus given board and also lodging, the works of students who distinguish themselves are printed, and part of the students receive monthly salaries.

Yeshiva of Tel Aviv

Rabbi Aharonsohn founded the yeshiva in 1925, it is now headed by Rabbi Katz. 61 young people study at this institution, and there are 8 teachers and instructors. Besides the study of the Talmud, Hebrew, English and arithmetics are taught, the language of teaching being Hebrew. The Yeshiva aims at giving the opportunity of studying the Talmud to graduates of elementary schools and of talmud torah classes. Attached to the yeshiva are talmud torah classes and there is also a school kitchen.

In the year of 5703 the budget amounted to EP 1,616.

In the same year the income was EP 2, 120, of which 99 per cent from Palestine, and one per cent only from America.

Yeshiva of Rishon Le'Zion

The Yeshiva was founded in Rishon Le'Zion in 1941. There are 18 young students, who received non permanent assistance from the institution.

Yeshiva Poret Joseph, Rehovoth

It was founded in 1940 in Rehovoth. There are 40 students aged 12-17, two classes with three teachers, a manager and the Rosh Yeshiva. The pupils learn 8 hours a day.

Trade School Torah U'Melacha, Nahlat Yizchak

The Yeshiva is situated in Nahlat Yizchak, near Tel-Aviv. It was founded

in 1940. 26 young students are taught by 4 teachers and instructors. Besides Torah studies, the students are taught Hebrew, arithmetics and English. Vocational training in weaving and carpentry is given. The language of teaching is Hebrew. Attached to the Yeshiva there is a boarding school of 6 rooms. The budget of expenditure amounted in 5703 to EP 2,880, while the income in the year was EP 2,637, of which ten per cent from America and the balance from Palestine.

Yeshiva and Talmud Torah Hechareidim, Tel Aviv

The Yeshiva was founded in 1935. There are 26 young students and two teachers and instructors. Besides studying Talmud and Tenach, the students are taught arithmetics, Hebrew and English. Attached to the yeshiva are a Talmud Torah and a school kitchen for the students. Expenditure during the year 5703 amounted to EP 548, covered from contributions obtained in Palestine. The Talmud Torah classes are frequented by 150 pupils. There are five teachers.

Yemenite Yeshiva, Kfar Abraham

The Yeshiva was founded in 1939. There are 48 young students. Attached to the yeshiva are a boarding school for part of the students, and a school kitchen.

Ohel Jacob, Beth Ulfana and Hatikvah

The above are Talmud Torah classes, in which children learn before starting the studying of the Talmud. The two former Talmud Torah classes are assisted by the Talmudic educational system of Rabbi Amiel, while the last, "Hatikva" was founded by the system and is being fully maintained by it.

The Jewish Agency's grants towards the yeshivoth were given by the Department for Religious Affairs, through "Mifal Hatorah". The talmudic educational system headed by Rabbi Amiel obtained from these grants EP 2,500 in the year 5703 and EP 2,600 in the year 5704.

Group D. Institutions which are not supported directly and indirectly by the Jewish Agency

15. JULIAN W. MACK SCHOOL & WORKSHOPS

Until the year 5702, part of the pupils at this institution were children under the care of the Youth Aliyah Department, and this Department gave a grant towards the maintenance of the school. Beginning from 5703, this grant was discontinued, as no more Youth Aliyah children frequented the school, where at present only poor and destitute children receive their education.

The school gives vocational education in carpentry, weaving, etc. and general education on the level of elementary schools.

In the year 5703 there were 155 pupils at the school. The monthly budget of the institution amounted to EP 350, i.e. to about EP 4,000 for the year.

The 1943 grant of AFPI amounted to \$6,000.

The management of the school is in the hands of an Executive Council of friends of the institution.

16. PALESTINE HEBREW WRITERS ASSOCIATION

Report accounts will be forwarded separately.

17. BIALIK MUSEUM AND LIBRARY (BETH BIALIK)

We have not yet received report and accounts of the Bialik Museum. According to the information we have received from the representative of the AFPI in Palestine this institution has received only EP 50. in 1944 which was transferred from the U.S.A.

18. AMERICAN ECONOMIC COMMITTEE FOR PALESTINE

The American Economic Committee is engaged in research on Palestinian Economics and furnishing information to prospective capitalist immigrants. Dr. Kurt Grunwald (of the London Palestine Corporation) in Jerusalem is the local Representative of this committee.

We think sufficient information on the activities of this committee are available in New York. According to the May Digest (of the Committee of Jewish Federations and Welfare Funds) the budget of the Committee in 1943 was dollars 3,000 and in 1944 8000 dollars.

19. HOSPITAL FOR THE INSANE & INCURABLE (Ezrath Nashim)

A society of public spirited ladies founded the hospital in 1895 in order to provide shelter for incurably ill persons.

The chief aim of the society - the treatment of insanes - could be approached only in 1921, the hospital having then been enlarged, equipped and the necessary improvements made.

The management of the hospital is in the hands of a Committee of 11 ladies and a Council of 18 ladies, both elected by the General Meeting of the Society. The Society has at present about 1000 members in Palestine, each contributing on an average 600 mils yearly to the society. The staff consists of 20 physicians and nurses, 15 people in the services and on household duties, and 4 in charge of the management. The aggregate salary of all the employees amounts to EP450 a month, plus board.

The plot of the hospital, 10,000 pic, was purchased with the help of a donation obtained from Baroness Rothschild. Three buildings with 45 rooms were constructed out of donations. 23 rooms serve for the patients, the rest being used as dwelling rooms for the nurses, mess of the staff, and rooms for various services.

During the first 26 years of its existence the hospital nursed 625 incurables and during the 48 years of its existence 1765 patients have entered the hospital, of whom 613 recovered, 498 died, the health of 58 has improved or they were transfered to other institutions, 73 patients remained in the hospital, of whom 25 males and 48 women.

The hospital uses modern therapeutic methods. An EP 800 grant for two years received from the Emergency Council of Hadassah enabled the hospital to introduce the occupational therapy. The physician of the institute gives medical assistance free of charge to out-patients coming to the clinics maintained by the hospital.

The yearly budget of the institution is over EP 8000, 70 per cent of which are covered by local income (about 45 per cent out of patients' payments). The greatest part of the income from abroad is derived from branches and friends of Ezrath Nashim in U.S.A.

Expenditure in 1942:

Salaries to physicians and employees Food	EP	3,489		
Clothing and shoes		98		
Medicines		41		
Various expenses - fuel, light, repairs, etc.		1.550	EP	7,655
Income in the year 1942 was as follows:				
Payments received from patients	EP	3,825		
Contributions from members		720		
Contributions from various		81		
Legacies		734		
Various appeals		243		
Emergency Council of Hadassah		340		
From America - from members and friends		1,800		
From other countries	-	341	EP	8,084
Excess of Income over Expenditure			EP	429

The aggregate income of the institution in the years 1938-1942 amounted to EP 33,828, as against expenditure of EP 30,658.

The maintenance of a patient in the institute cost more than EP 10 per month in the year 1942. The scale of payments received from relatives on account of patients treated at the hospital was as follows in 1942:

20 patients - free of charge; 15 patients - EP 1. - 3 per month; 34 patients - EP 3 - 6 per month, 9 patients - EP 6 - 9 per month; and only 3 patients who paid the full amount. On an average, EP 5 was paid per month for each patient.

20. KOLEL SHOMRE HACHOMOTH

Rabbis from Hungary founded the Kolel in the year 1858 in order to assist Hungarian Jews living in Eretz Israel. Until the outbreak of the war, the Kolel was headed by an Executive Committee of three. At present it is managed by two members working in an honorary capacity, who have been nominated by the Executive Committee in 1932. The president of the Kolel is Rabbi Akiba Soffer from Bratislava, at present in Palestine.

Some 3100 souls belong to the Kolel and benefit from it in one way or another. Of these some 2500 souls belong to 600 families, while the rest are widows, orphans and single old people. Lately a number of refugees who came to Palestine joined the Kolel. About 500 heads of families are yeshiva students, whose life is devoted to studying the Torah.

Assistance is given to the members of the Kolel in the following ways:

1) Permanent financial assistance - Halukkah. Almost all the members of the Kolel receive financial assistance every month (excluding those gainfully occupied). The amount given depends on the receipts.

^{*} At the end of the last war, geographical changes took place in the map of Europe. It was then seen that the majority of the members of the Kolel came from Czechoslovakia, Rumania and Austria.

2) Housing - the Kolel has much immovable property, purchased from donations obtained in Palestine and abroad. The most important part of it is the Hungarian Quarter (Nahlat Zwi), where 325 dwellings of 2-3 rooms each were built in 1892. 30 living rooms belong to the Kolel in the Old City. The dwellings standing at the Kolel's disposal are sufficient for housing the greater part of the members. The dwellings are drawn by lot every three years; no rent is taken. The Kolel gives allocations towards the rent paid to the members who received no dwelling.

- 3) Health services a permanent physician gives medical help free of charge in his clinic. The Kolel is giving grants towards hospitalization and in maternity cases. The Kolel has an agreement with a pharmacy which supplies medicines free of charge to the members.
- 4) Education the sons of the members of the Kolel, some 250 boys aged 3-16, receive their education at a Talmud Torah having 12 classes. Graduates continue their studies in Yeshivoth. Yeshiva students, Talmidei Chachamim, receive special grants. Assistance was also given for vocational training. A house was built for the Talmud Torah in the above quarter, and in the Old City the Kolel has a Yeshiva and a Talmud Torah. The Kolel has three synagogues in the Hungarian Quarter and two in the Old City. All the immovable property dwellings, synagogues, the yeshiva, the Talmud Torah are registered with the government in the name of the management of the Kolel, as Trust property.

The Expenditure of the Kolel in 5702 was as follows:

Halukka Payments	EP 4.344	
Maintenance of Yeshivoth Chatam Sofer & Ketav	,	
Sofer and Talmud Torah	3,098	
Health services	1,067	
Various grants	810	
Propaganda	248	
Salaries to office employees	530	
Office expenses	160	
Participation in general expenses of Quarter	3.000	FD 10 410
	161	EP 10,418
Income in 5702		
Contributions from U.S.A. and Canada	5,739	
" European Countries	77	
" Eretz Israel	37	
" Central and South America	49	
Earmarked contributions for building	1,349	
Various receipts	348	
Earmarked contributions for Yeshivoth and Talmud	010	
Torah	335	EP 7,934
Excess of Expenditure over Inc		EP 2.484
-more of -mpondature over and	20110	6,404

The reports for the last few years show rising income from U.S.A. and Canada, as against a very strong decrease in income from European countries (from EP6324 in 5699 to EP 77 in 5702). Income in 5699 was EP 10.851, in 5700 EP 6.561 in 5701 EP 13,549, Expenditure in 5699 was EP 9,462, in 5700 EP 6,937 in 5701 EP 8,730. Income has thus exceeded expenditure by EP 3346 during the last four years. (The books of the institution are audited by a Chartered Accountant.)

It might be mentioned that the institution has no school for girls, and that the daughters of members go to Agudath Israel or other schools.

According to information received from the Vaad Leumi - the clinics and other institutions of the social service department assist members of the Kolel in the same way as other members of the public, who request their help.

A few details about the Yeshiva attached to the Kolel:

The Yeshiva Chatam Sofer - Ketav Sofer was founded in 5644. The Yeshiva has 150 students, and the Talmud Torah attached to it 230 pupils. The Kolel makes grants out of its regular income for maintaining the Yeshiva. The books of the Kolel show the following expenses in connection with the Yeshiva: Salaries to rabbis and melandim, assistance to yeshiva students who have families, small amounts spent for assistance to single yeshiva students, books and various expenses.

According to the reports of the Joint Distribution Committee, this Yeshiva received \$1,300 in 1943.

Table

Name of Institu- tion	Year of Report	Total expen- ses	Participation of J.A. and K.H.		Alloc- ations of AFPI	In	% Remarks
		EP.	EP	%	- EP		
Mikveh Israel	5703	30,417	500	1.6	1,070	3.5	Allocation of J.A. in 5704 is 700.
Palestine Or- chestra	"	34,586	400	1.1	1,000	3.8	AFPI payments directly from America, not from the Pal. Committee.
Nautical School Haifa	1 "	4,222	1,250	28.3	1,055	24.0	In the beginning of 5704 the JA paid EP250 for 5703
B'rit Ivrith Olamit		1,566	500	31.8	765	48.0	Incl.EP400 paid by JA from moneys of the Zion- ist Organi- zation
Palestine Cons							
vatoire of Mus	sic "	4,220	320	7.5	839	14.8	In 5704 JA paid EP400 in addition to EP 200 paid from moneys of the Council for Jewish re- fugees.
Bezalel, Jerus	alem "	2,333	600	25.7	371	15.9	In 5704 JA paid EP500 plus 300 from moneys of the Council for Jewish refugees
Habimah	"	1	700		1,500		No report was received from Habimah
Hohrew Languag	ge #	,	1,000				Allocation of

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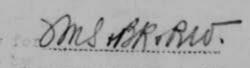
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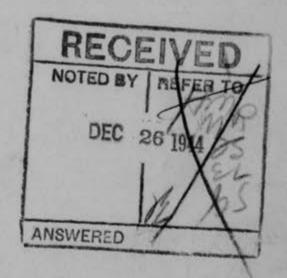
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STANDARD TIME

LONDON 79 W2934 ST NLT HENRY 41 EAST 42 - ND NEWYORKCITY MONTOR EXECUTIVE PRESIDENT AND UNITED MARKS SIMON SIR ARRANGING OUR 1945 CAMPAIGN NOW PALESTINE APPEAL HEREWITH URGENT INVITATION TO RABBI STOP EXTEND ENGLAND FOR THIS PURPOSE VISIT TO SILVER TO MEETINGS AND TO FURTHER THE CAMPAIGN ADDRESS PROSPECT TARGET STOP WITH BIG MARCH OPENS IN WHICH STOP ACCEPTANCE THIS ON INVITATION LARGELY DEPENDS TO ENABLE UTMOST EARLIEST AND CABLE YOUR PLEASE DO VISAS REGARDS NEGOTIATE AND TRANSPORT ARRANGE US BAKSTANSKY







UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayesod)

JEWISH NATIONAL FUND (Keren Kayemeth)

MIZRACHI PALESTINE FUND

41 EAST 42nd STREET, NEW YORK 17, N. Y. • Telephone: MUrray Hill 2-3320 • Cable Address-Palfund

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Executive Director
HENRY MONTOR

Dr. Abba Hillel Silver The Temple

Dear Dr. Silver:

Cleveland, Ohio

Herewith is an original of a cable received from London. I know how eager they would be to have you again. I would appreciate word from you at your earliest convenience so that we here and London could facilitate arrangements, if the answer is favorable.

With kindest personal regards. I am

Cordially yours,

December 27, 1944

Henry Montor
Executive Director

HM:BR

RESOLUTION ON BUDGETING PRACTICES ADOPTED BY THE ADMINISTRATIVE COMMITTEE OF THE UNITED PALESTINE APPEAL JANUARY 4, 1945

The Administrative Committee of the United Palestine Appeal records its approval of the extension of services of information and analysis on a statistical basis now provided by the Council of Jewish Federations and Welfare Funds to its member agencies. The United Palestine Appeal pledges its cooperation in further measures that will make available to the Jewish communities of America accurate, complete statements of the financial programs and requirements of agencies applying to the American Jewish community for funds.

The United Palestine Appeal records its opposition to the introduction of "national budgeting" which would attempt to entrust to a limited number of individuals, operating as a central committee, the authority to fix or to recommend the quotas of agencies appealing to the American Jewish community for funds and fix or recommend the percentage of such funds which should be provided by each community.

The United Palestine Appeal directs its officers to take such steps as they may deem necessary to inform their constituents of the position of the United Palestine Appeal in this matter.

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayesod)

JEWISH NATIONAL FUND (Keren Kayemeth)

MIZRACHI PALESTINE FUND

41 EAST 42nd STREET, NEW YORK 17, N. Y. • Telephone: MUrray Hill 2-3320 • Cable Address-Palfund

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January 9, 1945

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LOUIS SEGAL

ELIHU D. STONE

JOE WEINGARTEN

HERMAN L. WEISMAN

Executive Director
HENRY MONTOR

Dr. Abba Hillel Silver The Temple Cleveland, Ohio

Dear Dr. Silver:

HM: BG

In a conversation today with Mr. Solomon Kuznets, Director of Research of the Council of Jewish Federations and Welfare Funds, he advised me that a poll will be conducted among the members of the Budget Research Committee of the Council as to their position on national budgeting.

Mr. Blaustein, as Chairman, will write to each of the members asking whether they feel that national budgeting should be instituted and whether they are prepared to submit a request for its introduction to the General Assembly of the Council in Cincinnati on February 11. Either the Budget Research Committee will definitely recommend national budgeting or they will merely suggest that a report be made on what has happened with no recommendation that action be taken. However, this will not prevent Mr. Blaustein from asking for the introduction of national budgeting on his own.

I am advising you of this since as a member of the Budget Research Committee of the Council you will be receiving an inquiry. I shall be very grateful if you could send me a copy of the reply which you will make.

With kindest personal regards, I am

Cardially yours.

Henry Montor Executive Director

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayesod)

JEWISH NATIONAL FUND (Keren Kayemeth)

MIZRACHI PALESTINE FUND

41 EAST 42nd STREET, NEW YORK 17, N. Y. • Telephone: MUrray Hill 2-3320 • Cable Address-Palfund

NATIONAL OFFICERS

January 16, 1945

Honorary Chairmen
ALBERT EINSTEIN
SOLOMON GOLDMAN
HENRY MONSKY
NATHAN STRAUS
HENRIETTA SZOLD

Rabbi Abba Hillel Silver The Temple Cleveland, Ohio

Dear Rabbi Silver:

National Chairman
JAMES G. HELLER

The Budget Research Committee of the Council of Jewish Federations and Welfare Funds is now circularizing the welfare funds of the United States in an effort to obtain approval for a program that is described as "national budgeting." Whatever conclusion is reached by each community should be based on a full knowledge of the facts.

National Co-Chairmen

STEPHEN S. WISE
Chairman,
Administrative Committee

LOUIS LIPSKY
Chairman,
Executive Committee

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BERNARD A. ROSENBLATT
MORRIS ROTHENBERG
ABBA HILLEL SILVER
ROBERT SZOLD

In any discussion of "national budgeting" it is desirable to have a definition of terms. My own view is that the proposals which underline so-called "national budgeting" are actually aimed at "national control." I do not believe that this is what the Jewish communities of America desire.

Treasurer
CHARLES J. ROSENBLOOM

DAVID WERTHEIM

I feel that American Jewish communities wish a maximum of information, a minimum of duplication and the most constructive efforts to advance valid Jewish enterprises. But I am equally convinced that American Jews, by and large, do not wish to see established a central committee whose power it would be to pass on all causes, as to purpose and program, and make recommendations to American Jewry and to each individual community as to what the financial framework of each should be.

Associate Treasurers
ABRAHAM GOODMAN
ABRAHAM L. LIEBOVITZ
JACOB SINCOFF

Taking into account my own experience in a welfare fund community and the contact that I have had with community leaders throughout the nation, I have formulated a program of budgeting practices which I believe represents what the communities really want. I have presented this program to the Council of Federations for its consideration. I would be very much interested in having your reaction to the program which I have outlined and any comments which you feel will be helpful to our mutual discussion. Undoubtedly the welfare funds of America will wish to give the most careful consideration to all aspects of the principles and implications of "national budgeting." I shall be glad to summarize and make available to you the comments that I receive.

Chairman, National Council
RUDOLF G. SONNEBORN

Attached herewith is a copy of a resolution on "national budgeting" adopted by the Administrative Committee of the United Palestine Appeal.

Vice-Chairmen

BARNETT R. BRICKNER
JOSEPH H. LOOKSTEIN
IRVING MILLER
HARRY A. PINE
CHARLES RESS
BERNARD G. RUDOLPH
LOUIS SEGAL
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JOE WEINGARTEN
HERMAN L. WEISMAN

Executive Director
HENRY MONTOR

JGH:MFE Enc. 2 James G. Heller National Chairman

FOR THE DEFENSE AND UPBUILDING OF THE JEWISH NATIONAL HOME IN PALESTINE

DRAFT OF A PLAN TO EXPAND BUDGETING RESEARCH

From: Dr. James G. Heller

At a meeting on October 5, 1944, officers of the United Palestine Appeal met with representatives of the Council of Jewish Federations and Welfare Funds to discuss an extension of the program of budget research already initiated by the Council. As a result of those discussions, I have submitted the following draft to the officers of the United Palestine Appeal. This plan has also been submitted to the Council of Jewish Federations for its own consideration.

1. BASIC POLICY

"National budgeting" is a subject that has longed stirred controversy in the Jewish community. It is bound up with issues that can seriously affect communal harmony. It is, therefore, desirable to emphasize the constructive and not the controversial elements of any budgeting research program. These prohibitions should be maintained:

- (1) Beyond giving every item of detailed information, the Council should not, at any time, indicate its opinion of the validity of any agency program except where the violation of sound ethical or communal standards is so flagrant as to warrant from the Council the same type of condemnation as would be voiced by a community's Better Business Bureau in rebuking an unethical venture.
- (2) The Council should not attempt to fix either the national goal or the quotas for local communities for any agency.

2. EXTENSION OF BUDGET RESEARCH

It is recognized that officers of local communities entrusted with the task of determining the allocation of funds as between beneficiary agencies desire a maximum of accurate information to reach a fair decision. It is my opinion that the Council of Federations and Welfare Funds might appropriately extend

the information it is now providing to its constituent agencies. The following suggestions are intended to explore the possibilities of such extension:

A. AGENCY INFORMATION

At the present time, the Council analysis of an agency's fiscal report is based substantially on a summary provided by the agency itself. It would be proper for the Council to request and obtain a Certified Public Accountant's report of the agency's fiscal status in the same detail as is provided to the officers of the agency for the past fiscal year as well as the budget for the ensuing year prepared on the same basis. The agencies should state the accounting basis upon which the statements are prepared, such as cash, appropriations or some other basis.

In the event that the Council finds that additional information might be desirable, it should be in a position to obtain it from the organization.

Certain criteria should be basic for determining the value of an agency's fiscal report:

- (1) Expenditures should be defined in detail, differentiating between functional activity, personal service, campaign expense, promotional expense and any other type of disbursement. The Council should undertake to formulate and present a basic method of accounting of such expenditures which the various agencies should be asked to comply with to assure uniformity for the benefit of the understanding of the Council constituent agencies.
- (2) Income should be defined in detail, covering all sources of income, whether from campaigns in the United States or other sources, here or abroad. Where the activities of several organizations overlap, with one agency providing funds for a special service provided by another agency, the amount of such contribution and the reason should be carefully indicated.

- (3) As nearly as possible to the beginning of the fiscal year of the particular agency it should submit to the budget research department of the Council a detailed outline of the budget for the following year, showing expenditures in each category, the amount expended in the same category the previous budgetary year and the reasons for any changes.
- (4) In submitting an accounting of expenditures made and of the budget for the ensuing year, an agency should indicate the number of staff it employs, with a definition of the tasks performed. The Council should be authorized to seek supplementary information from the particular agency, if needed.
- (5) There should be submitted to the Council as frequently as the circumstances warrant, a complete list of the official personnel of the agency, with an indication as to how officers are chosen and at what intervals.
- (6) Agencies raising funds in the United States for expenditure abroad should make available, as soon as possible after the fiscal year has ended, a detailed accounting of the expenditures abroad, indicating income from all sources to the agency or institution making the expenditures as well as an itemization of the total expenditures on behalf of all sources.
- (7) The annual fiscal report of each agency to the Council should also include a statement of assets and liabilities, and a reconciliation of surplus or deficit for the period.

B. INTER-AGENCY RELATIONS

An expanding problem for Jewish communities is the rise of new agencies for functioning and fund-raising. In addition, existing agencies enter fields covered partly or in full by other agencies; or long-established agencies seem

to be operating in similar fields. There is an earnest desire to assure a maximum of constructive achievement with a minimum of duplication and over-lapping. The Council budget research department should be enabled to assist communities in obtaining ample information. These suggestions are offered:

- (1) For new agencies entering a field of service, the Council shall obtain:
 - (a) The completest possible information on reasons for establishment, planned expenditures, expected income, officers and area of activity;
 - (b) And, at the same time, make inquiries of the agency or agencies, believed to be in that field already, of expenditures it is making or services it is rendering in that field. All exchange of information shall be regarded as available for the constituent members of the Council;
 - (c) As long as the President's War Relief Control Board shall be in existence information should also be obtained as to any action which the Board may have taken with respect to the agency.
- (2) On the basis of information submitted to it by various agencies, the Council shall be authorized to cross-index material to show areas in which agencies may seem to be operating simultaneously. Before such material is published, however, it shall be submitted to the respective agencies for their comment. Such comment shall be included in the report issued by the Council.
- (3) Where the seeming duplication in an area seems to the Council budget research department serious, it shall be authorized to request the several agencies to coordinate their activities for the purpose of eliminating duplication if it actually exists.

RESOLUTION ON BUDGETING PRACTICES ADOPTED BY THE ADMINISTRATIVE COMMITTEE OF THE UNITED PALESTINE APPEAL JANUARY 4, 1945

The Administrative Committee of the United Palestine Appeal records its approval of the extension of services of information and analysis on a statistical basis now provided by the Council of Jewish Federations and Welfare Funds to its member agencies. The United Palestine Appeal pledges its cooperation in further measures that will make available to the Jewish communities of America accurate, complete statements of the financial programs and requirements of agencies applying to the American Jewish community for funds.

The United Palestine Appeal records its opposition to the introduction of "national budgeting" which would attempt to entrust to a limited number of individuals, operating as a central committee, the authority to fix or to recommend the quotas of agencies appealing to the American Jewish community for funds and fix or recommend the percentage of such funds which should be provided by each community.

The United Palestine Appeal directs its officers to take such steps as they may deem necessary to inform their constituents of the position of the United Palestine Appeal in this matter.

COUNCIL OF JEWISH FEDERATIONS AND WELFARE PUNDS, INC. 165 West Lith Street New York, New York Jamuary 16, 1945 Mr. Henry Montor United Palestine Appeal 41 East 42nd Street New York, N.Y. Dear Henryt Enclosed is copy of letter received from the JDC in reply to Sidney Hellander's letter of January 12. After you have read it I would appreciate your calling me and let's arrange an appointment temorrow to discuss this matter further on an informal basis. Cordially, H.L. Lurie Executive Director

UNITED PALMSTINE APPRAL 41 Heat 42ml Street New York City

MENORANDUM

TO: Dr. Abba Hillel Silver

January 17, 1945

FROM: ENERY MONTOR

Attached herovith is a copy of the reply made by the Joint Distribution Geometree to the letter of Mr. Sidney Hollander, Frontdent of the Council of Jovish Federations and Velfure Punks suggesting mediation regarding the 1945 United Jovish Appeal. Also attached is the covering letter received from Mr. Harry L. Lurie, Executive Director of the Council of Jovish Federations and Velfure Funds.

HM:BG Enc. 2 VETOND PALESTINS APPRAL 41 MAST 48HD STREET NEW YORK 17, NEW YORK

MEMORANDUM

January 34th, 1945

201

Dr. Abba Hillel Silver

PROM:

Henry Hontor

Attached horowith for your information to an analysis of some of the institutions in Palestine which are included in the framework of the American Punk for Palestinian Institutions, some of which are also supported by the Jewish Agency for Palestine.

RH136

MEMORANDUM

From Henry Montor

January 26, 1945

Enclosed herewith is an exchange of correspondence relating to the negotiations for a 1945 United Jewish Appeal. This matter will come up for final decision at the combined meeting of the Keren Hayesod, Keren Kayemeth and Executive Committee of the United Palestine Appeal on Monday, January 29th, at 4:00P.M. in the East Room, Biltmore Hotel, Madison Avenue and 43rd Street, New York City.

HM: IG

C O P Y January 24, 1945 Mr. Paul Baerwald Joint Distribution Committee, Inc. 270 Madison Avenue New York 16, N.Y. My dear Mr. Baerwald: A copy of your letter of January 22nd was forwarded to me. I regret that you found the terms of my letter of January 12th harsh. I feel confident that with the fairness that has always characterized you, if you will look over Mr. Levy's letter, to which this was an answer, and especially the sentence which provoked the reply, you will agree that there was more than a little justification for my own letter. I do not know who was responsible for the language of Mr. Levy's letter, but it struck me then and it still strikes me as being arrogant and insulting in the extreme. It was not possible to let it go unchallenged. The letter which I sent you was intended to call a halt to such an attitude and to set forth our justifiable resentment at the tone and content of this letter. Needless to say, this carries with it sincere regard for you. Cordially yours. James G. Heller JGH:s National Chairman

C O P

Mr. H.L. Lurie Council of Jewish Federations and Welfare Funds, Inc. 165 West 46th Street New York 19, N. Y.

Dear Mr. Lurie:

In reply to your letter of January 17th, I will try, on behalf of the United Palestine Appeal, to set forth the following:

- (1) Our proposals to the Joint Distribution Committee concerning the 1945 United Jewish Appeal agreement;
 - (2) The proposals made to us by the Joint Distribution Committee.

Our proposals were:

- (a) That an initial amount of at least \$15,000,000 should be divided equally between the UPA and JDC, the balance to be distributed by an Allotment Committee:
- (b) That there should be no ceiling in 1945 on the proceeds of the Jewish National Fund's traditional collections.

As to our proposal that the initial amount should be divided equally between UPA and JDC, the reason is that we would like to rectify the impression created in the mind of the average American Jew that the work supported by the UPA is of lesser importance than that carried out by the JDC. This impression resulted from the fact that, for a number of years, in spite of our reservations, we acquiesced to a ratio of division of the initial amounts provided for in the UJA agreements, which gave some 60% or more to the JDC and some 40% or less to the UPA.

We think that the time has come, particularly in view of the role Palestine played in the Jewish rescue work during the last few years, when the American Jewish public should be made to recognize the equality of importance of the tasks UPA and JDC stand for. This, of course, does not mean to indicate that in the light of actual facts the financial needs of both organizations would have to be equal at any given moment. We fully realize that in any fiscal year the financial needs of one organization might exceed those of the other. It is just for this reason that an Allotment Committee is provided for in the agreement. It is the task of that Committee, on the basis of actual expenditures made or to be made by both agencies to meet pressing requirements, to decide in what ratio additional sums, available over and above the initial amount, should be allocated to the agencies concerned. It is for this reason that we have always insisted (and we shall do so also in 1946) that the Allotment Committee be absolutely free in its decisions and not bound in any way to the ratios according to which initial amounts were distributed.

In order to enable the Allotment Committee to act intelligently, it is, of course, necessary that the amount at its disposal should not be negligible but large enough to permit the Committee to rectify, if necessary, the overall picture for the whole year, in accordance with the actual financial requirements of the two agencies. Since the UJA in 1945 proposes a goal of

Mr. H.L. Lurie -2-January 24, 1945 \$50,000,000 and, according to cautious and conservative estimates, will certainly raise more than \$40,000,000 unless drastic economic changes occur in this country, there willbe sufficient money at the disposal of the Allotment Committee to make such rectification even if instead of fifteen million dollars an initial amount of twenty million or twenty-five million dollars were divided equally between the two agencies. We always had full confidence in the decisions of the Allotment Conmittees set up in common by UPA and JDC, and we shall continue to place similar confidence in the fairmindedness of the 1945 Allotment Committee, on whose final decision depends the distribution of the funds available in 1945. With regard to the traditional collections of the Jewish National Fund, it is true that in 1944 we agreed to a change of the agreement, which had been valid for a number of years and had excluded from the UJA income the proceeds of the JNF traditional collections. We had in 1944 consented to the imposition of a ceiling on the JNF and had also conceded to the payment of \$600,000 to the JDC as some sort of compensation for the JNF's separate income. To be frank, we do not think that these concessions, made in the interest of a united campaign, were justified by the realities in the relationship between JNF and UJA activities, and we want to reinstate the status quo ante in the 1945 agreement. The reason is that, on the one hand, those stipulations we agreed to last year have created a large amount of ill-will among the tens of thousands of Zionists in this country who contribute to the UJA, while, on the other hand, there is no logical justification for limiting arbitrarily the extent to which the JNF should benefit from its traditional collections as long as the JNF adheres to the principles laid down in the agreement as to the types of activities which it may conduct. The adherence of the JNF to these principles is, in our view, the one point that matters in connection with the fund-raising activities of the UJA. It is for this reason that we agreed last year to the establishment of a Mediation Committee to investigate any complaints which might reach the UJA office in this respect. Today we are prepared to enlarge the powers of the Mediation Committee, which in 1945 should consist of two representatives of the UPA. two of the JDC and a fifth person chosen by both the UPA and JDC by agreement. The new Mediation Committee should have full power to decide where violations of the UJA agreement had occurred; it should also have the right to assess danages. The Joint Distribution Committee's proposals are: (a) The division of the first \$14,000,000 should be on the came proportionate basis as was provided in the 1944 Agreement: all funds in excess of this sum to be subject to allocation by an Allotment Committee: (b) All campaigns by the JNF should be conducted on behalf of the UlA and all monies collected should become part of the UJA. Since out of an initial amount of \$14,000,000 in 1944 the JDC received \$8,640,000, the UPA \$5,360,000, the JDC proposal means that the distrib-

Mr. H.L. Lurie -3-January 24, 1945 ution of the initial amount should be in the ratio of 38.28 for UPA and 61.72 for JDC. It was pointed out in the beginning of this letter why the UPA is not in a position to agree to this proposal, but must insist on a 50-50 distribution of the initial amount. I do not want at this stage to add to what was said before, except that even on the basis of actual facts and figures we see no reason to submit to such arbitrary distribution. It was only a few weeks ago that the Allotment Committee of the 1944 UJA, after a careful investigation of facts and figures submitted to it by the two agencies, decided to distribute an amount of \$10,000,000 in the ratio of 47.7 to 52.3 between the UPA and JDC. But, as I said previously, our contention is that it is of vital importance that the initial amount be distributed equally and not arbitrarily, and that any adjustnents which night become necessary on the strength of a thorough investigation be made in the course of the year by the Allotnent Committee. With regard to the JDC's proposal that all monies collected by the JNF become part of the UJA and that all campaigns by the JNF be conducted on behalf of the UJA, for anyone who has experience in fund-raising this simply neans putting an end to JNF activities in this country. I have explained in the foregoing that, with regard to the JNF, the UPA proposes just the reverse, namely, that the JNF should again be granted the right to carry on its traditional collections without any ceiling imposed upon it, provided the money is raised in adherence to the principles laid down in previous agreements. It has been said by the JDC that they agreed to the traditional collections in 1939 and subsequent years because at that time the income of the JNF from this source was much lower than it is today, and, therefore, did not play the same role it does now. While it is true that the JNF income from traditional collections rose considerably from 1939 to 1944, the same is true for almost all other agencies in the field, including the United Jewish Appeal. I do not think that the JNF has benefited more than proportionately from the general increase. While the Zionists in this country would never consent to what practically amounts to the destruction of JNF activities, I would like to draw your attention to the fact that the income of the JNF from its traditional collections has always been reported by the UPA in the material it submitted to the various Allotment Committees, with the result that in assessing the financial requirements of the JNF in Palestine, the Allotment Committee always took that part of the JNF income into account when reaching decisions. In conclusion, may I suggest that you make available the following documents to the persons whom you intend to invite to serve as mediators: (a) Copies of the UJA agreements for 1943 and 1944; (b) Copy of Dr. Heller's letter to Mr. Paul Baerwald of December 29th. (c) Copy of Mr. Isaac H. Levy's letter to Dr. Heller of January 8th;

Mr. H.L. Lurie January 24, 1945 -4-(d) Copy of Dr. Heller's letter to Mr. Paul Baerwald of January 12th; (e) Copy of this letter. Cordially yours, Henry Montor HM/RRW Executive Director JOINT DISTRIBUTION COMMITTEE, INC.
270 Madison Avenue
New York 16, N.Y.

January 22, 1945

Dr. James G. Heller, National Chairman, United Palestine Appeal 41 East 42nd Street New York, N.Y.

Dear Dr. Heller:

I have received your letter of January 12th. I am kept at all times fully informed of the proceedings of our Negotiating Committee, and I had seen Mr. Levy's letter before it was sent.

The subject of your letter is within the competence and scope of our Negotiating Committee, and I have accordingly referred your letter to Mr. Levy as Chairman. I assume you will hear from him in due course.

I may say for my part that neither I nor the J.D.C. have ever been addressed in any communication in words such as you chose to use in your letter.

Sincerely yours,

(signed) Paul Baerwald Chairman

PB:1c

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC. 165 West 46 Street New York 19, N. Y.

January 17, 1945

Mr. Henry Montor United Palestine Appeal 41 East 42 Street New York 17. N. Y.

Dear Mr. Montor:

Mr. Sidney Hollander has asked me to acknowledge Rabbi Heller's letter of January 15th. I have sent you a copy of Mr. Baerwald's letter of January 16th on the same subject. On the basis of this exchange of correspondence and our conversations we are ready to proceed in an endeavor to help the JDC and the UPA negotiate a UJA Agreement for 1945.

Mr. Hollander will ask a small committee to advise the Council on this subject and with the cooperation of the agencies to devise a method of procedure applicable to the purposes of mediation which you have asked us to undertake. We have not yet heard whether these individuals will serve but you may be interested to know that we plan to invite Leon Sunstein of Philadelphia, Judge Jacob J. Kaplan of Boston, and Isidore Sobeloff of Detroit. If these persons are not available we will seek others to help us with this situation. In any event, we are planning tentatively to begin the process of discussions with your agency on Thursday, January 25th, and I shall get in touch with you again as to the time and place for our preliminary conversations with representatives of your agency.

In the meantime we would very much appreciate if you would make available to us information on the following points:

- 1. A list of the specific items to be covered in the 1945 UJA Agreement which do not involve any difference of opinion between the several organizations and on which you have tentatively reached an agreement.
- 2. A list of the items (other than (3) and (4) below) which have been under discussion and which have not yet been settled.
- 3. A statement of the proposals made by the UPA to the JDC and the major supporting arguments which you advanced for the adoption of these proposals.
- 4. A statement of the proposals made by the JDC to the UPA which were not acceptable to your representatives on the Negotiating Committee and the major reasons why you find these proposals unacceptable.

Although the basis of our mediation will be an attempt to discuss the basis for agreement acceptable to both parties, we would appreciate if you would offer suggestions in advance of the meetings which our mediators might have under consideration.

Mr. Henry Montor -2-January 17, 1945 I would appreciate your sending us as much of the material outlined above as possible by next Monday. If you will send us five carbon copies of this material it will save time in getting the material to our Committee. With kindest regards, I an Cordially, H. L. Lurie HLL:as Executive Director copy to Joseph Beck, MRS

January 16th, 1945

Mr. Sidney Hollander, President Council of Federations and Welfare Funds 165 West 46th Street New York, N.Y.

Dear Mr. Hollander:

We have carefully considered your letter of January 12th and we thank you for it. We believe there is still time to continue the process of negotiations between U.P.A. and J.D.C. In our opinion, these negotiations were never definitely abandoned. Our position was fully stated in our letter of January 8th to Dr. Heller of which a copy was sent to you. In view, however, of the difficulty encountered heretofore and of which you have been made aware, we can well understand that the Council wants to concern itself with the situation as it now exists. We have no doubt that you can find one or more objective and impartial individuals ready to sit in as friendly mediators with a view to assisting the parties to mutual understanding. Such mediators can help to clarify misunderstandings, and can better interpret the views of either party to the other. It is our view, however, that mediation must not become arbitration in any aspect, but should at all stages remain friendly intervention. If final agreement does not result, mediation should not eventuate into any judgment or decision. It is our position that the mediator or mediators should be selected by the Council acting without any reference to the choice or suggestion of either party.

We stand ready at any time to meet with you and such other men that you may wish to bring with you so that we can present to you in detail the vital factors which have motivated us in our discussions with the U.P.A. and to give you the impelling reasons which underlie our decision as set forth above.

With assurance of esteem, I remain,

Sincerely yours,

Paul Baerwald Chairman

January 15, 1945

Mr. Sidney Hollander, President Council of Jewish Federations and Welfare Funds, Inc. 2419 Greenmount Avenue Baltimore, Maryland

Dear Mr. Hollander:

Your letter of January 12th crossed with my letter to you dated January 11th. I am glad to see that our purposes coincide.

As I indicated to you in my letter of January 11th, the United Palestine Appeal stands ready to accept any committee of mediation mutually agreeable to the J.D.C. and the U.P.A.

Cordially yours,

James G. Heller National Chairman

JGH: BG

COUNCIL OF JEWISH FEDERATIONS AND
WELFARE FUNDS, INC.
165 West 46th Street
New York 19, N.Y.

January 12, 1945

Rabbi James G. Heller, National Chairman United Palestine Appeal 41 East 42nd Street New York 17, N.Y.

My dear Dr. Heller:

I very much appreciate your courtesy in sending me a copy of your letter of December 29th addressed to Mr. Paul Baerwald, Chairman of the Joint Distribution Committee. I have similarly received a copy of the Joint's letter of January 8th signed by Isaac H. Levy, Chairman of the JDC Negotiating Committee. We are impressed by the earnest and sincere efforts that are being made by the two organizations to reach an agreement for 1945, and especially with the evident desire to continue the UJA arrangement.

As a Council representing our member federations and welfare funds on whom rests the burden for raising funds for the UJA, we similarly recognize the urgent necessity for continuation of the cooperative arrangements. We, as well as our member agencies hesitate to face the local uncertainties, conflicts and disorganization which are bound to fellow any basic change in the arrangements that have worked out so satisfactorily for more than six years.

It seems to us that when two parties who want to reach an agreement are unable to agree on the specific provisions it is logical to refer the differences to objective and impartial mediation or arbitration. If there were more time available for the processes of negotiation between the two organizations I would be inclined to suggest that the conversations continue. However, 1945 is already here and every day's delay affects adversely the efficiency of the fund raising campaigns. We believe that some process of mediation is indicated and if both agencies will accept the principle of mediation one or more objective and impartial individuals can surely be found whom both organizations would trust to undertake the task of mediation. The history of your Allotment Committees over a period of years has indicated that such persons are available and that on the whole they perform their functions with intelligence and discretion.

If the two agencies are willing to accept the technique of mediation we shall be very glad to suggest a list of persons who in our opinion meet the qualifications required for the job.

Rabbi James G. Heller -2- January 12, 1945 Because of the great importance of this matter and the urgent interests of our member agencies I hope you will accept our suggestion and proceed as promptly as possible. You know of course that you can count on us for any help which is in our power to give. With kindest regards, I am Sincerely yours, SIDNEY HOLLANDER SH:as President

UNITED PALESTINE APPEAL 41 East 42nd Street New York 17, N.Y.

January 12, 1945

Mr. Paul Baerwald, Chairman Joint Distribution Committee 270 Madison Avenue New York, N.Y.

Dear Mr. Baerwald:

This is in acknowledgment of your letter of January 5th, advising me that you sent my letter of December 29th to the members of the JDC Negotiating Committee.

On January 9th I received a letter from Mr. Isaac H. Levy, Chairman of the JDC Negotiating Committee, in which our proposal that the UPA and the JDC accept the services of the three neutral members of the 1944 UJA Allotment Committee as friendly mediators is declined since, as Mr. Levy states, the JDC "cannot delegate to others the responsibility that we owe to the work entrusted to us." Mr. Levy then defines the conditions of the JDC for effecting a UJA agreement for 1945, conditions which, I am sorry to state, go even further than those presented to me by Mr. Levy at our meeting on December 18th.

The UPA has, therefore, decided to utilize the offer made on November 30 by Mr. Sidney Hollander, President of the Council of Jewish Federations and Welfare Funds, to the National Chairmen of the UJA. He suggested that the Council was prepared to offer the services of a committee for the purpose of arriving at a solution of our differences. A copy of my letter to Mr. Hollander is attached herewith.

In the interest of the continuation of the United Jewish Appeal, I hope that the JDC will find it possible to give its consent to the proposal which I made to Mr. Hollander.

However, there are some remarks in Mr. Levy's letter (the contents of which may be known to you) which ought not to go without comment.

In an attempt to justify the demand of the JDC that all activities of the JNF, which has functioned in this country since 1903, should in the future be conducted on behalf of the UJA and that all monies collected by the JNF should become part of the UJA, Mr. Levy states that many complaints were received at the office

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Mr. Paul Baerwald -2- January 12, 1945 of the UJA from communities throughout the country on the separate fund-raising activities of the JNF.

You will no doubt recall that in the 1944 UJA agreement the JDC and the UPA mutually consented to set up a Mediation Committee in order to deal with any complaints which might be sent to the UJA on the fund-raising activities of the Keren Kayemeth. The record will show that while a number of such complaints were in fact received by the UJA, they were not "many" and what is even more important, they were settled amicably by the Mediation Committee.

Mr. Levy states that the year 1945 "presented such a crucial time in the life of the surviving Jews of Europe that we felt that any change in the agreement should be made in favor of these Jewish survivors ... We hoped that the representatives of the UPA would agree that keeping Jews alive during this critical time deserved the highest priority. Unfortunately, the UPA found itself unable to accede to this position."

This statement is outrageous and I am sure will be judged as such by every decent Jew of America, be he Zionist or even anti-Zionist. If the charge that the UPA is less concerned than anyone else in saving Jewish lives, came from an uninformed source, it would be bad enough, but coming as it does from a man who should know the facts and should be fully informed of the incomparable efforts of the UPA agencies in rescuing Jews from the Nazi hell in Europe, it is the most libelous charge that has ever been directed against any group of Jews.

It should be well-known to Mr. Levy and to the JDC that during the last few years the emissaries of the Jewish Agency, in its efforts to rescue Jews from Nazi-controlled territories, were to be found in key danger spots, exposed to the greatest personal risks; that 20 delegates of the Hechalutz were sauggled into enemy-held territory, sometimes by parachute, and were active in rescue and relief work; that a number of those emissaries and delegates, after having been tortured by the Gestapo, lost their own lives in the attempt to save the lives of other Jews. The records of the President's War Refugee Board will bear testimony to the unique effectiveness of the work carried out by these heroes.

The very existence of Palestine saved the lives of tens of thousands of Jews in a more effective manner than all the relief efforts that were made with our combined resources; not alone because Palestine was the only country into which substantial Jewish refugee immigration was possible, but because the Jewish Agency advised tens of thousands of Jews in Europe that immigration certificates for Palestine had been approved for them, thus saving these Jews from death at the hands of the Nazis.

Mr. Levy and the JDC should know that in 1944 the Jewish Agency was asked by the JDC to act as a transmitting agent for the distribution of large amounts of money for refugee assistance in various European countries prior to their liberation, i.e. at the time when the JDC had no other way to render effective assistance to the Jewish communities in these countries.

Mr. Paul Baerwald

These being some of the facts, it is indeed the height of partisanship to charge the UPA with being less interested than anyone else in saving Jewish lives. Such a charge certainly should not come from the JDC which, in the course of the past few years, has cooperated in that very rescue work with the Jewish Agency for Palestine, which receives the financial support of American Jewry through the United Palestine Appeal.

Mr. Levy seems not to know that the whole concept for the rebuilding of the Jewish National Home in Palestine is based on the determination to save Jewish life. What was true a generation ago has been made more tragically true in the past decade. And no one should know this better than responsible emissaries of the Joint Distribution Committee in Europe, all of whom have attested to the fact that throughout the Hitler years it was the Zionist remments living in the occupied and satelite countries who almost uniformly served as the dispensers and administrators of the relief funds of the Joint Distribution Committee.

For Mr. Levy to assume that the JDC is more concerned than the UPA with saving the lives of the Jews of Europe is a form of arrogance which I hardly believe the JDC is prepared to endorse. Nor do I believe it is a fair commentary upon the universal desire of the Jews of America, Zionist and non-Zionist alike, to assist their brethren wherever they are in need. The results of the campaigns on behalf of the United Jewish Appeal, led effectively and contributed to generously by Zionists and non-Zionists alike, are testimony of that.

The saving of Jewish life involves more than the giving of bread. It requires also the provision of hope in the future, a faith that ultimately misery and despair will be replaced by freedom and security. The maintenance of the bodies of our people in Europe is a necessity so obvious as not to require the offensive innuendos of Mr. Levy. But statesmanship in the use of Jewish funds requires also that there be a plan for the future of these Jews. We are all determined to feed them and keep them momentarily alive. But we want to do more than that: to keep them permanently alive, in body and spirit, by enabling them, now and in the coming days, to reach the one country in the world which has the will and the capacity to receive them in masses. It is that larger phase of the task, the long-range, constructive, permanent program that Mr. Levy fails to understand. The Jews of America know that there is no conflict between the two purposes, but, on the contrary, they are inseparably supplementary. The actions of the JDC during the past few years, in payment for transportation for refugees going to Palestine, should have been known to Mr. Levy as part of the integral program for "keeping Jews alive."

Jews in the liberated areas of Europe are looking to Palestine as the only hope left them. When Mr. David Ben Gurion, the Chairman of the Jewish Agency Executive, visited Bulgaria in December, 1944, he found the Jews of that country in a state of appalling distress. They were economically ruined, destitute, poverty-stricken beyond any possible description. Bulgarian Jews, Mr. Ben Gurion reported, were facing

Mr. Paul Baerwald -4- January 12, 1945

complete physical and spiritual disintegration unless they were quickly brought into Palestine. There was no hope for the vast majority of them that their stolen or confiscated property would be restored, despite the good intentions of the Bulgarian Government, since that pro-

it would be impossible to recover it.

What is true in Bulgaria is true for many other countries. Conditions have been created for these Jews, by Nazi laws and their corrosive effect on the populations of those countries and by the war, that make it impossible for incalculable numbers of them to remain in Europe, either in safety or in peace. We must begin at once to make it possible for the overwhelming majority to get to Palestine as quickly as circumstances will permit. This foresight on the part of the Zionists saved during the past decade the lives of some 350,000 Jews who are today in Palestine instead of their charred remains being intermingled with the corpses in the mass graves the Nazis dug throughout the Continent.

perty had either been destroyed or transferred to Bulgarians from whom

When Mr. Ira A. Hirschmann, having served as special representative abroad of President Roosevelt's War Refugee Board, returned to New York, he delivered an address on the role Palestine played and is playing in the Jewish rescue work, and he said:

"As I have stated again and again, all the refugees coming out of the Balkans through Turkey went to Palestine. Without Palestine I must say that I do not know where we would have sent them or whether we could have extricated the people at all.... The world will not forget that at a time when literally millions of souls were sent out into the world to find a new refuge, doors were slammed in their faces by the great nations. There was either no room or no time or no way of receiving these homeless ... True, Palestine had available less resources, less food, less building materials and less manpower to absorb a new population that had suffered from abuse and dislocation, but such problems apparently did not disturb Palestinians. They not only accepted these homeless and dislocated people, but asked and begged for more."

There are tens of thousands of Jewish orphans emerging from hiding in the liberated areas of Europe. Many more, we hope, will emerge when more territory will be wrested from the Nazis. The Jewish Agency has worked out large-scale plans for the transfer to Palestine of all Jewish orphans who will be found in European countries after the war. Thousands have entered Palestine even during the war. Mr. Hirschmann in his address mentioned some of them — those who came from the concentration camps in Transmistria — and said:

"One of the reasons I went to Palestine was to see some of my 'Transnistrian children' to find out how they had developed in the four to five months since I have waved a rather sad au revoir to them on the train that left Istanbul for the Syrian border. I am happy to report that the ones I saw in

Mr. Paul Baerwald -5-January 12, 1945 the colonies in Palestine had been quickly rehabilitated; had almost lost their nervous tension and hysteria and were rapidly on their way to a normal life. To my mind these young people are going to be among the most valuable liberty-loving citizens of our future world. They have earned the right to freedom as no other human beings that I know have, and instead of coming out of the fire scarred and cynical, the fact that they are brought into a new world with its eyes to the future has given them a moral support which animates their lives at a time when they need it most." I do not think that Mr. Hirschmann would subscribe to Mr. Levy's infamous charge against the UPA. Nor, I am convinced, will the three representatives of welfare fund communities who served on the 1944 United Jewish Appeal Allotment Committee: Messrs. David M. Watchmaker of Boston, Herbert R. Bloch of Cincinnati and Stanley C. Myers of Miami. These men had ample opportunity, as you know, to study in detail the work of the UPA and the JDC, and I think it is not fair to state (as Mr. Levy does) with regard to them: "No one who has not had to do with the day to day emergencies that have confronted the JDC can possibly be put in a position to evaluate our needs and our obligations." These men were chosen by mutual consent of the JDC and the UPA and, together with the representatives of the JDC and the UPA, were entrusted with the distribution of the funds which accrued to the 1944 United Jewish Appeal in excess of the funds initially divided between the various agencies. Since these funds, as you know, amount to some \$14,000,000, I am at a loss to understand why the JDC declined our proposal to entrust the same men with mediation with regard to the initial amount of the 1945 agreement, which, according to Mr. Levy's own proposal, should also be fixed at \$14,000,000. It is difficult to understand why the same men who were able to evaluate the needs and the obligations of the UPA and the JDC in November 1944 should be unable to do so with regard to a similar amount involved in 1945. Cordially yours. James G. Heller JGH:BG National Chairman Enc.

Mr. Sidney Hollander, President Council of Jewish Federations and Welfare Funds, Inc. 2419 Greenmount Avenue Baltimore, Maryland

Dear Mr. Hollander:

On November 30 you were good enough to address yourself to the National Chairmen of the United Jewish Appeal with an offer of service by the Council, having heard that there were delays in the formation of the United Jewish Appeal for 1945. In my reply to you of December 7, I expressed appreciation of your thoughtful offer and indicated my conviction as to the desirability of the continuation of the United Jewish Appeal, in view of the sympathy toward it of the whole of American Jewry and the success which it had realized.

It is with very deep regret that I must inform you that it does not seem possible that further direct negotiations between the United Palestine Appeal and the Joint Distribution Committee will achieve results.

That you may know that we have exhausted every possibility of direct negotiation, I may advise you that the negotiating committee of the United Palestine Appeal and the Joint Distribution Committee met on November 8, 10 and 28. On December 18, I arranged a personal meeting with the Chairman of the JDC Negotiating Committee in the thought that a private discussion might be helpful. On each of these occasions, the United Palestine Appeal explored every opportunity, in its determined desire to effect the continuation of the United Jewish Appeal. I do not wish to burden you at this time with a recitation of the positions taken by the two organizations. But it was our conviction that the Joint Distribution Committee was unwilling to recede one iota from a failure to recognize the facts of the financial experience arising out of Palestine's extraordinary contribution toward the salvation of the Jewish people.

Having reached an impasse, and desiring earnestly the continued union of fund-raising effort that had been achieved, to the benefit of American Jewry and of the agencies involved, the United

Palestine Appeal decided to submit the differences involved to representatives of American Jewry who were not intimately and officially connected with either the United Palestine Appeal or the Joint Distribution Committee. On December 29 I addressed myself to Mr. Paul Baerwald, Chairman of the American Jewish Joint Distribution Committee. I proposed that the mediation of outside personnel be accepted. I suggested that inasmuch as the three community representatives on the 1944 Allotment Committee of the United Jewish Appeal had just spent a great deal of time and thought on the most detailed available information as to the requirements and problems of the agencies of the United Jewish Appeal we invite their services so that, after hearing the points of view of the UPA and JDC, they might bring to bear their own conclusions for our guidance. These three persons are Mr. David M. Watchmaker, Boston, Herbert R. Bloch, Cincinnati and Stanley C. Myers, Miami.

On January 9 we received a reply from Mr. Isaac N. Levy, Chairman of the JDC Negotiating Committee, rejecting the proposal for mediation and stating:

"In your letter to Mr. Baerwald, you propose that our differences be submitted to the community representatives of the Allotment Committee. There are various reasons why we are unable to accept this proposal. We cannot delegate to others the responsibility that we owe to the work entrusted to us. No onw who has not had to do with the day to day emergencies that have confronted the JDC can possibly be put in a position to evaluate our needs and our obligations. In the negotiation of the Agreement we must assume full responsibility."

We still wish to explore every possibility of continuing the United Jewish Appeal with full equity to its constituent agencies.

The United Palestine Appeal is glad again to suggest the availability, insofar as it is concerned, of a mediation committee composed of Messrs. Watchmaker, Bloch and Myers. Our suggestion of these three is based on the desire to expedite a decision. They are more familiar than any other three persons in the country with the current financial status and requirements of the United Palestine Appeal and Joint Distribution Committee and have displayed, we believe, the utmost sympathy to both causes. Their views will, therefore, be informed by expert technical knowledge. And all that the United Palestine Appeal asks is that the needs of maintaining and expanding our life-saving program in Palestine should be judged on a fair and practical basis.

Should the Joint Distribution Committee reject those three neutrals, if their names are submitted by the Council of Federations as a panel of mediators, the United Palestine Appeal is prepared to accept any panel of mediators mutually agreeable to the Joint Distribution Committee and United Palestine Appeal.

In appreciation of your friendly offices in this situation and awaiting your further advice, I am

> Cordially yours, James G. Heller National Chairman

THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC. 270 MADISON AVENUE, NEW YORK 16, N.Y.

January 8, 1945

Dr. James G. Heller, National Chairman United Palestine Appeal 41 East 42nd Street New York 17, N. Y.

My dear Dr. Heller:

Mr. Paul Baerwald has referred to us as the Negotiating Committee of the Joint Distribution Committee for the 1945 United Jewish Appeal your letter of December 29, 1944. Inasmuch as you feel that no further meetings of the representatives of the UPA and JDC should take place until your letter to Mr. Baerwald has been answered, we desire to set forth the position of the JDC with respect to our negotiations.

You will recall that at the several meetings which we held, we presented to the representatives of the UPA, the vastly increased needs of the JDC due to the liberation of large areas of Europe. Hundreds of thousands of Jews came out of hiding; they came out of forced labor and death camps to find their homes occupied by others, their business looted, their jobs gone. Without the means to buy their daily bread, without tools to work, forced to live six and eight in a single room, they are becoming ravaged by disease. Despairing appeals for immediate and large scale aid came to the JDC in the last months of 1944 from the Jews of Poland, Roumania, France, Belgium, Greece and Bulgaria. Unprecedented sums are required to rescue the remnants of Jews still alive in the occupied countries. When we met, appeals for help from the JDC aggregated \$46,000,000, and every day brings a new cable pleading for aid to keep body and soul together.

Neither UNRRA nor governments have thus far responded to these desperate calls, and we pointed out to you that it would take many weary months before such public assistance would be made available. Furthermore, many tens of thousands of Jews will not be eligible for aid under the UNRRA agreement, and therefore must rely on the JDC. Thus, at the supreme moment of their liberation, the Jews who survived the murderous fury of the Germans, find themselves doomed to starvation, illness, and death, unless help comes quickly from the only source it can come, namely, the Jews of America.

We pointed out to you that in the last five years, the JDC had agreed to revise the terms of the United Jewish Appeal in each succeeding year because of our great desire to retain the unity inherent in the UJA. The year 1945, however, presented such a crucial time in the life of the surviving Jews of Europe, that we felt that any change in the agreement should be made in favor of these Jewish survivors. We are convinced that for unnumbered thousands of Jews, the question is starkly one of life or death. We hoped that the representatives of the UPA would agree that keeping Jews alive during this critical time deserved the highest priority. Unfortunately, the UPA found itself unable to accede to this position,

Because we desire to maintain the United Jewish Appeal, a desire which we believe is shared by the great majority of Jews in this country, we proposed to you that the first fixed amount be distributed on the same basis as was done in 1944. We advised you that this was not a bargaining offer. In the light of the present tragic situation, we felt that making this proposal represented a concession which we perhaps had no right to make as trustees for the lives of people. We stated that that was the minimum that we could conscientiously accept and that we could not bargain with Jewish lives. We stated that since a substantial sum would be available for distribution by an Allotment Committee, there would be ample opportunity to rectify any injustice, either to ourselves or to you, that might result from our proposal. You refused to accept this proposal, and you made a counterproposal which involved a radical change in the initial distribution. This represents one of two issues on which we have not yet found agreement.

The second issue relates to the so-called "traditional" collections of the Jewish National Fund. The facts are as follows: All of the funds received by the United Palestine Appeal from the United Jewish Appeal plus all the funds collected in this country by the Jewish National Fund are divided equally between the Jewish National Fund and the Keren Hayesod. Thus, the Jewish National Fund has a part-nership interest in the United Jewish Appeal. The agreement of the United Jewish Appeal specifically excludes separate fund raising by the constituent agencies, and the Joint Distribution Committee has loyally lived up to the letter and the spirit of the agreement. When the United Jewish Appeal was first organized in 1938, it was represented to us that the Jewish National Fund received small contributions spontaneously given by many Jews interested in the land purchasing progran of the Fund. At that time, their "traditional" collections amounted to \$200,000 to \$300,000. Such collections, we were assured, would not interfere in the slightest with the campaigns of the United Jewish Appeal. In recent years, however, a full-fledged campaign has been uniertaken by a separate fund raising staff of the JNF, and in 1944 approximately \$1,500,000 was raised through dinners. dunan land contributions, Nachlaths, and other devices. Many complaints were received at the offices of the UJA from communities throughout the country on these separate fund raising activities of the JNF. As you know, we protested time and time again, that one partner in the UJA should not have the right to carry on senarate fund raising outside of the UJA. We felt that the zeal and effort of all Jense should be placed solidly behind the UJA and that only in this way would the maximum amount be available for the constituent agencies of the UJA.

As a result, we were compelled to insist that the JNF, as a partner in the UJA, should account to the UJA for the funds raised and that these funds be included in the proceeds of the UJA in exactly the same way as the JDC accounts to the UJA for funds which come directly to it from individuals in the United States.

You stated that you could not accept this proposal, since it would mean the destruction of the Jewish National Fund. We do not believe that the Jewish National Fund will be destroyed by our proposal any more than the Keren Hayesod or JNF or the JDC has been destroyed by partnership in the United Jewish Appeal. Actually, the United Jewish Appeal has brought a keener appreciation of the work of all of the agencies on the part of American Jews than at any other time in our history. We are convinced that a truly united UJA will mean a greater measure of sid for the two great causes which we all seek to serve.

We must also call attention to the fact that a number of organizations raise substantial sums for work in Palestine which are not included within the United Jewish Appeal. In 1944, such sums reached over \$5,000,000, so that actually more money went to Palestine from the United States than was made available for the

Jews of the world. We believe that this is an important fact which must be taken into account, since we all must go to the same source, namely the Jews of America.

In your letter to Mr. Baerwald, you propose that our differences be submitted to the community representatives of the Allotment Committee. There are various reasons why we are unable to accept this proposal. We cannot delegate to others the responsibility that we owe to the work entrusted to us. No one who has not had to do with the day to day energencies that have confronted the JDC can possibly be put in a position to evaluate our needs and our obligations. In the negotiation of the Agreement we must assume full responsibility. The function of the Allotment Committee is fully served when it disposes of the funds in excess of the funds initially divided between the different agencies.

To surmarize our position:

- 1. The division of the first \$14,000,000 should be on the same proportionate basis as was provided in the 1944 Agreement; all funds in excess of this sum to be subject to allocation by an Allotment Committee;
- 2. All campaigns by the JNF should be conducted on behalf of the UJA and all monies collected should become part of the UJA.

Since dictating this letter, your letter of January 8th, addressed to Mr. Baerwald has arrived. We take it that it is your intention to issue a statement to the country. In that event, we believe that such a statement should be jointly considered by us and you and a joint statement issued to the country setting forth our respective positions.

Sincerely yours,

(signed) Isaac H. Levy, Chairman JDC Negotiating Committee

IHL: jb

UNITED PALESTINE APPEAL 41 EAST 42nd STREET NEW YORK, N.Y.

December 29, 1944

Mr. Paul Baerwald, Chairman Joint Distribution Committee 270 Madison Avenue New York, N.Y.

Dear Mr. Baerwald:

It is a source of regret that I have not had an opportunity of meeting with you personally during the past two months in which representatives of the United Palestine Appeal have been meeting with representatives of the Joint Distribution Committee to reach an agreement for a United Jewish Appeal in 1945.

Undoubtedly, however, you have the record of the conferences which were held on Movember 8, 10 and 28. I had a private meeting with Mr. Isaac H. Levy on December 18 -- a meeting which I had sought because of my very great desire to maintain the United Jewish Appeal. Throughout all our negotiations I have been animated by the conviction that the Jewish community of America is eager for the maintenance of the United Jewish Appeal. I have felt that the combined requirements of our organizations and the needs of our people made essential our continued unity.

We have kept in mind the fact that Palestine has played an incomparable role during the past year in meeting the needs of our people. We know that in the year ahead Palestine will be even more a source of hope and salvation. To meet these requirements the United Palestine Appeal has made various proposals that would ensure the continuation of the United Jowish Appeal on an equitable basis adjusted to the urgent requirements. But each of these proposals has met with a firm refusal to consider the total situation. Each of the proposals which we have made has been rejected.

How strong has been my feeling on the desirability of continuing the United Jewish Appeal is reflected in a reply which I made to the letter addressed to the Mational Chairmen of the United Jewish Appeal by Mr. Sidney Hollander, President of the Council of Jewish Federations and Welfare Funds. Mr. Hollander had suggested in his letter of November 30th that the Council was prepared to offer the services of a committee to meet with us for the purpose of arriving at a solution of our differences. I then wrote to Mr. Hollander:

Mr. Paul Beerwald -2-December 29, 1944 "While it is quite true that we have not yet been able to reach an agreement with the representatives of the Joint Distribution Committee, this does not mean that we shall not reach such an agreement. I am far from giving it up. On the contrary I am convinced that we shall be able to do so. Nothing would be less wise than to break up the U.J.A. after the most successful year in its entire history, a year successful not only in regard to the amount of money raised but also as to the spirit of friendly cooperation that has animated its members." My views have not changed. It is because I believe so firmly in the wisdom of continuing the United Jewish Appeal that I make this last suggestion in the hope that we can naintain the structure. It is my proposal to the Joint Distribution Committee that the United Palestine Appeal and the Joint Distribution Committee accept the services of the three outside persons who, because of their objectivity and their acquaintance with the facts of both organizations, are in the best position to serve as friendly nediators. I have in mind the three representatives of Welfare Fund communities who are serving on the Allotnent Committee of the 1944 United Jewish Appeal: Messrs. David M. Watchmaker of Boston, Herbert R. Bloch of Cincinnati and Stanley C. Myers of Minni. Because time is so pressing and it is essential that the 1945 United Jewish Appeal should have the benefit of the utmost preparation if the amounts we need are to be raised promptly and effectively, I would strongly urge a prompt decision by the Joint Distribution Committee on this proposal. May I hear from you within the next day or two so that if you agree we may jointly communicate with the three persons named and arrange a meeting at mutual convenience, but promptly, in order that the facts may be presented to them and they may come to a conclusion? Cordially yours, James G. Heller JGH: BG "ational Chairman

Distribution Committee. I would appreciate such a reply within the next few days so that we may go forward with the further steps that will be necessary.

We are very eager that the country, which is now preparing its campaign plans, should be informed of the status of the United Jewish Appeal and of the proposals that have been unde to continue it. As part of this effort to advise the country, we would undoubtedly wish to make known the proposal that we have submitted to you.

Cordially yours.

James G. Heller National Chairman

JGH: BG

Upon the request of Mr. Isaac Levy, Chairman of the committee appointed to negotiate the 1945 U.J.A. Agreement on behalf of the J.D.C., this office communicated with Mr. Montor for the purpose of arranging a meeting to be held January 15th, between the groups representing the U.P.A., M.R.S. and J.D.C. In response to that communication, Mr. Montor reported over the telephone as follows:

"Dr. Heller, with whom I have been in telephonic communication since your message (re January 15th meeting) was given to me, said that he is awaiting a reply from Mr. Baerwald to his letter. Dr. Heller sees no point in any meeting of the Megatiation Committee on January 15th or on any other date and he looks forward to an early reply from Mr. Baerwald to his last letter."

Inashuch as the J.D.C. is represented by a Negotiating Committee and that Committee is still functioning. I would consider it wrong for me to reply to your letter of December 29th, and thereby take the matter of negotiation out of the hands of our Committee to whom it has been entrusted. I have accordingly sent your letter to the members of our committee.

With bost wishes.

Faithfully yours,

Paul Baerwald Chairman

PB: rah

165 West 46 Street

New York 19. N. Y.

November 30, 1944

Rabbi James G. Heller William Rosenwald Rabbi Jonah B. Wish National Chairmen United Jewish Appeal 342 Madison Avenue New York 17, N. Y.

Gentlemen:

With the end of the year approaching, our member agencies are awaiting an announcement on the 1945 UJA. I understand that negotiations have been in progress for some time but that no agreement has been reached. Our member agencies which raise funds for the UJA and other causes have as you know, a vital interest in your 1945 plans. They will want their Council in every way within its capacity to assist in developing the basic requirements for the 1945 fund-raising program.

In one of our recent meetings, the West Central States Region adopted a resolution asking that the UJA be placed on a permanent basis without the uncertainty which derives from the need for making annual contracts and suggested that impartial budgeting machinery be created within the UJA in order to eliminate the need for annual bargaining by the component member agencies. I believe that our member agencies in other regions subscribe to these recommendations.

My immediate purpose in addressing you is to indicate the readiness of the Council to appoint a committee to consult with you and your constituent agencies or to serve in any other way which night help to achieve these goals, and more immediately to assist in the development of a plan of cooperation of the UJA agencies for 1945.

Sincerely yours,

Sidney Hollander President

December 7, 1944

Mr. Sidney Hollander, President Council of Jewish Federations and Welfare Funds, Inc. 165 West 46th Street New York, New York

Dear Mr. Hollander:

Mr. Montor forwarded to me your letter of November 30th. While it is quite true that we have not yet been able to reach an agreement with the representatives of the Joint Distribution Committee, this does not mean that we shall not reach such an agreement. I am far from giving it up. On the contrary, I am convinced that we shall be able to do so. Nothing would be less wise than to break up the U.J.A. after the most successful year in its entire history, a year successful not only in regard to the amount of money raised but also as to the spirit of friendly co-operation that has animated its members.

I, for one, greatly appreciate your offer on behalf of the Council of Jewish Federations and Welfare Funds. Should we need their good offices in the future, I shall get in touch with you. For the present, however, I do not believe there is any necessity to call in a third party.

With friendliest greetings, I am

Sincerely yours,

(signed) Rabbi James G. Heller, Chairman

Kuley

MEMORANDUM

January 26, 1945

From Henry Montor

Attached herewith is a copy of a telegram which is being sent to the Executive Committee of the United Palestine Appeal. This wire is being mailed to you since you have already received communication by wire from the Keren Hayesod or the Keren Kayemeth.

HM: LG

Charge to the account of.

CLASS OF SERVICE DESIRED

DOMESTIC CABLE

TELEGRAM ORDINARY

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LETTER URGENT
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NIGHT
LETTER NIGHT
LETTER LETTER

Patrons should check class of service desired; otherwise the message will be

transmitted as a telegram or ordinary cablegram.

WESTERN UNION

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ACCOUNTING INFORMATION

TIME FILED

Send the following telegram, subject to the terms on back hereof, which are hereby agreed to

FOR VICTORY
BUY
WAR BONDS
TODAY

JANUARY 26. 1945

1206

UJA NEGOTIATIONS STALEMATED, FINAL DECISION REGARDING UNITED PALESTINE
APPEAL 1945 CAMPAIGN WILL BE MADE AT JOINT MEETING KEREN KAYEMETH, KEREN
HAYESOD AND EXECUTIVE UNITED PALESTINE APPEAL MONDAY 4 P.M. BILTMORE HOTEL
NEW YORK URGENT YOU ATTEND MUST HAVE YOUR COUNSEL IN THIS DECISION
RELATIONSHIP AND SUPPORT AMERICAN JEWISH COMMUNITY TO PALESTINE
UPBUILDING INVOLVED.

JAMES G. HELLER

JGH: SNG

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION 100

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

A. N. WILLIAMS

The films time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

HW31 128/126 DL 4 EXTRA=CPR Q MONTREAL QUE 2 1103A |
DR ABBA HILLEL SILVER= 1945 FEB 2 PM 12 05

THE TEMPLE EAST 105TH ST AND ANSEL RD=

WOULD BE IN NEW YORK NEXT WEEK STOP WANTED TO SPEAK TO
YOU PERSONALLY AND EXTEND MOST CORDIAL INVITATION TO
YOU TO BE GUEST SPEAKER AT OPENING DINNER MONTREAL
UNITED PALESTINE APPEAL ON MONDAY APRIL NINTH STOP
MONTREAL HAS SET QUOTA OF THREE HUNDRED THOUSAND DOLLARS
FOR ITS NINETEEN FORTY FIVE UPA STOP MONTREAL SETS PACE
FOR DOMINION YOUR COMING WILL BE TREMENDOUSLY HELPFUL
TO US STOP I TOLD NEUMANN WHY I WANTED TO SEE YOU AND
HE AUTHORIZED ME TO SAY HE EXPRESSED HOPE YOU WOULD
BE ABLE ACCEPT INVITATION STOP I SHALL CONSIDER IT
GREAT PERSONAL FAVOUR HOPE FOR OLD FRIENDSHIPS SAKE
YOU WILL COME PLEASE SAY YES KINDEST REGARDS=
:JESSE SCHWARTZ 527 SHERBROOKE ST WEST-

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Jesse Schwartz 527 Sherbrooke St., West Montreal, Quebec, Canada

I SHALL BE VERY PLEASED TO BE WITH YOU MONDAY APRIL NINTH.

HOPE THAT NOTHING WILL PREVENT MY COMING. KINDEST REGARDS.

ABBA HILLEL SILVER

Phoned: 4:40 P.M.-2/5/45-ERB

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NIGHT LETTER

FEBRUARY 5, 1945

1206-B

DR. ABBA HILLEL SILVER
THE TEMPLE
CLEVELAND, OHIO

FULLY ATTENDED MEETING OF EXECUTIVE COMMITTEE OF UNITED PALESTINE APPEAL WITH BUT

THREE DISSENTING, TWO OF THESE HADASSAH, TODAY VOTED TO LAUNCH INDEPENDENT UPA CAMPAIGN.

SINCE CORRESPONDENCE EXCHANGED BETWEEN JDC AND UPA HAS BEEN FORWARDED TO YOU I KNOW THAT

YOU ARE FAMILIAR WITH THE BACKGROUND OF THIS DECISION. I AM CONFIDENT THAT WE SHALL HAVE

BENEFIT OF YOUR COUNSEL AND COOPERATION WHICH I DEEM VITAL FOR SUCCESS. INASMUCH AS YOU

ARE PLANNING TO ATTEND MEETING OF BOARD OF DIRECTORS OF COUNCIL OF FEDERATIONS WHEN IT

MEETS IN CINCINNATI THIS FRIDAY WOULD IT BE POSSIBLE FOR US TO MEET IN CINCINNATI EITHER

THURSDAY OR FRIDAY SO THAT I MAY DISCUSS MATTER WITH YOU. WOULD APPRECIATE YOUR WIRE

TO MY HOME 3523 BIDDLE STREET (TELEPHONE AVON 3772) CINCINNATI. KIND REGARDS

JAMES G. HELLER

CLASS OF SERVICE

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WESTERN UNION

220

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NB542 NC PD= WUX NEWYORK NY 5 DR ABBA HILLEL SIEVER=

1945 FEB 5 1 7 48

THE TEMPLE CLEVE =

FULLY ATTENDED MEETING OF EXECUTIVE COMMITTEE OF UNITED PALESTINE APPEAL WITH BUT THREE DISSENTING TWO OF THESE HADASSAH TODAY VOTED TO LAUNCH INDEPENDENT UPA CAMPAIGN. SINCE CORRESPONDENCE EXCHANGED BETWEEN JDC AND UPA HAS BEEN FORWARDED TO YOU I KNOW THAT YOU ARE FAMILIAR WITH THE BACKGROUND OF THIS DECISION. I AM CONFIDENT THAT WE SHALL HAVE BENEFIT OF YOUR COUNSEL AND COOPERATION WHICH I DEEM VITAL FOR SUCCESS. INASMUCH AS YOU ARE PLANNING TO ATTEND MEETING OF BOARD OF DIRECTORS OF COUNCIL OF FEDERATIONS WHEN IT MEETS IN CINCINNATI THIS FRIDAY WOULD IT BE POSSIBLE FOR US TO MEET IN CINCINNATI EITHER THURSDAY OR FRIDAY SO THAT I MAY DISCUSS MATTER WITH YOU. WOULD APPRECIATE YOUR WIRE TO MY HOME 3523 BIDDLE STREET CINCINNATI TELEPHONE AVON 3772. KIND REGARDS:

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UPA JDC UPA 3523 3772.

Charge to the account of CLASS OF SERVICE DESIRED WESTERN CHECK 1206-ORDINARY TELEGRAM ACCOUNTING INFORMATION DEFERRED INION TIME FILED A. N. WILLIAMS J. C. WILLEVER FIRST VICE-PRESIDENT PRESIDENT CHAIRMAN OF THE BOARD Send the following telegram, subject to the terms on back hereof, which are hereby agreed to 2-12-45 WANT A REPLY? 3 reles "Answer by WESTERN UNION" or similar phrases may be Included without charge. Fronts, Canada Q I shall be pleased to be with you at ferring I your camp argn on Tuesday Evening april 10 provided I can arrive in Ironlo from huntreal in time for your meeting. Please upon me whether your meeting opins your camp ago and what will be the nature of & regards. abba Helle Silver

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DR ABBA HILLEL SILVER=

@ EAST 105 ST) CLEVE =

East 1054 ansel Red On

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BOARD OF DIRECTORS OF NATIONAL COUNCIL HAS ASKED UPA TO RECONSIDER ITS PREVIOUS DECISION. I AM SUMMONING MEMPERS OF EXECUTIVE COMMITTEE OF UPA TO A SPECIAL MEETING AT 400 PM MONDAY FEBRUARY TWELFTH AT HOTEL BILTMORE. URGENT

JAMES G HELLER .

400 PM.

Rabbi A.H. Silver,
The Temple,
E 105th (at Ansel Rd),
Cleveland, Ohio,

Dear Rabbi Silver:

Your wire

Whole community was rejoiced to hear that you will be our guest April 10th. Our campaign will open about two weeks prior and the meeting at which you will be guest speaker will be the culmination of our campaign. We expect to have a thousand people present at the dinner.

We will arrange for transportation for you from Montreal, either on the 9th after your meeting, by train or plane or by plane on the following day. In view of the uncertainty of air travel these days, it might be advisable to take the train. It leaves Montreal 11:00 in the evening and arrives here Tuesday morning Epril 10th, 8:00 o'clock. We trust this will be satisfactory.

Our objective this year will be the highest in our history, approximately \$325,000.00. I feel that your prescence in Toronto will mean a great deal in the matter of reaching our goal. We are indeed very grateful to you.

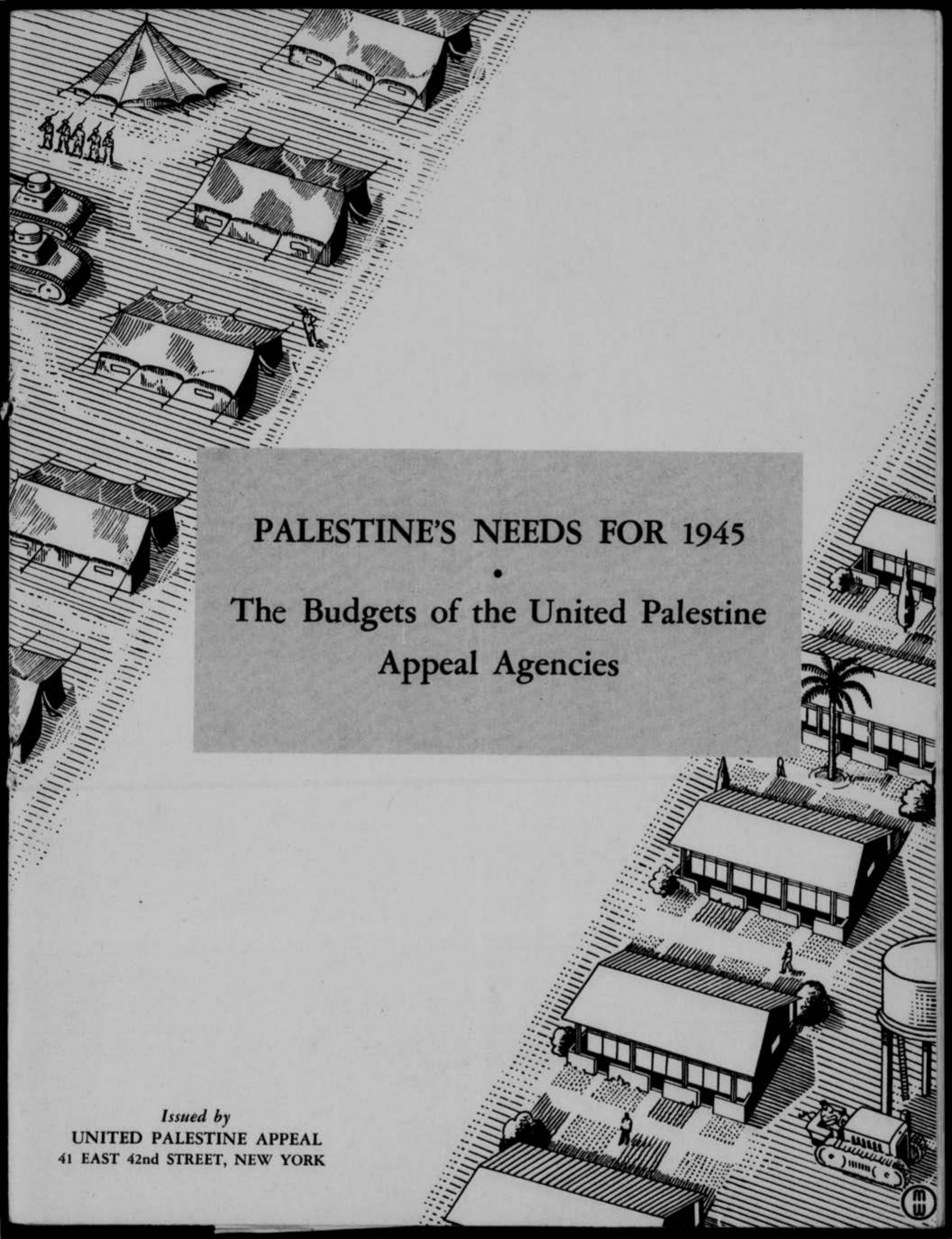
Thanking you, I am,

Yours very sincerely,

Feb. 12/45.

Samuel Tacks

SJZ/FH.



UNITED PALESTINE APPEAL

presents

THE BUDGETS

of

JEWISH AGENCY FOR PALESTINE AND PALESTINE FOUNDATION FUND (Keren Hayesod)

and

JEWISH NATIONAL FUND (Keren Kayemeth)

for the Jewish year 5705 (October 1, 1944 to September 30, 1945)

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Budgetary Analysis

of the Constituent Agencies of

UNITED PALESTINE APPEAL

October 1, 1944 to September 30, 1945

* * * *

The United Palestine Appeal is the basic instrumentality through which Jews of the United States help make possible the rebuilding of the Jewish National Home in Palestine.

The proceeds of the United Palestine Appeal are divided equally between its two constituent agencies, Palestine Foundation Fund (Keren Hayesod) and Jewish National Fund (Keren Kayemeth), while a substantial amount is allocated to the Mizrachi Palestine Fund. (It received \$250,000 in 1944).

The Palestine Foundation Fund finances the activities of the Jewish Agency for Palestine, recognized in the League of Nations Mandate, under which Great Britain administers Palestine, as the representative of the Jewish people for the upbuilding of Palestine. Its funds are used to promote every enterprise which will increase Palestine's capacity to absorb Jews, including assistance to immigration, rural and urban colonization, public works and housing, promotion of trade and industry, cultural development, service to the armed forces, etc.

The Jewish National Fund acquires and improves land in Palestine. This land is held in perpetuity in the name of the Jewish people.

The Mizrachi Palestine Fund finances religious enterprises in Palestine in the fields of agriculture, culture and education, supplementary to those supported by the two major agencies.

EXPENDITURES IN 5704

For the fiscal year 5705 (October 1, 1944 to September 30, 1945) the Palestine Foundation Fund requires \$16,584,750 to meet the needs of the Jewish Agency and its own requirements in Palestine, while the Jewish National Fund requires \$17,729,684, bringing the total budget of the three Palestine institutions to \$34,314,434.

In judging their responsibility to these needs, the Jewish communities of America may compare the budget of the previous year (5704) with the actual expenditures incurred. At the beginning of 1944 the United Palestine Appeal submitted on behalf of the Palestine agencies a budgetary analysis which anticipated for the fiscal year 5704 an expenditure of \$9,315,000 for the Palestine Foundation Fund and Jewish Agency, and of \$10,182,919 for the Jewish National Fund, a total of \$19,497,919. The close of the fiscal year 5704 reveals that the needs were so pressing that an additional expenditure of almost two million dollars was required. Actually the Palestine Foundation Fund and Jewish Agency spent during the year \$12,145,150 while the Jewish National Fund spent \$9,854,305, a total of \$21,999,455. This needs to be taken into account in determining the validity and urgency of the current budgets (5705) for both national institutions.

The national funds will spend in Palestine this year more than the budget of the whole Palestine Government for most of the years since the British Administration came into power until prior to the war. There could be no better indication of the comprehensive nature of the functions financed with United Palestine Appeal funds. No aspect of the program to bring Jews into Palestine and to create a permanent home for them — so that ultimately they may work out their own livelihood and future — is untouched by the resources of these Jewish funds.

Rescue, furtherance of immigration, the transfer and absorption of new immigrants, agricultural settlement, vocational training, housing, industrial development, agricultural and economic research, religious and cultural activity

are among the tasks financed by the Jewish Agency. It also contributes substantially toward the maintenance of the Jewish super-numerary and special police; aids soldiers' families and maintains, together with the Vaad Leumi, hospitality services for armed forces garrisoned in or visiting Palestine. Performing in full most of the functions intended for it in the League of Nations Mandate, the Jewish Agency enables Jews to come to Palestine and to stay there— in security and freedom.

THE PALESTINE OBLIGATIONS

BUDGET OF JEWISH AGENCY AND PALESTINE FOUNDATION FUND FOR 5705

The Jewish Agency, whose fiscal instrument is the Palestine Foundation

Fund, is operating currently under the following budget: to establish new set
tlements, to strengthen the existing economic instrumentalities and create new

ones, and to meet the needs of the transition period.

Immigration, Housing of and Relief to Refugees	\$ 4,718,250
Agricultural Settlement	5,580,900
Labor Department	546,750
Aid to Trade and Industry and Investments	1,786,050
Education and Culture	526,500
National Organization and Security	2,025,000
Religious Affairs and Grants to Institutions	247,050
Loan Service and Interest	567,000
Administrative Expense	279,450
Reserve	307,800
	\$16,584,750

BUDGET OF JEWISH NATIONAL FUND FOR 5705

The Jewish National Fund, the land-acquisition agency in Palestine, is functioning in 5705 under the following budget

Land Purchase	\$ 12,332,250
Development, Maintenance, Etc.	1,085,400
Afforestation	115,830
Interest	522,450
Loan Service	3,248,812
Administrative Expense	424,942

\$ 17,729,684

Expenditures under the above category in 5704 (Oct. 1, 1943 to Sept. 30, 1944) amounted to \$3,567,864 (exclusive of some monies that were received from the Joint Distribution Committee either for relief or transportation costs — which sums have been disbursed by the Jewish Agency but are not included in our figures). The budgetary sum for 5705 is \$4,718,250. Of this amount, \$405,000 is intended as the Jewish Agency's share in the transportation costs; \$1,458,000 will be used for the care of immigrants upon arrival and for their initial accommodation, while \$1,923,750 is set aside for the housing of immigrants, including camps; at least \$607,500 will have to be spent for relief; \$222,750 is for the training of immigrants for various vocations; and \$101,250 is for the Idud Company established to provide small loans to immigrants.

Bringing Them In

The broad nature of the Jewish Agency's program is reflected in its relief and rescue achievements. Jewish Palestine not only receives and welcomes Jews, it goes out to bring them in. That was true in peace-time, when Palestine Offices dotted Europe and camps were established to train young men and women for settlement in Palestine. It has been equally true even in war-time, under conditions of hazard and success that cannot yet be fully described while the war is on Emissaries of the Jewish Agency have played a pre-eminent role in the field of rescuing Jews from Europe, with feats of imagination and daring.

Contact with the Jewish underground in Europe was maintained by the Jewish Agency offices in Istanbul, Geneva, the Iberian Peninsula, Teheran and elsewhere. Jewish Agency rescue committees inside Europe were engaged in intricate efforts to remove Jews from concentration camps to other areas, even if only for temporary safekeeping purposes. Many thousands of Jews were saved in this way. Their number is not reflected merely in the figures for Jewish

immigration into Palestine. Hundreds of members of the Zionist movement in Europe, working under the aegis of the Jewish Agency, laid down their lives in the course of organizing these escapes.

The emissaries of the Jewish Agency Immigration Department were to be found in key danger spots, exposed to the greatest personal risks. Twenty delegates of Hechalutz were active in refugee work in various centers. The representatives of the Jewish Agency have been engaged in relief tasks as well as rescue. Jews in twelve European countries have been brought such assistance. The records of the President's War Refugee Board will bear testimony to the unique effectiveness of the work done by such men as Chaim Barlas, Jewish Agency representative in Turkey; S. Adler-Rudel, who performed special services for the Jewish Agency in connection with Jewish refugees in the Scandinavian countries; Fritz Lichtenstein, dealing with the problems of the Jewish refugees in Spain and Portugal; Eliahu Dobkin, deputy member of the Jewish Agency Executive in charge of immigration, who visited Great Britain, Spain and Portugal to spur immigration, and various others.

In 1943, some 10,000 Jews came to Palestine. In 1944 the number rose to over 15,000. They came from the Balkans; from France via Spain and Portugal; from liberated Italy; from Central Europe, by virtue of an exchange scheme with the German Government; and from Yemen, Turkey and North Africa. The number who have come to Palestine since the war began is now about 60,000, equal to the number the rest of the world absorbed during the same period. Hundreds of Jewish refugees who had been gathered in Spain, Portugal and Tangiers were transported to Palestine. Thus was brought to partial success the effort to bring out of the Iberian Peninsula the hundreds of men and women who have been kept there and who have had to remain in enforced idleness because of Government regulations. The unavoidably high cost of maintaining them is ended with

their transfer to Palestine, which will give them an opportunity to use whatever capacities they have in a self-respecting and ultimately self-sufficient manner.

It should be noted that in some of the satellite countries, stays of the order for deportation — which was virtually a death sentence — were given when it could be shown that the Jewish Agency had approved an immigration certificate for Palestine. The Jewish Agency in 1944 actually approved such rescue immigration certificates for 34,561 persons, as follows: Hungary, 18,586; Bulgaria, 8,845; Rumania, 7,130. The difficulties of getting exit visas and transportation, and the stipulations of the British Government, are the reasons why, of the total number of 34,561, only a part were able to reach Palestine.

The immigration schedule for the six-month period from October 1, 1944 to March 31, 1945 provides for 10,300 certificates for distribution as follows: Rumania and Bulgaria, 5,000; Italy, 900; France, 2,000; Switzerland, 1,000; Belgium, 200; Yemen, 1,000; Turkey, 200. The schedule provided that 1,500 a month were to arrive in Palestine from October through December and that a revision was to be made as of January.

It is evident that the moment the political situation with regard to Palestine clarifies itself, a large stream of immigration will be unleashed that will multiply the financial responsibilities of the Jewish Agency even far beyond their current extent. The Soviet Embassy in London has already assured the Jewish Agency that it will not interfere with emigration from the Balkans. After Their Entrance

The task of getting Jews out of Europe involved skill, effort and funds.

But the financial problem assumes its truly burdensome aspects once they arrive in Palestine. This arises out of the character of the immigrants arriving.

During the entire year 1943 only 354 of the so-called "capitalist category" came to the country, and this number even decreased in 1944. All the others, mostly

of middle class origins, were utterly destitute, marked by physical and nervous exhaustion.

The immigrant who now enters the country has a very low standard of health. He is not of the same type who came to Palestine during the previous generation. He needs special medical care. He is marked by nervous tension, neuroses. The immigrant of today requires such an extent of care and assistance that it was decided recently to set up, together with the Vaad Leumi, a special Department of Immigrant Welfare to function in close contact and conjunction with the Jewish Agency Executive. Dr. Georg Landauer heads the department.

Immigrants who arrive in Palestine without means of their own are usually transferred to special immigrants' hostels of the Jewish Agency in Tel Aviv and Haifa or to immigrants' camps, where they receive board, lodging, medical assistance and health insurance, until they decide upon the manner in which they are going to fit into the country's economy. In leaving the hostel or the camp, the immigrant receives a small loan from the Jewish Agency for the purchase of immediate necessities. The Jewish Agency also guides the immigrant in the choice of occupation, providing the necessary vocational training. Many hundreds of thousands of dollars were spent on the routine functions of reception and maintenance. The per capita expenditure for an individual upon his arrival in Palestine is now eight times as large as it was before the war. Beyond that is the larger task of integrating refugees into the permanent economic life of the country.

The Housing Problem

One aspect of the financial burdens of this immigration is reflected in the housing situation. Since the war began there has been no building in Palestine.

Military garrisons and the large increase of the civilian population have strained facilities beyond description.

According to a statement made by J.W.V. Shaw, Chief Secretary of the Palestine Government, the country requires 125,000 rooms for the accommodation of returning soldiers and for ordinary householders, besides another 44,000 rooms which are to replace slums. In order to reduce the density to an average rate of three persons per room, 27,000 rooms are needed immediately. Recently, the Jewish Agency distributed contracts for the construction of 2,200 new dwellings in the vicinity of Tel Aviv, Haifa and Jerusalem for refugee occupancy. The funds were provided by the Keren Hayesod. Each dwelling consists of one large room and a kitchen. In addition, the Jewish Agency is constructing hundreds of houses for new immigrants around numerous towns and villages. The pressure for adequate accommodations is so great that the Jewish Agency has had to devote large resources to minimum and elementary housing. The sum of \$2,400,000 has been set aside for the construction of dwellings and to encourage private building activities.

But the role of the Jewish Agency is not restricted to its own large financial participation in the housing program. It is engaged in spurring Government and private sources to spend and invest in this prime requisite for refugees.

It also explores the available markets for building materials and endeavors large-scale purchases of such materials.

Relief Abroad

It is not possible within the limited space available to give a detailed description of the Jewish Agency's far-ranging contributions to the assistance programs for Jews outside of Palestine.

Palestine Jewry acted vigorously and continuously to press for relief and rescue of European Jewry. This has been true in every field, from that of political pressure to philanthropic assistance.

Already Palestine Jewry is planning to play a self-respecting role in

bringing sympathy and support to the Jews being liberated in Europe. The Jewish Agency for Palestine joined with the Vaad Leumi in creating a Relief Council for European Jewry, which has channeled Palestine Jewry's assistance to their stricken brothers. In 1944 the Relief Council conducted a special institute to train Palestinians for the tasks being opened with liberation. Jewish medical men, nurses and social workers were enrolled for the course in Jerusalem to become trained for Jewish rescue and relief units to function in the Middle East under the supervision of UNRRA. Through the efforts of Leo Herrmann, Secretary of the Palestine Foundation Fund in Jerusalem, who represents the Relief Council on UNRRA in Cairo, the Palestinian units have received official recognition and are assigned to the program of UNRRA, particularly in the Balkans.

As a matter of record, it should be pointed out that in the period under review the American Jewish Joint Distribution Committee used the Jewish Agency in Jerusalem as a transmitting agent for the distribution of certain sums for refugee assistance in Europe. This sum amounted to \$800,000 in 1944. The Jewish Agency regarded this sum as a trust fund. Except for reference to the amount, the sum involved does not appear in the income or expenditures of the Jewish Agency as described in this report.

Looking to Palestine

Jews in the liberated areas of Europe are looking to Palestine as the only hope left them. When Mr. David Ben Gurion reported on December 20, 1944, on the position of Bulgarian Jewry, he gave a vivid description of his visit to the dingy, pauperized slum quarters in which the Jews of Sofia live. Two, and even four, families were crowded into one room. All were going barefoot, even in the depths of winter. There was the mark of death on the faces of children; despair was bleakly staring from all expressions. Bulgarian Jews, Mr. Ben Gurion emphasized, were facing complete physical and spiritual disintegration unless they

were quickly brought into Palestine.

They were economically ruined, destitute, poverty-stricken beyond any possible description. The same applied to their social condition. For the vast majority there was no hope that their stolen or confiscated property would be restored, despite the good intentions of the Bulgarian Government, since the property had either been destroyed or transferred to Bulgarians from whom it would be impossible to recover it.

It was to be assumed that conditions were similar among other sections of liberated European Jewry, perhaps even in a more severe form.

The Children

Of the 60,000 immigrants who have come to Palestine since war broke out, some 8,000 were children and youths, bringing to over 13,000 children the number brought to Palestine since 1933 under the auspices of the Youth Aliyah Department of the Jewish Agency.

The children arrived in Palestine with the help of immigration certificates provided by the Jewish Agency. Funds for their maintenance, as far as Ame.ica is concerned, were provided by Hadassah, while transportation expenses were borne largely by the Joint Distribution Committee. Their settlement in Palestine is directed and controlled by the Jewish Agency's Youth Immigration Department. The economic foundations permitting this type of immigration, the existence of modern Jewish settlements in towns and on the land of Palestine, the educational facilities which they offer — all these are a result of the activities and expenditures of the national agencies in Palestine which receive their American support through the United Palestine Appeal.

The Jewish Agency has worked out large-scale plans for the transfer to Palestine of the Jewish orphans who will be found after the war in European countries. In France alone there are 15,000 Jewish orphans, and the Jewish

Agency is anxious to include the maximum number of them in the plan for the immediate transfer of 20,000 orphans, which has been drawn up. Large financial means are required. The immediate project alone needs some \$12,000,000 for its realization. There can be no doubt that there is no healthy, happy and Jewish future for these orphan children anywhere in the world but in Palestine.

When Mr. Ira A. Hirschmann, special representative of the President's War Refugee Board, returned to New York from his visit to the Near East and Palestine, he reported on his experiences and said:

"I visited this magic area (Palestine) on my way back to the United States for about five days, and they will remain in my memory as some of the most inspiring days of my life. One of the reasons I went to Palestine was to see some of my "Transnistrian children" to find out how they had developed in the four to five months since I had waved a rather sad au revoir to them on the train that left Istanbul for the Syrian border. I am happy to report that the ones I saw in the colonies in Palestine had been quickly rehabilitated; had almost lost their nervous tension and hysteria and were rapidly on their way to a normal life. To my mind these young people are going to be among the most valuable liberty-loving citizens of our future world. They have earned the right to freedom as no other human beings that I know have, and instead of coming out of the fire scarred and cynical, the fact that they are brought into a new world with eyes to the future has given them a moral support which animates their lives at a time when they need it most."

AGRICULTURAL SETTLEMENT

\$5,580,900

There is a considerable increase in the 5705 budget for agriculture, amounting to \$5,580,900, as compared with actual expenditures in 5704 totalling \$3,305,816. Of the sum, \$1,417,500 is for the consolidation of 85 agricultural settlements, while a similar amount is provided for the establishment of new ones. For investments in agricultural and water companies, \$599,400 is budgeted. An additional amount of \$141,750 is set aside for investments in development companies. Loans to citrus growers require \$263,250. For the agricultural extension service, the technical office and various other activities, \$222,750 is provided; the sum of \$182,250 is reserved for individual settlers and marketing societies; the maintenance of the Agricultural Research Institute accounts

for \$121,500; work in connection with the preparation for the post-war period is budgeted at \$101,250; and the same amount is set aside for the agricultural contracting office.

It is basic to the Palestine upbuilding program that agricultural settlement should be fostered. The agricultural expansion stimulated and financed by the Jewish Agency during the war period has been striking. The importance placed on agricultural development in Palestine is reflected in the fact that one—third of all funds spent by the Jewish Agency in the eight years between 1936 and 1943 was devoted to that activity.

In 5705 as in previous years, the largest sub-items in the agricultural budget are devoted to the building of new settlements and the expansion of old ones to absorb new settlers. Activities of the agricultural department include every type of Jewish settlement. It assists collective as well as smallholders' settlements and also supports individual settlers and cooperatives in villages.

It is significant that a group of workers belonging to the ultra-orthodox Agudath Israel organization, having completed negotiations with the Jewish Agency, was recently settled on a piece of land near Gedera provided by the Jewish National Fund. The buildings of the settlement, called Hofetz Hayim for the late famous rabbi of Poland, are being erected under the supervision of the Agricultural Department of the Jewish Agency, and financed out of Keren Hayesod funds.

It is essential to remember that a colony started does not represent a responsibility ended. On the contrary, there is a geometric increase of the financial burden. Because of the pressure for settlement and the unavailability of sufficient funds to provide to the settlements at the time when they are actually founded the complete basic equipment they need, the Jewish Agency distributes its grants over a period of at least two or three years, in many cases longer.

New and Older Settlements

Thus, ten new settlements were initiated in 1944 up to October 1. But in the month of October 1944 alone the Jewish Agency launched ten more settlements. New Jewish settlement has now reached to some 25 miles south of Beersheba. In that southern part of Palestine where neighboring Bedouins had raised a poor barley crop once in two years, there have now been found considerable water sources promising extensive development.

The expenditures listed for the founding of settlements are only partial. Some statistics on previous agricultural settlement will illuminate the situation. During the period between 1928 and 1936 the Jewish Agency (with Palestine Foundation Fund money) established 35 settlements. Total expenditures to date have been LP 678,280; but it is estimated that LP 940,000 more is needed to complete their requirements, in terms of adequate living quarters, livestock, equipment, etc. Some 14,000 people are involved in this group of settlements.

In the period from 1936 to 1939, another group of 37 settlements was built by the Jewish Agency. Over LP 522,000 was invested in that group. It is estimated that LP 1,190,000 more is required to complete their budgets. Some 8,000 people are affected.

The settlements erected since 1939 have cost the Jewish Agency about LP 277,003; and LP 1,450,000 more is required to complete their budgets.

An analysis of the colonization budget of the Jewish Agency must, therefore, keep in mind not only colonies currently initiated but the even larger, long-range responsibilities undertaken until they can become fully self-sustaining.

The money given for settlement provides for a house, a stable, poultry, a horse, cattle, machinery, seeds, irrigation of water supply, and maintenance for a few months. The Colonization Department of the Jewish Agency estimates that

to settle one family on the land an investment of between LP 500 and LP 600 is required, excluding the cost of land. With the cost of land included, this would be about LP 900. For comparative purposes, it may be noted that the cost of settling a family in farming in Australia is figured at about LP 2,000.

War-time Achievements

The role of the Jewish Agency in building Palestine's agriculture has been especially recognized during war-time when manpower has declined and the needs have sharply risen, in the face of decreased imports and expanded military and civilian demands. Comments by Middle East civilian and military leaders have constantly reiterated the appreciation that is felt for Palestine Jewry's agricultural contribution to the war. It is reflected in the figures of increased production.

Although only 7 percent of the land is owned by the Jews, Jewish-owned farms have produced, since the war began, 24 percent of the wheat, 17 percent of the oats and 9 percent of durra and other grains. Achievements in other agricultural fields are equally important. The Jewish stock of dairy cattle has grown to almost 30,000; the sheep flocks to 32,000; the laying hens to over 700,000. During the war period the potato crops produced on Jewish farms have increased by 400%, vegetables by 80% and milk by 50%. This has been the result of an intensive stimulation program by the Jewish Agency, aimed to increase food production.

Jewish farms in Palestine are now providing nearly half the food requirements of the Yishuv. The following table shows the change which has occurred in this respect since the outbreak of the war.

	Percentage of Yishuv's Requirements		
	1939	1944	
rom Jewish farms rom Arab farms mports	26% 7% 67%	47% 6% 47%	

In some branches achievements have been even higher. In 1939, Jewish farmers were supplying only 34% of the Yishuv's requirements of milk, eggs, fruit and vegetables. In 1944, they were providing 75% of requirements of these commodities.

By its own investments and expenditures, by its administrative direction and by its specialized research, the Jewish Agency has served to increase the area of cultivation, to encourage the growing of new varieties of food crops and to widen the structure of Jewish agricultural settlement. That Jewish farms now produce a very substantial percentage of the country's food requirements may be attributed to the national funds.

Today, the Jewish Agency, by loans and subsidies, is encouraging importers to acquire stocks of raw materials, manures, machinery and other supplies needed for the country's agriculture.

Agricultural Research

Special mention is due to the Jewish Agency Agricultural Research Institute and Experiment Station at Rehoboth, whose research and experimental work has guided the country's farmers and helped them to improve their husbandry.

The Station secured facilities from the Government for the import of seed unobtainable in the country itself. It introduced new crops such as ground nuts and soy beans. It was responsible for the introduction of new varieties of wheat, such as the Australian and the Moroccan. It transformed citrus, which could not be exported because of the war, into essential cattle feed, thus contributing to the preservation of the citrus industry, a vital part of Palestine's economy.

The Station completed experiments in the dehydration of citrus for the manufacture of marmalade. Manufacturers in England have been testing the process for large-scale production. Preserving the vitamin content and flavor of the fruit,

the process is expected to introduce economies in manufacture as well as save shipping space. The war brought about an acute shortage in the supply of piping and other materials essential for water supply installations. The Station, collaborating with Jewish farmers, developed a method whereby irrigated areas could be extended without a corresponding increase in piping. As a result, tens of thousands of additional dunams have been irrigated.

The expenditures by the Jewish Agency in the field of agricultural colonization are better understood by detailed definition. The storage of seed potatoes is an example. The Palestine climate is not favorable for the storing of seed potatoes for the several months required between the lifting and the planting. The Jewish Agency financed the building of refrigeration plants and then persuaded the Palestine Government to share. Now locally grown potatoes can be kept in cold storage.

In respect, generally, to the supply of seed for the growing of vegetables, fodder, potatoes and select cereal varieties, Palestine — due to the Jewish Agency's Agricultural Research Institute — has largely freed herself from her former dependence on foreign imports.

Agricultural and Water Companies

The Jewish Agency, with Palestine Foundation Fund resources, has not only directly financed settlement. It has encouraged others to do so and has helped to improve conditions for agriculture in all its forms. This is reflected in the account of investments made this year in various companies, such as the Palestine Agricultural Settlement Association, Mekoroth Water Company, the Agricultural Trust, the Rural and Suburban Settlement Company, etc. These various enterprises enlarge the foundations of agricultural development by finding and exploiting new water resources, by promoting rural workers' housing programs and by financing drainage and amelioration projects. By investing in certain

corporations, the Jewish Agency aims also to mobilize much greater sums through the cooperation of other bodies.

An illustration of this process is to be found in the Mekoroth Water Company, in which the Jewish Agency and the Jewish National Fund have the controlling interest. Originally this company was limited to the provision of water to agricultural settlements. But now it is supplying most of the water requirements of Hadar Hacarmel, hillside residential section of Haifa, in addition to the settlements in the vicinity. The Jewish Agency's investment of LP 25,000 produced LP 50,000 from other sources and another LP 100,000 is now being obtained to expand the company's operations.

Through the activities of the Agricultural Department, a contribution has been made not only to the speeding of victory, but also to the stability of the peacetime economy of Palestine. To create a Jewish population living normally in Palestine, it is essential to have an agricultural backbone for the Jewish National Home. Every time a new settlement is built and new products are grown, that much more strength is added to the future of the Jews in Palestine. However great the industrial growth of Palestine may eventually be, a firm agricultural base will be one of the vital pillars of a sound economy. What today are war-time achievements are also assets for the peacetime to come. The few instances cited here illustrate the wide range of work being done with United Palestine Appeal funds for the present and the future of Eretz Israel.

Settlement of Ex-Servicemen

A special sub-department of the Agricultural Department, headed by Joseph Gurion, has been set up by the Jewish Agency to deal with the problem of rehabilitating and resettling demobilized Jewish soldiers in the postwar period.

This department is now drawing up comprehensive plans for the future of demobilized soldiers in agriculture, industry and commerce. The amount set aside

for this purpose in the 5705 budget is \$1,012,500.

In the agricultural sphere, five soldiers' settlements were initiated in October, 1944. These settlements provide for only about five or six hundred people. The fact that there are more than 30,000 Jewish volunteers serving in the British armed forces indicates the size of the task that will be presented when full demobilization takes place in the postwar period.

In the fields of industry and commerce, this Jewish Agency Department is providing loans to soldiers to set them up in manufacturing, workshops, or other enterprises in which they have developed special skills in wartime. The Agency also intends to assist demobilized soldiers in forming co-operatives of various kinds. Among the enterprises envisaged is a transport co-operative for drivers who were formerly members of the Royal Army Service Corps.

The earnestness with which their settlement on the land is considered by the men in the armed forces is observed in the formation of more that a dozen irgunim (pre-settlement groups) by men and women in various Jewish units in theatres of operation. They are planning their post-war settlement on the national soil. More than 1500 of these soldiers have already registered their intention to settle on the land. Perhaps one of the most striking of these groups is that composed of 50 young men and women in the British Army whose parents founded Kfar Avihail, the village established by veterans of the last war. The sons and daughters voted to establish a Bnei Avihail cooperative settlement. The age of these people is between 20 and 25. They reflect the age brackets as well as the intentions of the many others who feel that they are entitled to first consideration in the distribution of land for settlement. In addition, the Jewish Agency is already in receipt of requests from soldiers of the United Kingdom, South Africa, Australia and other allied countries for opportunities to settle on farms in Palestine after the war.

The current budget also includes provisions for the housing of 1,000 families of demobilized Palestinian Jewish servicemen.

LABOR DEPARTMENT \$546,750

Expenditures in 5704 amounted to \$1,096,865. The sum of \$546,750 is provided for the expenditures of the Labor Department in the 5705 budget. The reason for this decrease is that the major part of the expenditures of the Jewish. Agency for housing purposes is now included in the first item of the budget:

Immigration, housing of and relief to refugees.

Of the total of \$546,750 the sum of \$129,600 is intended for loans to citrus growers, to be used for the transportation of laborers to plantation settlements and accommodations for them. An amount of \$133,650 is set aside for the organization and maintenance of labor exchanges in towns and villages. \$81,000 is for the enlargement of fishing and maritime activities; \$64,800 is for the training of adults and working youths (in addition to monies set aside in the Immigration budget for the vocational training of newcomers). The balance of \$137,700 is reserved for loans to assist laborers in the establishment of auxiliary farms, and for various other activities.

If Palestine today has a supply of labor, numbering some 62,000, to man the industrial front it is due largely to the professional and vocational training that tens of thousands of laborers received in projects initiated or assisted by the Keren Hayesod through the Labor Department of the Jewish Agency. The agricultural training services for workers in the plantation villages and maritime training are among the vocational contributions of the Labor Department. In addition, thousands of laborers have benefited from the housing projects of the Labor Department, particularly in the citrus zone.

The functions of the Labor Department vary with the economic situation.

In the first year of the war its task was to deal with the unemployment situation.

through the extension of organized relief, the creation of new sources of employment and the transfer of workers from the citrus plantations and the towns to the mixed-farming villages. Since 1941 this particular problem has not existed.

In a country with an expanding economy, especially where progressive conceptions of labor stand out in sharp contrast to the practices of the Middle East, the regulation of labor relations plays a vital role in keeping the economic machinery running smoothly. The Labor Department has established a series of general labor exchanges in various settlements in order to give every worker a chance to find the most suitable place of employment. This has worked out so successfully that more recently general labor exchanges have also been set up in the towns. In addition to supervising these labor exchanges, the Department of Labor continues to mediate in labor disputes. Typical of its effective assistance was its part in arranging an agreement for a cost-of-living allowance between the Palestine Manufacturers Association and the Jewish Federation of Labor.

The acute shortage of housing facilities has been felt not only in dealing with the refugee problem but in meeting the needs of the local population. The Jewish Agency's special concern in this field has been with laborers, especially those who work in factories in the towns and need to eke out their livelihood with small truck gardens in suburban areas. This year the Jewish Agency was responsible for the establishment of Tefachot, a second-mortgage company. It started with a foundation capital of LP 100,000, to which the Jewish Agency contributed LP 50,000. The new company, which has been functioning throughout the last year, is already responsible for the building of hundreds of small houses.

In the activities of the Labor Department, as in so many others, the Jewish Agency acts as the lubricant or as the piston wheel to speed the proper functioning of the country's economic and social life.

Expenditure under this category amounted to \$563,196 for the fiscal year 5704. More than three times this sum, namely \$1,786,050, is provided for in the budget of the current year 5705.

Of the budgetary amount, the sum of \$364,500 has been set aside for the promotion of industrial enterprises; \$303,750 goes to the loan fund of the Department established for the development of home industry; \$202,500 is the budget of the craft and small trade department, while a similar amount is to increase the fund for long-term industrial credit. The sum of \$40,500 is for the budget of the Economic Research Institute, while \$16,200 is for the maintenance of the Department of Statistics. An amount of \$657,000 is set aside for investment in various companies.

Economic Research

The Economic Research Institute of the Jewish Agency is the major research institution of its type in Palestine today. Its activities include the study of the main trends of Palestine economy, the discovery of the possibilities of expansion and improvement, and, in particular, the supply of reliable data as a basis for the economic policies of the Jewish Agency. The Institute publishes a bi-monthly bulletin as well as a series of monographs in Hebrew and English on economic conditions and on the national income and outlay in Palestine.

Apart from its own regular publications it sponsors the publications of various public and semi-public bodies.

The Institute provides all Departments of the Jewish Agency with research material. At the present time it is particularly engaged in the preparation of material for post-war planning. The unprecedented problems of supply and fiscal policy arising out of the war have been constantly under review by the Institute which has thus enabled the Jewish Agency to put forward, from time to time,

Concrete proposals with reference to the supply position and changes in the Government's fiscal policy.

The Trade and Industry Department established a number of committees to provide the best scientific guidance to various branches of industry. Typical is the Central Chemical Committee, which has rendered great assistance to the expansion of Palestine's chemical industry. The Department also set up a special Institute for research into local raw materials of industrial value. The Institute has investigated this subject extensively and has already enabled manufacturers to make practical use of materials not hitherto exploited.

Palestine's Industry Today

In its permanent concern to enlarge Palestine's economic absorptive capacity, the Jewish Agency has played and will continue to play an increasingly important role in the stimulation of trade and industry. While it was freely predicted ten years ago that industry in Palestine was doomed to sterility, the fact is that last year Palestine's industrial production was valued at \$180,000,000, a substantial part of it going into the war effort. Today, Palestine with its 2250 Jewish industrial establishments, in addition to several thousands of small workshops, is the most important industrial center of the Middle East. It has great potentialities, and it is the intention of the Jewish Agency to convert them into realities. Heavy and light industries of all kinds have been and are being encouraged by loans, guarantees, etc. Even the ancient handicraft industry in Jerusalem has been revived with Jewish Agency financing.

Economic Principles

Before entering its new sphere of activities which can be defined as industrial colonization, the Jewish Agency and the Keren Hayesod had to establish
some general economic principles to serve as a guide in this untried field.
These principles are as follows:

- (a) Public funds should be applied in financing industrial enterprises which are of importance for the absorption of immigrants and the economic development of Palestine, i.e., the granting of credit should aim at securing the maximum economic effect from the point of view of the national economy.
- (b) Public funds should participate in financing industry only in cases in which ordinary commercial credit cannot be extended, or the private capital market cannot be resorted to, i.e. it should serve to augment the volume of capital available to industry, and not to supplant other sources of financing.
- (c) Public funds should serve only as an ignition spark for releasing much larger amounts of capital from other sources; they would be too small unless they released additional means.
- (d) Investment au fonds perdu must be avoided as far as possible. After some time, industrial credit funds should not be dependent on additional allocation for current transactions, but only for the expansion of their facilities.

The principle that public funds should act only as an ignition spark is carried into effect by ensuring

- (a) That the founder himself should invest an adequate proportion of capital in the enterprise (the only exception being expert and specialist refugees without any funds of their own).
- (b) Keren Hayesod funds are applied only in conjunction with funds from commercial financial institutions such as the Anglo-Palestine Bank, the Industrial Bank of Palestine, the Workers' Bank, etc., public funds forming only a proportion of the credit extended or guarantees against first risk in transactions of general economic importance which could not otherwise be carried into effect.

On the basis of these principles special funds for industrial credits and guarantees were established by the Jewish Agency from funds provided by the Keren Hayesod.

Growth During the War

The number employed in Jewish industrial production has increased, since the beginning of the war, from 30,000 to 62,000 and the number of working days considerably more. The bulk of this increase is due to the war effort of Jewish industry in Palestine.

However, the average increase in employment does not fully reflect the scope of Palestine's industrial war effort. The following table shows that this increase was most pronounced in the industries of the greatest importance to the war effort, i.e. food, textiles, metal, machinery, chemicals and electric appliances, the average being reduced by recession or small increase in some industries of little or no importance from the point of view of the war effort:-

		INDEX OF	PRODUCTION	IN SOME	IMPORTANT	INDUSTRIES	
Date		Food	Textiles	Metal	Machinery	Chemicals	Electrical Appliances
August May November January November	1942	110 132 221 200 258	110 192 214 222 246	111 129 259 229 512	106 161 218 200 257	105 101 156 161 175	101 201 299 374 248

Further, the importance of the production of most valuable chemical materials from the Dead Sea, such as potash, bromine, etc., which are essential to the war effort cannot be overestimated. The export of the Dead Sea products amounted in 1939 (the last year for which statistics were published) to LP 427,690 and comprised 589 tons of bromine and 63,527 tons of potash. No later figures are available, but it is well known that the production of chemicals from the Dead Sea has greatly increased during the war.

The number of major industrial enterprises established during the war is estimated at over 400, many of them introducing new products, such as industrial machinery and tools, spare parts for automobiles, textiles, house and kitchen utensils, building materials, all kinds of agricultural instruments and machines, medical and electrical instruments, and finally, a wide assortment of chemical products, carbide, paints and medicines. This diversification of the industrial war effort and the development of new lines of production was greatly facilitated by the presence of many highly qualified scientists and experts and by the scientific facilities existing in this country.

The Jewish scientific institutions have willingly cooperated in aiding industry in its war effort. Foremost among these institutions are the Hebrew University, Jerusalem, the Hebrew Technical Institute, Haifa, and the Daniel Sieff Institute in Rehoboth.

War-time Changes

The great change that has come about in the composition of Jewish industry in Palestine, and in the number of people whose livelihood is wholly dependent upon industry, can be illustrated as follows.

According to the 1937 census, the manufacture of foodstuffs had first place in Jewish industry. The reason for this is obvious, and the situation is characteristic of other countries with infant industries:

- (a) Industrial expansion is necessarily based upon the production of consumers' goods for which there is a direct demand on the internal market.
- (b) An industry based upon consumers' goods does not make such farreaching demands for skilled labor as one based upon the manufacture of means of production.
- (c) With regard to foodstuffs, it should be remembered that there are many commodities which are perishable, and which can, therefore, not be imported and have to be produced on the spot. Moreover, the manufacture of foodstuffs is based largely upon the use of locally grown agricultural produce.

In 1943-44, however, the metal industry had become the most important in the country, and the manufacture of foodstuffs was relegated to second place. The manufacture of machines which, before the war, was one of the most backward branches of industry (according to the 1937 census it came tenth on the list in respect of the number of workers it employed) developed, in the course of the war, into one of the most important, and it now comes fifth or sixth. If we include under this head the numerous workshops engaged in repairing and replacing machine parts, this branch will be found to be even more important.

It is clear that, when the war is over, those branches which constitute the

backbone of the manufacture of means of production will assume particular importance from the point of view of the general development of Jewish industry in Palestine. Thus, during the transition period, considerable importance will attach to skilled labor.

Need for Skilled Workers

An urgent need is already becoming apparent for training skilled workers who are real experts at their jobs, so that Palestine's industry can overcome the obstacles by which it is confronted by adapting itself in a more elastic manner and in a shorter period of time to peacetime production. The lack of skilled workmen is felt in some of the main branches of industry, and this is reflected in output and in the worker's productivity. The need for skilled workers is not confined merely to the first stages of production, but also — and, perhaps, mainly — to processes that call for a high degree of care and skill, as in heavy industry, the production of technical equipment, textiles, and — first and foremost — the fashion trade, which has become firmly established in Palestine and has succeeded in capturing markets in some of the neighboring countries as well.

Maritime Activities

The Maritime Department of the Jewish Agency, which is a sub-department of the Trade and Industrial Department, has been responsible during the last few years for the phenomenal growth in Jewish interest in fishing and in maritime pursuits. It is generally recognized by now that there is an important future for the Jews of Palestine in this sphere of activities. Additional training which Jews are now receiving in the Royal Navy is an invaluable asset for the various maritime schools and leagues established in Palestine, many of them with the support of the Jewish Agency.

For investment in the maritime and shipping companies, the sum of \$405,000 is provided, while \$251,000 is to be invested in various other companies.

In any post-war program for Palestine the development of a Merchant Marine must take a notable place. It will be facilitated by war-time experience, and by the Jewish seamen who have been trained in the meantime in the Royal Navy and the Allied Merchant Marines. If, like Greece or Denmark, Palestine owns 1/3 ton of shipping per head of population, i.e. a fleet of 500,000 tons, its earnings might reduce the country's adverse balance by 30-40% according to pre-war figures, and provide employment to many thousands on the sea and in allied trades on land. Half a million tons of shipping does not seem too ambitious a goal, particularly in view of the changed circumstances in the Mediterranean, such as the reduction of the Italian merchant fleet which formerly dominated the traffic.

In order to raise the substantial capital needed for Palestine's shipping development a large company with adequate financial resources will have to be established. As in the case of other essential industries, such as the Palestine Electric Corporation and the Palestine Potash Company, national capital sponsored by the Keren Hayesod will have to take the lead, In fact the Jewish Agency has already earmarked a considerable sum of its projected reconstruction funds for investment in a Jewish national shipping corporation. The aim is to combine the small Jewish shipping companies, which worked successfully before the war, and also to enlist a part of the considerable capital reserves at present available in Palestine as well as to secure the cooperation of Jewish investors from abroad in this new field of activity.

The importance which the shipping industry may attain in the economic life of a small maritime country is illustrated by Norway. In 1938 Norway possessed 4,600,000 tons of shipping and it ranked fourth in the list of the world's merchant marines. Norway's annual gross receipts from its shipping industry were estimated at L 55,000,000; the net national income from shipping industry amounted to about LP 20,000,000. Holland, Greece, Sweden and Denmark also maintained

large merchant marines in relation to their small population. Calculated per head of population the tonnage owned by these countries amounted to about 0.3 tons per head which was similar to the British figure. Norway however was far ahead with 1.6 tons per head.

The merchant marine of these maritime states served the traffic requirements of many countries. Their shipping thus constituted an export industry which afforded a livelihood for many thousands of people. Of Norway's population of 2,800,000 for example, about 100,000 were employed in the shipping industry ashore and afloat.

Jewish Fishing

Wartime development of Jewish fisheries has proved one of the stable factors in the economic expansion of the Yishuv, and has contributed greatly to the larder of the urban and rural sections of the population in Palestine.

In the past few years the production of fish by Jews has increased phenomenally: Palestine Foundation Fund money is used for the founding of fishing settlements, the stocking of ponds and other requirements. The food needs of the country have been assisted substantially. During 1938, Jewish fishermen netted 2.2% of all fishing hauls in the country, but in 1942, their share rose to 21.6%. In the same period, the Jewish share in the cash sales of fish rose from 1.8% to 27.2%. These figures have risen since.

According to a report of the Jewish Agency's Maritime Department, Jewish deep-sea trawling, inland lake fishing, and production by fish-breeding ponds yielded 1,203 tons in the fiscal year ended September 30, 1944, representing 31% of the country's total catches of 3,727 tons, compared with 22% of total catches in the previous year. Value of the production was LP 400,000 (\$1,620,000).

Eight craft added to the fleet of Jewish trawlers and smacks brought the total to 23. The area of fish-ponds increased in the year from 3,800 to 5,500

dunams. The lowest village on the world's surface, Bet Ha'Araba, on the northern shores of the Dead Sea, reclaimed 350 dunams of formerly saline soil as a successful carp-breeding pond.

The various bodies responsible for Jewish fishing development are elaborating plans for continued progress after the war, when it is estimated that the total catch should reach 9,000 tons. The realization of these plans would call for the employment of 2,000 men and women in deep-sea and coastal fishing with a further 500 engaged in lake fishing and artificial breeding-ponds. It is estimated that an investment of one million pounds (\$4,000,000) will be required to bring these plans into fruition. Of this sum LP 500,000 will be needed to settle 500 fishermen families in seashore Keren Hayesod villages, LP 200,000 for fishing smacks of 250-300 h.p. each, another LP 200,000 for fishing-craft basins and quays at one of the coastal villages between Jaffa and Haifa, and about LP 100,000 for housing for workers engaged in the allied pursuits. This budget is exclusive of the investments required to expand lake-fishing and fish-pond activities, which were assisted by Keren Hayesod funds during the war.

A concession for sponge-fishing in Palestinian waters has been granted by Government to the Ogen Shipyard, a subsidiary of Solel Boneh, Ltd. Specially trained divers are employed to "harvest" the sponge during the season. The raw material is used mainly for sifting processes in industry. Work on the location of under-water sponge fields was started before the war by "Ogen" specialists who came to Palestine at the invitation of the Jewish Agency Maritime Department.

Longer cruises in the Mediterranean are planned by Jewish deep-sea fishing crews in the year 5705 and hundreds of the youth now leaving the schools are to be trained as seafarer-fishermen. The fish-ponds in the Jewish villages will also be increased in number and area. There are several fishing villages (founded by the Keren Hayesod on Jewish National Fund land) which now exist almost entirely upon this pursuit.

Transport

Illustrative of the Jewish Agency's influence on trade and industry is its work in the transport field. The Jewish transport cooperatives have rendered an historic service to the war effort as they have played an impressive role in meeting the needs of hundreds of thousands of soldiers who have passed through Palestine. The Jewish Agency established a Central Transport Committee to study and meet the needs of the transport industry. In the early part of the war it arranged for credits to facilitate the import of tires, spare parts and other essential equipment. Since then the machinery for the manufacture and repair of these products has been built in Palestine itself.

Agricultural Machinery

The far-reaching concern of the Jewish Agency is also reflected in the production of agricultural machinery. One of the greatest problems Palestine has had to face during the war has been the deterioration of farm implements and the inability to replace them in adequate measure or even to obtain repair parts from abroad. A special committee of the Jewish Agency explored the field with the result that agricultural machines are now being manufactured in Palestine, including rollers, sowing-machines and ploughs. The hope is that eventually Palestine may also produce tractors and combines.

Palestine Government representatives recently discussed in Cairo with the UNRRA authorities and the Middle East Supply Center the question of obtaining supplies from Palestine industry for UNRRA. UNRRA has thus far ordered various goods for its shops in refugee camps in Palestine and Egypt as well as textiles urgently required for distribution among the refugees. The possibility of extending such orders into other branches of production is now under negotiation.

Vocational Training

Vocational guidance and training is also a function of the Jewish Agency.

The Department of Trade and Industry set up a committee which directs the preparation of uniform curricula for existing trade schools, exercises supervision over them, secures technical textbooks, and gives financial assistance to arts and handicraft enterprises.

Plans to establish a workshop for galvano-technique and precision mechanics have been discussed by representatives of the Vocational Training Section of the Jewish Agency's Trade and Industry Department and the Vaad Leumi Education Department. The initiation of additional vocational courses and the participation of the Brandeis Vocational Training Center (named for the late Justice Louis D. Brandeis of the U.S. Supreme Court) have also been considered.

Palestine today has the skilled labor and the technical equipment for the repair of ships and land vehicles serving with the fighting forces and the supply organizations. Here, as in many other directions, the Jewish Agency has played and continues to play a dominant role in guiding, supervising, inspiring new economic enterprises.

An Example

How an initial credit of LP 25 led to the establishment of an industrial concern which now employs 90 workers has been revealed in a report recently issued in Jerusalem.

A Jewish refugee who arrived from Europe virtually destitute in 1939 applied to the Jewish Agency's Industrial Encouragement Fund (financed by the Keren Hayesod) for a loan to assist him in setting up a workshop in which he could show his skill on a branch of metallurgy essential to the war effort. He obtained LP 25, put up a small repair workshop. In the course of three years that workshop grew into an establishment employing 90 hands, occupied entirely with the war effort. Other workshops began on the same process, and thus a complete industry was begun — all from the original LP 25 out of Keren Hayesod funds.

Various Companies

With a view to preparing for the peace and for the transition from wartime to peacetime, the Jewish Agency has established a number of new bodies to carry out economic constructive tasks for the development of the country.

The new bodies include the Industrial Trust, with a paid capital of LP 200,000, to which the Anglo-Palestine Bank has contributed a sum of LP 150,000, while the remainder was furnished by the Jewish Agency. This is in addition to the existing funds created by the Jewish Agency for the encouragement of industrial activities; the Agricultural Trust, with a capital of LP 150,000, for extending long-term loans to cultivators; and a Second Mortgage Company, with a capital of LP 100,000, of which the Jewish Agency has given LP 50,000, while the General Mortgage Bank and the Histadruth have contributed sums of LP 25,000 each.

An agricultural Contracting Company has been created, with a capital of LP 50,000, equal shares being contributed by the Jewish Agency and the Histadruth. In addition, the capital of a number of existing companies, like the Bitzur, Nir, Rassco, Pasa has been substantially increased.

Exports

The Foreign Trade Institute, established jointly by the Jewish Agency's Trade and Industry Department and the Palestine Manufacturers Association, sponsored exports during 1942-43 aggregating some \$1,676,000 as compared with some \$725,000 in 1941-42 and \$340,000 in 1940-41.

The capacity of Jewish Palestine through exports of its goods to contribute toward the rehabilitation of Europe is indicated by the following estimates drawn up by the Manufacturers Association of products and manufactured articles that will be available for export on an annual basis:

Food - Citrus Juices - 9,000,000 bottles; Jam - 30,000 tons; Tomato Juice - 100 tons; Vegetable Preserves - 250 tons: Chocolate - 4-5,000 tons; Candies - 2,000 tons; Biscuits - 1,200 tons; Macaroni - 3,000 tons; Edible 0il - 5-6,000 tons;

Matzoth - 3-4,000 tons; Saurkraut - 100 tons; Cornflour - 600 tons; Cognac - 50,000 litres; Wines - 800,000 litres; and Cigarettes and Tobacco - 700 tons.

<u>Clothing</u> - Shoes - 1,000,000-1,500,000 pairs; Men's Suits - about 150,000; Women's Coats - about 150,000; Women's Dresses - 100,000; and Socks - 250,000 dozen.

Tenting Material - 700,000-800,000 square meters

Cleaning Material - Soap - 7,000 tons; Shoe Polish - 600 tons.

Miscellaneous - Razor Blades - 30,000,000 units; Shaving Brushes - 500,000; Tooth Brushes - 100,000; Tooth Paste - 3,000,000 tubes.

Prospects for the future

At the general meeting of the Manufacturers' Association of Palestine, held on December 7, 1944 in Tel Aviv, Dr. Chaim Weizmann told the audience, which included the Economic Adviser to the High Commissioner, Mr. Geoffrey Walsh, the Chairman of the War Economic Advisory Council, Mr. R.E.H. Crosbie, the general Manager of the Palestine Railways, Mr. A.F. Kirby, the Director of Customs, Mr. R.W.B. Belt, and the Commissioner of Reconstruction, Sir George Heron, that Palestine industry can play an important part also in the post-war period if there is a free flow of raw materials into the country after the end of controls. Tapping his chemical knowledge Dr. Weizmann advised Palestine industry to concentrate its expert skill and experience on the exploitation of materials, such as starch and sugar, out of which almost everything essential was being produced nowadays, pointing out that unlimited stocks of these materials could easily be converted into oil, dye stuffs, plastics and fuel. He cited the example of Switzerland as a country without raw material sources, yet whose population, with brains, diligence and water power, had developed a chemical industry which was proportionately greater than that of Germany, as well as heavy, electrical and agricultural industries, stating that the same could be done in Palestine.

The history of Palestine's economic growth is inextricably bound up with the vision displayed by the Palestine Foundation Fund and Jewish National Fund. These two funds were the instruments through which new avenues of development were constantly being opened up. For example, in order to encourage and develop

the building industry in the towns the Keren Hayesod founded the General Mortgage Bank which, since its launching, has advanced loans totalling some \$20,000,000. This has been of tremendous help in the development of the Jewish towns
which today contain more than three-quarters of the Jewish population of Palestine. It was the Keren Hayesod which showed its faith in the economic and industrial future of Palestine by contributing \$500,000 to the initial capital of
the Palestine Electric Corporation which is today a key to the production of the
country. The Keren Hayesod participated in the founding of the Palestine Potash
Company which exploits the Deas Sea resources and which has become an extraordinary factor in war production. By starting and encouraging various industrial
programs, the Keren Hayesod, which has invested a total of some \$3,500,000
through the years in this field, has created the opportunities for thousands of
immigrants to establish themselves in industry, trade, commerce and transport.

Expenditures in 5704 amounted to \$346,060. The sum of \$526,500 is provided in the 5705 budget. The main item of expenditures under this budgetary category, namely, \$405,000, constitutes the contribution of the Jewish Agency to the maintenance and development of the Hebrew School system in Palestine, which is directed and administered by the Vaad Leumi. The balance is for various cultural activities and consists mainly of grants to a number of cultural and educational institutions.

\$526,500

EDUCATION AND CULTURE

From 1918 to 1932 the Jewish Agency had the responsibility for the launching and maintenance of the Hebrew education system of Palestine. During that period the Keren Hayesod spent almost \$5,000,000 on creating a network of schools that is of inestimable importance to the Jewish intellectual life of Palestine and a source of pride to Jews throughout the world. The fact that the heavy burden of education was, to a large extent, taken off the shoulders of

the new immigrants, assisted in no small measure in their absorption into the country's economy. In 1932 the financial responsibility was taken over by the Vaad Leumi (General Council of the Jewish community of Palestine), while the Jewish Agency granted annual subventions. In 5704 the Jewish Agency contributed \$292,815. It is a small amount, compared with the millions of dollars which the Palestine Foundation Fund invested since 1920 in the creation of the remarkable system. It is also a small amount in the eyes of the Vaad Leumi, which has been pressing for a greater subvention, especially in recognition of the fact that thousands of children have been added to the school population from the refugees during the past few years. Since the Palestine Jewish community took over the primary financial responsibility it has been acquitting itself well in this, as in other areas. There are now some 72,000 children in the schools under the Education Department of the Vaad Leumi, including kindergartens, elementary and secondary schools. The total maintenance costs per annum are now about LP 820,000 (\$3,321,000). Of this amount, the sum of LP 305,000 was received from tuition fees; the local councils contributed a total of LP 326,000; the contributions of the Government, the Jewish Agency and the Vaad Leumi totalled LP 189,000 in 5704. It is to this budget that the Jewish Agency will contribute LP 100,000 (\$405,000) in 5705.

The cultural activities assisted by the Jewish Agency include the Bialik Foundation which performs valuable functions in fostering the Hebrew language through research in Jewish history and culture, belles lettres and translations from world literature. Financial assistance is also rendered to the Chief Rabbinate, the Rabbi Kook Institute, and in the publication of important documents of religious value.

RELIGIOUS AFFAIRS AND, GRANTS TO INSTITUTIONS

\$247,050

\$247,050. Of the total, \$56,700 represents grants to Yeshivoth and amounts paid for the support of refugee rabbis who came to Palestine during the war period. \$20,250 is an investment in the Mishkan Company to facilitate the building of synagogues. The amount of \$170,100 represents grants to a number of educational cultural, sport and social welfare institutions, such as the New Bezalel School, Jerusalem, the Agricultural School, Mikveh Israel, the Palestine Conservatoire of Music, Jerusalem, Habimah Theatre, the Palestine Symphony Orchestra, etc.

Among the various institutions to which grants totalling \$123,120 were allocated in 5704 were the following:

Hebrew University	\$15,187
Haifa Technical High School	17,718
Haifa Nautical School	7,594
Central Council for the Promotion of Hebrew	5,629
Ohel Theatre	2,632
Habimah Theatre	1,085
Palestine Conservatoire	1,620
Palestine Orchestra	1,620
Palestine Opera	810
Hebrew Journalists' Association	203
Brith Ivrith Olamith	243
New Bezalel School	2,025
Mikveh Israel Agricultural School	1,418
Hapoel Sport Organization	2,329
Maccabi " "	7,695
Elitzur " "	1,013

The sums granted are in some cases token payments by the Jewish Agency. With regard to the grant of \$15,187 to the Hebrew University in Jerusalem it should be noted that an additional amount of \$30,000 was contributed in 5704 by the constituent agencies of the U.P.A. in New York and remitted through the American Friends of the Hebrew University.

NATIONAL ORGANIZATION AND SECURITY

\$2,025,000

Expenditures in 5704 amounted to \$2,307,654, while the amount provided for in the 5705 budget is \$2,025,000.

Expenditures under this item include aid to armed forces, recruiting, internal

security, assistance to soldiers' families, provision for invalided servicemen, the activities of the Arab-Jewish Relations Department, as well as the costs of the Political Departments of the Jewish Agency in Jerusalem, London and Geneva.

In the same way as any other country must protect itself against its enemies and strengthen its friendships, the Jewish Agency is called upon to maintain a vigil over the interests of the Jewish people as they are tied to Palestine.

This takes expression in a multiplicity of forms, all of them semi-governmental in character.

Aid to Armed Forces

The most striking tribute to Palestine's contribution to the war in terms of manpower was the decision of the British Government to create a Jewish Brigade, composed of Palestinian units and Stateless refugees, which will share in the conquest and occupation of Germany. This was accomplished through the Jewish Agency which, since war broke out, has shown enterprise, responsibility and vision in the mobilization of manpower and resources.

If Jewish Palestine has been able to render such a magnificent account of itself in the war effort, it has been due to the fact that from the beginning the Jewish Agency assumed full responsibility for the recruitment of men and women for the British armed forces. Through the Jewish Agency recruiting offices some 31,000 Jewish men and women of Palestine enlisted as volunteers in the British Army. They have written a glorious record in the Infantry, Pioneer Corps, Royal Engineers, Port Operating Companies, Signal Corps, Royal Air Force, Royal Medical Corps and other branches. From Syria to France, the names of Palestine Jews are inscribed in citations for gallantry and daring beyond the call of duty. Among the first British troops to land on Italian as well as on French soil were units of Palestine Jewish soldiers, commanded and staffed by Palestinians. Palestine Jews also have found their place in the Royal Navy.

Over a thousand of them are seamen, locksmiths, cooks, mechanics, stokers, radio operators, etc. on ships of the Royal Navy as a result of the maritime and seatraining programs which had been initiated by the Jewish Agency prior to the outbreak of war. The volunteers who continue to go into the Army and the Royal Navy are channeled through the Jewish Agency.

Welfare of Soldiers' Families

The cost of maintaining recruiting offices is only one phase of the task. The Jewish Agency, with the Vaad Leumi (Jewish National Council of Palestine) set up a Central Committee for the Welfare of Soldiers' Families which, in turn, established local committees. This Central Committee provides financial help and constructive grants to the families of the thousands of soldiers who have joined up, and who are today to be found from the borders of Iran to Germany. It finds employment for soldiers' families and, as part of this program, makes arrangements for the care of soldiers' children in various institutions. Illustrative is the establishment at the Palestine Foundation Fund settlement, Kfar Yechezkel, of a center for the children of soldiers. The mothers of these children are at work and cannot care for them. The center provides them with homelike surroundings. The Central Committee also secures reductions in the cost of public services and in the price of essential commodities. These services are in addition to the welfare work conducted by the Jewish Agency in the interest of the soldiers themselves, and the assistance being given by the Jewish Agency to invalided soldiers. The closest contact is maintained by the Jewish Agency with Palestine Jewish military units wherever they are located. All these functions, performed in the United States by the U.S.O., are financed, in part by the Jewish Agency, in part by the Palestine Jewish community, within Palestine itself and in the various centers where Palestine Jewish soldiers are to be found.

Palestine Soldiers Abroad

But, much as the Jewish soldiers welcome the arrival of comforts from home, they have shown that they are as ready to give as to take. On Rosh Hashana 1944 most of the Palestinian Jews serving in Italy distributed their parcels among refugees. At Passover, they organized a special distribution of parcels among refugee children. Moreover, in addition to these special Passover gifts, they even shared their food with the refugees, and generously gave them of their own personal belongings. They collected money on behalf of the Jews of Benghazi, and also on behalf of the Jewish internees in Italy. Now they are providing financial assistance for the Jews of Italy.

For the Jewish soldier from Palestine such opportunities for self-denial impart particular significance to his military service. After all, he joined up with the sincere and heartfelt determination of fighting the inveterate enemy of his people, and also with the desire of rescuing his persecuted fellow-Jews. His first hope has not yet been fully realized: he has not everywhere been allowed to meet the enemy face to face in combat. But he has been able to achieve his second aim - or rather part of the Jewish soldiers from Palestine have had that privilege, for they have met Jews rescued from annihilation and they have helped them to the best of their ability. They have given them monetary assistance; but they have also given them much more - they have brought them the glad tidings of Jewish Palestine and revived their flagging spirit.

They have re-established Jewish communities, and they have opened schools for children who had been growing up without any schooling during their ceaseless wanderings through forests and swamps. They have also begun to train the youth for life on the land in Palestine.

The Jewish soldiers from Palestine have fraternized with their Jewish brothers-in-arms serving in the British, U.S. and South African armies, and have

made them share in their solicitude for the plight of the Jewish people. The Jews in the Allied Armies have joined in their efforts to alleviate the hard lot of those who have survived the horrors of war.

Care of War Invalids

Soldiers who have been discharged for medical reasons are assisted by the Joint Committee for the care of Jewish War Invalids established in 1941 by the Jewish Agency and the Vaad Leumi. Cases are handled on a social service basis. Tens of thousands of dollars were paid out by the Jewish Agency last year for this purpose, and this item of expenditure is obviously bound to mount.

By the beginning of 1945 the Joint Committee had dealt with 2541 cases.

Almost half of the total number of ex-servicemen were in need of help. Assuming that by the end of the war some 20,000 Jewish soldiers will still be on active service, about half, that is, between 9,000 and 10,000, will have to be cared for after demobilization. As mentioned above, a special department of the Jewish Agency has started to work out plans for the post-war settlement of demobilized soldiers, while the Joint Committee deals exclusively with the current cases. Hitherto, 2,204 discharged soldiers have found permanent or temporary employment with the help of the Joint Committee.

In order to provide constructive help, permanent employment and vocational training to discharged soldiers, the Hekhayal Enterprises Company, Ltd. for Jewish Ex-servicemen was set up by the Joint Committee in cooperation with the Labor Dept. of the Jewish Agency, the General Federation of Jewish Labor, and private businessmen, with a paid-up capital of LP 7,135. Of the founder shares 51% are held by the Jewish Agency's Labor Department. The Company is a non-profit concern which has started a number of industrial enterprises. Up to now, about 100 discharged soldiers are employed by Hekhayal and its subsidiary companies. This number could no doubt be doubled or trebled, but regard must be

had to the enormous difficulties which every new industrial or commercial undertaking has to face during war time. It is, however, hoped that when normal conditions will again prevail, Hekhayal will be a source of permanent employment for hundreds of disabled ex-servicemen.

Hospitality to Armed Forces

A Central Jewish Hospitality Committee created by the Jewish Agency carries out an extensive program of hospitality work. In conjunction with Jewish local councils and municipalities, the Committee has established Service Clubs in Tel Aviv, Haifa, Jerusalem, Petach Tikvah, Nathania, Rehovoth and Rishon-le-Zion, while it also organizes hospitality to troops in the settlements. Since the outbreak of war hundreds of thousands of soldiers have enjoyed the services of the clubs and have been given an opportunity of visiting places of interest throughout the country. The settlements, in particular, have earned a great reputation among soldiers for their unstinted hospitality and eagerness to make the visiting soldier feel at home. The Committee has devoted special attention to home hospitality, thus enabling large numbers of men to form lasting friendships with local residents.

Internal Security

The defense of Jewish Palestine itself has always been a primary concern of the Jewish Agency. At critical periods, the Government often has been notoriously weak. Jewish self-sufficiency has been a prime requisite to deal with eventualities. The tensions of war and the uncertainties of peace underline the necessity of maintaining the internal security structure which the Agency has financed through the years. About 5,900 Jews are now serving in the Government's Supernumerary Police; about 800 Jews are in the regular Police Force and about 16,000 are in the Jewish Special Police who receive part-time military training. For the Jews in the Supernumerary Police, which has a military status,

supplementary financial provisions are made by the Agency to enable them to remain in service. This elementary investment in home defense is another side—light on the governmental responsibilities borne by the Jewish Agency in its far-flung program.

The Political Department

As part of this wide program of defense, the Jewish Agency maintains a Political Department. Its functions are those of a State Department in its ramified aspects. It is essential to keep in mind that the whole development of Palestine (which made possible its important achievements in the field of rescue, for example) rests on political foundations. The Balfour Declaration and the Palestine Mandate are the twin pillars on which the Jewish National Home in Palestine stands. From the beginning, the Jewish Agency has had carefully to safeguard the political foundations, which buttressed a network of agricultural settlements, an expanding industry, an educational system and an opportunity for maximum creative self-expression by hundreds of thousands of Jews.

Arab-Jewish Relations

One branch of the Political Department, centered in Jerusalem, is specially devoted to the improvement of Arab-Jewish relations. A substantial part of its activities is in the field of acquainting Jews with the Arab language, customs and aspirations. For example, a permanent Institute for teaching the Arab language and Arab usages to Jewish mukhtars (heads of Jewish villages and settlements) and watchmen was established this year. The courses cover eight months of instructions, with six hours of Arabic classes daily, followed by two hours of lectures of a general nature. It is hoped that within a short time each settlement will have an expert on relations with the Arabs. This one Institute alone involves a cost of about \$80,000.

The Department's program includes the publication of information and bulletins

in Arabic to keep Arabs familiar with Jewish activities and programs. Courses in Arabic are given in Jewish agricultural settlements, so that youngsters as well as adults may the better understand their Arab neighbors. Regional meetings are held from time to time to promote better Arab-Jewish understanding. Contact is kept not only with Arabs in Palestine but with Arabs throughout the Middle East. The Jewish Agency program is based on recognition of the fact that the Jewish National Home's security is linked to cooperation with all the Middle East.

The Foundations of the Jewish National Home

It is the function of the Political Department to conduct relations with the British Government, in all its civilian and military branches. Political activities of the Jewish Agency were intensified when its main efforts had to be directed toward the abolition of the White Paper policy which would freeze Palestine's development, and toward the formulation by Great Britain and the United Nations of a policy to permit the full realization of the intentions of the Balfour Declaration and the Palestine Mandate to establish an autonomous Jewish National Home. From the time the White Paper was issued in 1939, the Jewish Agency has been engaged in winning the support of public opinion to the position taken by the League of Nations Mandates Commission that the White Paper was indefensible. The right of Jews to a special position in Palestine must rest on solid political grounds. To guarantee the security of the Yishuv in Palestine and to ensure that post-war Palestine will remain open to Jewish immigration and will be able to absorb hundreds of thousands of uprooted Jews, nothing could be more basic or fundamental for the survivors of the European holocaust than to make certain that the political activities of the Jewish Agency are continued and strengthened.

The tasks of the Political Department are manifold. They include contact with the military in Palestine, Egypt and elsewhere so that orders for production

may come to Palestine's plants and shops. They embrace representations to the Palestine Government with respect to income tax regulations in Palestine, adequate grants-in-aid to Palestine health, social welfare and educational needs, etc. They assume many forms in relation to the British Colonial Office and to other governments which have an interest in the future of Palestine. It has been made amply clear in recent years that the plight of the Jews is not of itself a lever to win sympathetic action by governments. Where Jews have political rights and assert their claims to them they have been able to safeguard their interests. Palestine's future faces a crisis. The overwhelming majority of Jews approve the taking of every step that will preserve what has been accomplished and expand the prospects for the future.

LOAN SERVICE \$567,000

For its loan service, including the payment of principal and interest, the Palestine Foundation Fund will require \$567,000 in 5705, while expenditures under this category amounted to \$413,393 in 5704.

When it became apparent in 1933 that the normal income of the Jewish Agency, based mainly on the contributions of world Jewry to the Palestine Foundation Fund, was insufficient to meet the increased financial demands of the settlement work in Palestine, the Jewish Agency was left with the responsibility of providing the deficient sums by borrowing.

In May, 1934, Lloyds Bank, one of England's greatest financial institutions, expressed its confidence in the Jewish settlement work in Palestine by signing an agreement with the Jewish Agency and the Palestine Foundation Fund for a loan to the Palestine Foundation Fund of LP 500,000 (the Anglo-Palestine Bank participating to the extent of LP 50,000), to be repaid over a period of fifteen years. In April 1938, a second loan amounting to LP 175,000 was granted to the Palestine Foundation Fund by Lloyds Bank (the Anglo-Palestine Bank

participating to the extent of LP 25,000). The second loan has already been repaid. On account of the first loan, an amount of LP 132,000 is still outstanding. In view of the fact that the Jewish Agency needs large additional amounts in connection with its post-war planning, a third loan of LP 300,000 (\$1,215,000) was granted by Lloyds Bank in January, 1944, this money to be used mainly for the implementation of the Jewish Agency's plans for the transition period immediately after the cessation of hostilities.

ADMINISTRATIVE EXPENSES

\$279,450

Expenditures under this category amounted to \$340,749 in 5704. The sum of \$279,450 is budgeted for 5705. The item includes administrative and organization expenses of the Jewish Agency and the Keren Hayesod, as well as the information services of both institutions.

The head office of the Palestine Foundation Fund maintains permanent contact with all Jewish communities which are still free to share in the upbuilding of Palestine. In order to enlist their moral and financial support, it publishes regularly material showing both the achievements and the needs of Jewish Palestine. In addition to the administrative expenses of the Keren Hayesod and the Jewish Agency, this item also covers the salaries and travelling expenses of Keren Hayesod delegates who are being sent from Jerusalem to conduct Keren Hayesod campaigns in all parts of the world.

LAND AS KEY TO A HOMELAND

The Budget of the Keren Kayemeth

Expenditures of the Keren Kayemeth in 5704 totalled \$9,854,305, while budgetary requirements for 5705 as listed on page 3 amount to \$17,729,684. More than two-thirds of the 5705 budget (\$12,332,250) is for land purchase. The breakdown of this sum is as follows:

Purchase of new rural land in the four main regions of Palestine

\$ 8,448,300

Balances payable for the acquisition of rural land contracted for in previous years

526,500

Purchase of urban land

141,750

First payments on land for housing purposes in various sections of Palestine:

(a) on rural land \$ 668,250 (b) on urban land 2,547,450

3,215,700

\$12,332,250

Dr. Abraham Granovsky, Managing Director of the Keren Kayemeth in Jerusalem, reports that the Board of Directors of the Keren Kayemeth in adopting the 5705 budget "felt it imperative to take maximum steps to enlarge the land acquisition program in order to provide sufficient land for these purposes:

- "1) to settle groups of Jews who have been awaiting the opportunity of settlement on the land for many years;
- "2) to supplement the acreage and to provide for the expansion of existing settlements that have been built in past years;
- "3) to keep pace with the increase of the population in agricultural settlements in recent years;
- "4) to provide for the agricultural settlement of demobilized servicemen and thousands of those who have served in the police," as well as the new immigrants now flowing into the country.

"We are," continues Dr. Granovsky, "under the strongest pressure to provide quickly adequate suburban land to mitigate urban overcrowding and to meet the constantly expanding housing needs. It is conservatively estimated that in the three big towns of Palestine at least 100,000 rooms are now needed, and this number does not include provision for prospective immigrants and servicemen."

Dr. Granovsky concludes: "We are confident that the Jews of America through the Jewish National Fund and the United Palestine Appeal, will give their strongest support to this program."

The breakdown of the budgetary item, Development, Maintenance, etc., of \$1,085,400 is as follows:

Maintenance of land, including supervision, fencing, plowing, surveying	\$ 77,760
Development and improvement of the soil	225,585
Hydrological, drainage and anti-malarial work	63,180
Loans and grants for the acquisition of seeds and tools	121,500
Participation in the establishment of new agri- cultural settlements	380,700
Construction and repair of roads	115,425
Participation in development of water companies	40,500
Property tax	\$ 60,750 1,085,400

The item Afforestation \$115,830, includes the upkeep of existing forests totalling 3,465,000 trees and the planting of several hundred thousand new trees in the current fiscal year.

The breakdown of the item Interest \$522,450, is as follows:

The breakdown of the frem interest was	
Interest on debentures	\$ 32,400
Interest on living legacies	125,550
Interest on loans	364,500
Loan Service, amounting to \$3,248,812, includes the following	\$522,450 ng:
Repayment of debentures	\$ 81,712
Repayment of loans reaching final maturity in 5705	1,061,100 \$1,142,812
Contingent maturities:	
(a) Loans repayable if creditors exercise spation \$ 554,850	and religion of
(b) Loans earmarked for housing purposes repayable when building schemes realizable and progressing 1.551.150	2,106,000 \$3,248,812

The item Administrative Expenses, \$424,942, includes information service, \$121,439, as well as organizers and organization work abroad, \$84,726.

The following table illustrates the increase of Jewish land holdings from the earliest days of modern settlement in Palestine down to the present time.

(A dunam is roughly a quarter of an acre):

Year	Area	
1882	25,000	dunams
1900	220,000	"
1914	420,000	
1922	594,000	11
1932	1,058,000	"
1936	1,394,000	
1943	1,674,000	"

The Jewish National Fund holdings had risen to some 750,000 dunams by the end of 1944.

The basic fact is that the Jews — the only people on earth engaged in a back-to-the-land movement in which they must purchase every foot of the land to which they return — do not own enough of the land of the Jewish National Home. Possessing only 7% of the land, even though they are over 34% of the population, the Jews are oppressed by land-poverty. That explains the urgency behind the program to acquire a maximum acreage of land.

A further spur is provided by the provisions of the still-existent 1939

White Paper which aims at cutting Jews off from the ownership of land in certain important zones of the country.

There is also the knowledge that the borders in Palestine have been — and perhaps will be once more — defined, in great measure, by the amount of Jewish possessions in the country. Land once acquired, a settlement once established is a bastion for the map of a Jewish Palestine.

The Jewish National Fund is now dealing with a program involving 250,950 dunams of land, of which 236,120 dunams are for agricultural purposes, 5,130 for

housing projects, and an additional 9,700 dunams are required to link existing settlements.

The program of the Jewish Agency and the Jewish National Fund contemplates the erection of 40 new settlements on 175,000 dunams of this land. LP 800,000 is required for initial settlement purposes. The total, ultimate colonization costs will, of course, be much greater. It is axiomatic that the greater the agricultural population, the larger is the total economic growth of the country and the greater is the number of people the country can sustain.

Failure in the past to appreciate the importance of land involves greater costs today. During the 1923-27 period, for example, the average price of rural land was LP 3.26. In the 1928-32 period, the average price had risen to LP 5.09. In the next four years it was LP 6.62 and is now between LP 8.00 and LP 9.00 per dunam.

In evaluating the large amount the Keren Kayemeth must spend today for land purchase, one has to bear in mind also the existence of an inflationary movement in Palestine. In March, 1944, when the index of wholesale prices in Palestine was 296.5 (against a pre-war figure of 100 for August, 1939) it was 166 in England and 140 in the United States. The cost-of-living index at the same time was 236 in Palestine as against 130 in England and 123 in the United States. This means, in fact, that the purchasing power of the dollar in Palestine had declined by about 57%, being only 42.8% of what it was in August, 1939. Therefore, the fact that much more money has to be spent by the Palestine agencies today than was the case a few years ago does not necessarily mean that a comparably greater number of activities can be furthered.

Some forty years ago, Menahem Ussishkin, the late President of the Jewish National Fund, paid a visit to Zichron Yaakov in Palestine. At that time there was submitted to him an offer to purchase 250,000 dunams of land in the Negev in one lot at a price of five francs a dunam or about \$250,000 for the entire area.

It is superfluous to point out that the Zionist movement did not then have that amount of money to lay out. That is merely one startling illustration of why it is now costing Jews years of additional effort and huge sums of money to acquire land that could and should have been bought in earlier years. What has been happening in the past five years has accentuated the need for speed in buying up every available acre of land.

With recognition of the necessity and ability of Palestine to absorb great numbers of homeless Jews, it is the part of statesman-like vision in the use of public funds to make available as large an amount as possible for land purchases today so that, in the first place, the land will be available for settlement, and secondly, that it may be bought at most efficient prices.

The redemption of the land for national use is the basic aim of the Jewish National Fund, but it also plays an important role in the amelioration'— or improvement of the land. Its most dramatic contribution toward that end is its afforestation program. One of the great problems facing Palestine's agriculture, climate, etc., is the erosion of the soil over the centuries. The J.N.F. is planting trees to clear swamps, to provide shade, to strengthen the soil as a whole. Rocky, sandy, eroded and swampy soil are being reclaimed for habitation in this manner.

An important experiment in a new soil conservation program in Jewish Palestine was launched recently with the completion of a dam-reservoir with a capacity for collecting 220,000 cubic metres of rainwater from the hills. The Jewish Agency and the Jewish National Fund allocated \$40,000 for the project which was constructed at Kvutzath Revivim, in the Negev, southern part of Palestine.

The rainwater, which hitherto flowed seawards carrying with it precious topsoil, will now irrigate grain and fodder fields and vegetable patches of the Revivim settlement. The reservoir represents the first successful experiment of

its kind in Palestine. Some ten thousand cubic metres of rainwater flow into reservoir hourly. It is now planned to build another reservoir, with a cement foundation, for storing water for use in the summer.

Together with the Jewish Agency, the Jewish National Fund lends its financial support to the various water companies instrumental in promoting and carrying through irrigation in Palestine. One of these companies is the Mekoroth Water Company established by the Jewish Agency with Keren Hayesod funds, the Jewish National Fund participating. A survey of water supply potentialities in Palestine recently completed on behalf of this company showed that 4,000,000,000 cubic metres of water could be produced in Palestine for the irrigation of eight million dunams more annually. As the large-scale utilization of the water sources in northern Palestine might interfere with the hydro-electric power scheme now operating there, it has been proposed to derive electric power by digging a canal from the Mediterranean down to the Jordan Valley.

It is of interest that the United Palestine Appeal has played a part in influencing the role of the Jewish National Fund in Jerusalem as primarily a land-acquisition agency. Under the terms of the United Palestine Appeal agreement between the Palestine Foundation Fund and Jewish National Fund a "Bitzaron Fund" was set up. This provides that one third of the income of the J.N.F. from the United States shall be utilized in a special way as regards colonization.

Of the amount thus made available, 40% is granted outright to the Jewish Agency for agricultural settlement; 35% is spent by the J.N.F. for settlement operations and the remaining 25% is used for the purchase of areas of special importance for security, as for example, land to round off zones of Jewish settlement or to link up separated zones.

The budget of the Jewish National Fund is also used to guard areas not yet ready for settlement; for the ploughing or extensive cultivation of unsettled

areas in order to maintain title; for the examination of the properties of the soil; preparation of the land for settlement; drainage of swamps to eliminate the sources of malaria, thus ensuring health of the settlers and paving the way for permanent occupation. In this way, it very substantially supplements the colonization program of the Jewish Agency.

The anti-malarial work of the Jewish National Fund has been of special importance in view of the presence in Palestine of large military garrisons. In the Huleh, Beisan and Zebulon vallies, the J.N.F. swamp drainage and anti-malarial work has been on a large scale. In the Huleh valley, mosquito-breeding grounds have had to be destroyed, irrigation canals cleansed and the course of streams was diverted, all for the purpose of reducing the incidence of malaria. Special canals have had to be constructed in the vicinity of Jewish settlements to drain away the rain-water which used to form swamps. Anti-malarial work has also been increased as a result of the large development of the artificial fish-breeding ponds of the Jewish settlements in the Beisan Valley. The JNF has special Sanitary Officers entrusted with the task of combatting the conditions that produce malaria.

The J.N.F. plays a vital role in other directions. This is illustrated in the building of workers' housing projects in town as well as in the country.

Lowcost housing programs depend for their success on the national ownership of land. Typical of the J.N.F. activity in this field was the recent allocation of a hundred building plots for the construction of workers' houses at Afuleh, central market town of the Valley of Jezreel.

To date the J.N.F. has acquired over 30,000 dunams specifically for housing schemes. About half this area is in the residential zone of the Valley of Zebulon; the balance is located largely in the towns of Tel Aviv, Jerusalem,

Haifa, Tiberias, Safed and Nathanya. Some 22,000 people are already living on these JNF lands.

The Jewish National Fund is in effect, diagramming the framework of the National Home with its land purchases. It is acquiring soil for agriculture. It is also slowly accumulating land in Jerusalem, Tel Aviv and Haifa and their environs, as well as in the historic towns of Safed and Tiberias. In all areas it is redeeming land for present and future settlement, whether for agriculture or for housing on a scale commensurate with the post-war needs.

Land-buying has become more difficult. Especially since the outcome of the war has become certain, land-owners are reluctant to sell. Arabs have become competitors in the land market. These factors help to make land acquisition more costly. They also serve to explain the determination of the Jewish National Fund to buy as much land as it can, while conditions permit. It is not too much to say that the future of the Jewish National Home, insofar as land is the indispensable prerequisite of a national homeland, is now being determined.

MIZRACHI PALESTINE FUND

The United Palestine Appeal provides a substantial sum to the Mizrachi Palestine Fund in 1945 for its expenditures in Palestine which, in many fields, are supplementary to those of the Jewish Agency.

The Mizrachi organization points out that, together with the Hapoel Hamizrachi, its members have established 7 smallholders' settlements with some 1,500 families; 12 collective settlements with over 1,500 members; and 11 agricultural workers' groups comprising 1,200 men and women. Forty per cent of all funds of the Mizrachi Palestine Fund are employed in the widely ramified activities of the Hapoel Hamizrachi, the religious labor movement, which has a membership of 20,000, with 8,000 on the land cultivating some 55,000 dunams.

The Mizrachi school system in Palestine is included in the school system

supervised and directed by the Vaad Leumi, although they have some schools of their own which are not subsidized by the Vaad Leumi. The entire Mizrachi school system comprises 138 schools, seminaries, high schools and yeshivoth.

The Mizrachi constructed 31 synagogues in Palestine during the past few years. It has its own press (daily "Hatzofe," and periodical "Sinai"). It also has its own sport organization (Elitzur). The Mizrachi maintains a girls' Hostel. Hundreds of children brought to Palestine under the auspices of the Children and Youth Aliyah have been placed in Mizrachi settlements and institutions. Over 100 rabbis and shohetim who found refuge in Palestine have been placed in various settlements during the past five years.

POST-WAR PLANNING NOW

The impact of post-war planning has fallen on the Jewish Agency already.

It is intent on cushioning the shocks of the transition from a wartime to a peace-time economy. The very nature of the structure in Jewish Palestine thrusts the responsibility upon it and not upon any private sources or upon the Palestine Government. It must also blue-print the operation which will absorb the thousands of Jews who are just the forerunner of the post-war stream of immigration.

The activities of the Economic Research Institute of the Jewish Agency include the study of the main trends of Palestine economy and the possibilities of expansion and improvement, and the supply of reliable data as a basis for the economic policies of the Jewish Agency. At the present time it is particularly engaged in the preparation of material for post-war planning.

The problem is assuming tangible form today. What is to become of the tens of thousands of industrial workers employed by the military authorities; the soldiers, the supernumerary police — all of them part of the war effort? In addition, there are thousands of men who, in one way or another, are engaged in activities linked to the war. All will have to be shifted back to peace—time work during the period of transition.

Economic planning on a broad scale — fully parallel to that in the United States — must be undertaken by the Jewish Agency.

In addition to all this, a new kind of economy needs to be built up to provide for the speedy transfer to Palestine of large numbers of Jewish immigrants from Europe and their effective absorption in the economic life of the country.

The need for planning resources grows more urgent daily as the outlines of peace appear dimly. The post-war planning program of the Jewish Agency has these broad aims:

- (1) to finance Palestine's development through establishment, in cooperation with banks and various companies, of financial and economic corporations which, it is hoped, will attract additional finance capital from the money market;
- (2) the activities to benefit from such large-scale investments to include agricultural settlement, water development, the rehabilitation of the war-shattered citrus industry, settlement of demobilized service men; and expansion of Jewish maritime activities, in particular, the shipping industry;
- (3) to invest large funds in an industrial credit corporation to be set up in conjunction with the Anglo-Palestine Bank for aiding and guiding industrial development during the transition period;
- (4) to give similar help to building activities, which are likely to absorb a great part of the country's labor resources during the transition period; to promote vocational training of immigrants, both adults and youths; to aid the development of trades and crafts;
- (5) and to initiate large-scale research into the country's economic capacity and for economic planning generally.

This is what the Jewish Agency wants to do, needs to do, if the utilization of Palestine's potentialities for large Jewish settlement is to be accomplished.

THE YISHUV'S CONTRIBUTION

There is one aspect of the question of financial support of Palestine which needs clarification because misunderstandings still exist: it is not the Yishuv in Palestine -- consisting of those who were integrated into the economic structure of the country -- which needs financial assistance from American Jewry or any other Jewish community in the world. It does not need nor does it ask financial support. On the contrary, in addition to all its contributions to the war effort in manpower and money, in industrial and agricultural products, in hospitality to the United Nations' armed forces, in scientific research and in medical assistance, the Yishuv, constituting 34% of Palestine's population, pays 72% of the income tax levied by the government. The Yishuv finances its communal institutions in town and village; sustains a widespread school system, and contributes generously to the Palestine Foundation Fund, the Jewish National Fund and the War Needs Fund (the latter being an autonomous local Palestine Jewish campaign for refugee aid and internal needs). It assists both in kind and financially the destitute Jewish communities in the Balkan countries and the Polish-Jewish refugees in Russia. The Yishuv sets an example to world Jewry by its devotion and sacrifice in relief activities both in and out of Palestine.

Two conclusions are suggested. First, it is a remarkable vindication of the faith of the Jews in the rest of the world that Palestine would give Jews an opportunity to stand on their own feet. Palestine Jews, infused with a sense of responsibility to the Jews from among whose shattered midst they themselves came only a few years previously, are setting standards that should be an inspiration. Secondly, Palestine Jews are reaffirming to the rest of the Jewish world the primary importance of the Palestine Foundation Fund and the Jewish National Fund as the media through which Jews are brought to Palestine and given a chance for creative survival.

The Yishuv does not need money from abroad for its own purposes. Financial assistance in Palestine is required in order to increase the absorptive capacity of the country so as to make room for hundreds of thousands, and perhaps even larger numbers of Jews who will come there. This surely is not the responsibility of the Yishuv, but of the whole of Jewry. Today it is, first of all, the responsibility of the Jews of the United States, who constitute numerically at least 75% of the free Jews of the world who are able to share in the support of Palestine.

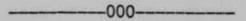


TABLE I

JEWISH AGENCY AND PALESTINE FOUNDATION FUND

Income and Expenditures in 5704 (October 1, 1943 to September 30, 1944)

INCOME:

EXPENDITURES

JEWISH AGENCY		
Grants and Participations	\$2,638,544 *	
Collections, Dividends, Interest, etc.	382,308	
Transmitted from Palestine Foundation Fund	5,984,309	
Transmitted from Keren Kayemeth	569,665	\$9,574,826*
KEREN HAYESOD		
Contributions - USA \$4,551,119		
- Other countries 2,509,472	7,060,591	
Collections, Service Charges, etc.	50,774	
	7,111;365	
Less: Amounts earmarked for other institutions	203,865	
	6,907,500	
Less: Transmitted to Jewish Agency	5,984,309	923,191

Total Income Jewish Agency and Palestine Foundation Fund \$10,498,017

* This is exclusive of an amount of \$1,366,442, received from the Joint Distribution Committee on account of immigration activities and not included in the expenditures listed below.

Immigration, Housing of and Relief to Refugees	3,567,864
Agricultural Settlement	3,305,816
Labor Department	1,096,865
Aid to Trade and Industry and Investments	563,196
Education and Culture	346,060
National Organization and Security	2,307,654
	207 557

Religious Affairs and Grants to Institutions 203,553
Loan Service and Interest 413,393
Administrative Expense 340,749

Total Expenditure Jewish Agency and Palestine Foundation Fund

\$12,145,150

TABLE II

JEWISH NATIONAL FUND

Income and Expenditures in 5704 (October 1, 1943 to September 30, 1944)

INCOME

Contributions:		
From United States	\$3,637,443	
" other countries	3,022,851	6,660,294
Rent from Land		176,912
Debts and Grants Collected		238,152
Participations, Other Income		135,602
		\$7,210,960
Less: Transfer to Jewish Agency		569,665
Total Income		\$6,641,295
10tal income		
	Allenge Driebler Berger	
EXPENDITURES		
Land Purchase		\$5,836,471

1,264,467

78,428

428,150

349,689

1,897,100

\$9,854,305

During the period under review an amount of \$5,413,028 was borrowed.

Total Expenditures

Development, Maintenance, etc.

Afforestation

Loan Service

Administrative Expenses

Interest

TABLE III

JEWISH AGENCY AND PALESTINE FOUNDATION FUND

Budget 5705 (October 1, 1944 to September 30, 1945)

I. IMMIGRATION AND RELIEF TO REFUGEES

Care of immigrants, initial accommodation, etc.	\$1,458,000
Transportation cost of refugees	405,000
Training immigrants for vocations	222,750
IDUD Company for loans to immigrants	101,250
Relief to refugees	607,500
Housing and camps for immigrants	1,923,750

TOTAL IMMIGRATION AND RELIEF

\$4,718,250

II. AGRICULTURAL SETTLEMENT

Establishment of new settlements	1,417,500
Consolidation of 85 settlements	
	1,417,500
Loans to citrus growers	263,250
Investments in agricultural and water companies	599,400
Investments in development companies	141,750
Agricultural extension service, technical office,	
etc.	222,750
Individual settlers and AGRA marketing societies	182,250
Agricultural Research Institute	121,500
Preparation for postwar period	101,250
Agricultural Contracting Office	101,250
Agricultural settlement and economic enterprises	
for ex-soldiers	1,012,500

TOTAL AGRICULTURAL SETTLEMENT

5,580,900

III. LABOR DEPARTMENT

Loans to citrus growers for transportation of	
laborers to plantation villages, etc.	129,600
Labor exchanges in towns and villages	133,650
Fishing and maritime activities	81,000
Vocational Training for adults and working youths	64,800
various activities	101,250
Loans for auxiliary farms	36,450

TOTAL LABOR DEPARTMENT

546,750

IV.	AID TO TRADE AND INDUSTRY AND INVESTMENTS		
	Loan Fund for home industry, etc.	\$ 303,750	
	Promotion of industrial enterprises	364,500	
	Fund for long term industrial credit	202,500	
	Crafts and Small Trade Dept.	202,500	
	Economic Research Institute	40,500	
	Department of Statistics	16,200	
	Investments in maritime and shipping companies	405,000	
	Investments in other companies	251,100	
	TOTAL AID TO TRADE AND INDUSTRY AND INVESTM	MENTS	1,786,050
v	NATIONAL ORGANIZATION AND SECURITY		
10000	Political Dept.; Recruiting; Jewish Soldiers'		
	Welfare; War Invalids, Soldiers' Families, etc.	1,842,750	
	Jewish Agency Offices abroad	182,250	
	Dewish Agency Offices abroad	102,200	
	TOTAL NATIONAL ORGANIZATION AND SECURITY	*	2,025,000
VI.	EDUCATION AND CULTURE		
1000	Contributions to		
	Education Budget	405,000	
	Bialik Foundation	52,650	
	Youth Department	24,300	
	Grants to University, Technion, Nautical		
	School	44,550	
	TOTAL EDUCATION AND CULTURE		526,500
VII.	RELIGIOUS AFFAIRS		
	Grants to Yeshivot, Rabbis, etc.	56,700	
	Rabbi Kook Institute	32,400	
	Mishkan Co. for facilitating building of		
	synagogues, etc.	20,250	
	MOMAL DELICIOUS AFFATRS		109,350
	TOTAL RELIGIOUS AFFAIRS		
VIII.	GRANTS TO EDUCATIONAL, CULTURAL, SPORT, SOCIAL AND WELFARE INSTITUTIONS		
	TOTAL GRANTS		137,700
	TOTAL GRANIS		
IX.	LOAN SERVICE		
	Repayment of Loans from Lloyds' Bank and Anglo-Palestine Bank (Principal and Interest)		567,000
X.	ADMINISTRATION	SENERAL MARKET	
	Keren Hayesod	\$ 141,750	
	Jewish Agency	137,700	
			279,450
	TOTAL ADMINISTRATION		AT COURT IN
XI.	RESERVE		307,800
	The state of the s	DUNDATION	\$16,584,750
	TOTAL BUDGET JEWISH AGENCY AND PALESTINE FO	JOHN TON	210,004,100

TABLE IV

JEWISH NATIONAL FUND

BUDGET 5705 (October 1, 1944 to September 30, 1945)

I.	LAND PURCHASE		
	For the acquisition of rural land in four		
	main regions	\$2,555,550	
		1,255,500	
		1,518,750	
3		3,118,500	\$ 8,448,300
	For rural land previously acquired in four		
	main regions		
	4,100 dunams	\$ 76,950	
	3,180 "	88,168	
	4,250 "	144,585	
	27,481 "	216,797	526,500
	(Balances payable include provision for		
	compensation of tenants)		
			The same of the sa
	For rural housing land in three main regions	\$ 467,775	
		111,375	
		89,100	668,250
	For urban housing land in three main regions	\$ 287,550	
		1,830.600	
		429,300	2,547,450
	Payments to be made for other urban land		141 750
	purchases		141,750
	The same and the s		\$12,332,250
	TOTAL LAND PURCHASE		# 12,002,200
II.	MAINTENANCE OF LAND		
11.	Guarding	\$ 36,855	
	Supervisors, fencing, labor	12,555	
	Ploughing	6,075	
	Legal expenses	12,150	
	Survey Work	10,125	
	Survey work		
	TOTAL MAINTENANCE OF LAND		77,760
III.	DEVELOPMENT AND IMPROVEMENT OF SOIL		
	Amelioration, cultivation, reclamation	209,385	
	Town planning work including farm cities	16,200	
			005 505
	TOTAL DEVELOPMENT AND IMPROVEMENT OF SOIL		225,585

IV.	HYDROLOGICAL, DRAINAGE, ANTI-MALARIA	WORK		
	Drainage work for anti-malaria and ir			
	purposes, boring wells and anti-ma	alaria		
	supervisors		\$ 47,790	
	Hydrological Research and survey work		15,390	
	TOTAL HYDROLOGICAL, DRAINAGE, AN	TI-MALARIA	WORK	\$ 63,180
٧.	ADVANCES, LOANS AND GRANTS			
	For seeds and tools (direct and through	gh other		
	institutions)		The second second	121,500
VI.	PARTICIPATION IN THE ESTABLISHMENT OF			
	NEW AGRICULTURAL SETTLEMENTS		7	380,700
VII.	CONSTRUCTION AND REPAIR OF ROADS		THE PERSON NAMED IN	115,425
VIII.	AFFORESTATION			
	Upkeep of 3,465,000 trees in existing	forests,		
	covering 15,009 dunams		\$ 74,520	
	Planting 202,000 saplings on 833 duna	ms	41,310	
				115,830
	TOTAL AFFORESTATION			110,650
(2004)	the state of the s			60,750
IX.	PROPERTY TAX			00,100
X.	INVESTMENTS	and		
	Participations in development, water			40,500
	settlement corporations			
VT	THERECE			
XI.	INTEREST On debentures		\$ 32,400	
			125,550	
	On living legacies On loans		364,500	
	on Idans			
	TOTAL INTEREST			522,450
	TOTAL INTENDE		* 10 3	
XII.	LOAN SERVICE			
	Repayment of debentures \$	81,712		
	Renayment of loans reaching	Committee of		
	final maturity in 5705	1,061,100	\$1,142,812	
	Contingent maturities:			
	(a) Loans repayable if creditors			
	exercise option	\$554,850		

(b) Loans earmarked for housing purposes repayable when building schemes realizable and progressing

1,551,150

2,106,000

TOTAL LOAN SERVICE

3,248,812

XIII. ORGANIZATION, INFORMATION AND ADMINISTRATIVE EXPENSES

Salaries, including Pension Fund \$ 132,617
Information Service 121,439
Travelling organizers, organization

* Keren Kayemeth work abroad 84,726
Miscellaneous expenses 86,160

TOTAL ORGANIZATION, INFORMATION AND ADMINISTRATIVE EXPENSES

424,942

TOTAL BUDGET JEWISH NATIONAL FUND IN 5705

17,729,684

TABLE V

COMPARATIVE STATISTICS

A. JEWISH AGENCY AND PALESTINE FOUNDATION FUND

	Expenditures 5704	Budget 5705
Immigration, Housing of and Relief to Refugees	\$ 3,567,864 *	\$ 4,718,250
Agricultural Settlement	3,305,816	5,580,900
Labor Department	1,096,865	546,750
Aid to Trade and Industry and Investments	563,196	1,786,050
Education and Culture	346,060	526,500
National Organization and Security	2,307,654	2,025,000
Religious Affairs and Grants to Institutions	203,553	247,050
Loan Service and Interest	413,393	567,000
Administrative Expense	340,749	279,450
Reserve		307,800
	\$12,145,150	\$16,584,750
B. <u>JEWISH NATIONAL FUND</u>	Expenditures 5704	Budget 5705
	\$ 5,836,471	\$12,332,250
Land Purchase	1,264,467	1,085,400
Development, Maintenance, etc.	78,428	115,830
Afforestation	428,150	522,450
Interest	1,897,100	3,248,812
Loan Service	349,689	424,942
Administrative Expenses		
	\$ 9,854,305	\$17,729,684
	14999	

^{*} Exclusive of monies received from the American Jewish Joint Distribution Committee for transportation and relief and disbursed by the Jewish Agency in its behalf.

TABLE VI INCOME AND DISBURSEMENTS

1944 UNITED PALESTINE APPEAL AS OF DECEMBER 31, 1944

Balance of Funds as of January	1, 1944		\$ 87,8	18.92
INCOME				
United Palestine Appeal - 194	4 (Bequests)	3,289.83		
Jewish National Fund - 194		1,100,000.00		
United Jewish Appeal - 194	4	7,549,254.54*		
United Jewish Appeal - 194	3	2,751,000.00**		
United Jewish Appeal - 194	2	108,813.00		
United Jewish Appeal - 194	1	30,347.70		
United Jewish Appeal - 194	0	8,789.12		
United Jewish Appeal - 193	9	3,315.83		
Prior Campaigns		1,157.57		2
<u>Total</u>	Income		11,555,96	7.59
Total			11,643,78	36.51
DISTRIBUTION				
Jewish National Fund - 194	4 \$4,050,000.00			
- 194	3 1,261,153.75			
- 194	2 42,337.50			
- 194	1 10,300.00			
- 194	0 4,134.17			
- 1939	1,197.50	5,369,122.92		
Palestine Foundation Fund- 194	4 \$4,050,000.00			
- 194	3 1,261,153.75			
- 194	42,337.50			
- 194	1 10,300.00		The second second	27
- 194	4,134.17			
- 1939	1,197.50	5,369,122.92		
Palestine Foundation Fund- 194	3 (For Jewish			
	Agency Deficit)	300,000.00		
Mizrachi Palestine Fund - 194		250,000.00		
American Friends of the Hebrew	University	30,000.00		
		11,318,245.84		
SERVICE PAYMENTS				
Zionist Organization of America				
Mizrachi Organization of Americ	ca 9,800.00			
Poale Zion-Zeire Zion	9,800.00			
Hashomer Hatzair	1,200.00	74,800.00		
ADMINISTRATION AND INFORMATION				
Executive Committee Grants	9,580.08			
Administrative Expenses	83,968.17			
Community Service Expenses	72,937.41	166,485.66		
Total Distribution			11,559,53	1.50
Balance of Funds as of Decembe	The second of th		1 - 1	

^{*}Includes \$40,417.27 received through Jewish National Fund and \$75,000 received through the Night of Stars.

^{**}Includes \$300,000 received from 1943 U.J.A. earmarked "For Jewish Agency Deficit."

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

SYMBOLS

DL = Day Letter

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NA48 NL PD=UD NEWYORK NY 16 DR ABBA HILLEL SILVER THE TEMPLE

1945 FEB 17 AM 2 28

=EAST 105 ST AT ANSEL RD CLEVE=

*DINNER MEETING OF EXECUTIVE COMMITTEE OF UNITED PALESTINE
APPEAL WEDNESDAY FEBRUARY TWENTY FIRST SIX THIRTY PM HOTEL
BILTMORE ROOM 135 IS INTENDED TO PERFECT CAMPAIGN PLANS FOR
OUR GREAT VENTURE WOULD APPRECIATE IT GREATLY IF YOU COULD
BE PRESENT AND IF I COULD MEET WITH YOU SEPARATELY DURING
THE DAY SINCE I AM COUNTING HEAVILY ON YOUR ACTIVE
PARTICIPATION IN MANY DIRECTIONS CORDIAL REGARDS=

JAMES G HELLER.

135.

M ITS PATRONS CONCERNING ITS SERVICE

THE COMPANY WILL APPRECIATE STORT

United Jewish Appeal for Refugees, Overseas Needs and Palestine

on behalf of

JOINT DISTRIBUTION COMMITTEE UNITED PALESTINE APPEAL NATIONAL REFUGEE SERVICE

National Chairmen:

Rabbi James G. Heller
William Rosenwald
Rabbi Jonah B. Wise

February 19, 1945

342 MADISON AVENUE NEW YORK 17, N. Y. VANDERBILT 6-2080

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

Dear Rabbi Silver:

You are hereby notified that a special meeting of the Members and the Board of Directors of the United Jewish Appeal, Inc. will be held on Thursday, February 22, 1945 at 12:30 P.M. to transact such business as may come before the meeting or any adjournment thereof. Lunch will be served in Room 130 at the Hotel Biltmore, 43rd Street and Madison Avenue, New York City.

A proxy is enclosed in connection with your attendance as a Member. Please be good enough to fill it out and return it promptly in the enclosed self-addressed envelope.

Very truly yours,

Assistant Secretary

EG: RZF

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayesod)

JEWISH NATIONAL FUND (Keren Kayemeth)

MIZRACHI PALESTINE FUND

41 EAST 42nd STREET, NEW YORK 17, N. Y. • Telephone: MUrray Hill 2-3320 • Cable Address-Palfund

NATIONAL OFFICERS

Honorary Chairmen
ALBERT EINSTEIN
SOLOMON GOLDMAN
HENRY MONSKY
NATHAN STRAUS
HENRIETTA SZOLD

February 22, 1945

National Chairman JAMES G. HELLER

National Co-Chairmen

STEPHEN S. WISE
Chairman,
Administrative Committee

LOUIS LIPSKY
Chairman,
Executive Committee

MRS. MOSES P. EPSTEIN
LEON GELLMAN
ISRAEL GOLDSTEIN
EDMUND I. KAUFMANN
LOUIS E. LEVINTHAL
BERNARD A. ROSENBLATT
MORRIS ROTHENBERG
ABBA HILLEL SILVER
ROBERT SZOLD

Dr. Abba Hillel Silver The Temple Cleveland, Ohio

Dear Dr. Silver:

I am enclosing herewith for your information a copy of a news release dealing with your recent visit to Miami in behalf of the local campaign.

With kind regards, I am

Sincerely yours,

Director of Publicity

Treasurer
CHARLES J. ROSENBLOOM

DAVID WERTHEIM

Associate Treasurers
ABRAHAM GOODMAN
ABRAHAM L. LIEBOVITZ
JACOB SINCOFF

MFS:GL

Chairman, National Council
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BERNARD G. RUDOLPH

LOUIS SEGAL

ELIHU D. STONE

JOE WEINGARTEN

HERMAN L. WEISMAN

Executive Director
HENRY MONTOR

. 2: GT

From Meyer F. Steinglass, Director of Publicity UNITED PALESTINE APPEAL 41 East 42 Street New York City

FOR RELEASE ON RECEIPT

DR. SILVER AND DR. WISE SPUR MIAMI CAMPAIGN ON TO NEW RECORD

George Alpert Stirs Newark, N.J., and Charlotte, N.C., to Unprecedented Response to Campaign for Jewish Homeland and Overseas Needs

Indicative of the unity of purpose with which communities conducting early campaigns are proceeding with their drives for the Jewish National Home in Palestine and overseas needs was the report from Miami where Dr. Abba Hillel Silver, National Co-Chairman of the United Palestine Appeal, stirred the local community to a new record of response in the first of a series of major fund-raising meetings held under the auspices of the Jewish Federation of Greater Miami.

Stimulated by Dr. Silver's moving presentation of the tragic position of the Jaws of Europe and the imperative need for mass settlement in the Jewish National Home, the Miami community, led by George Chartkof, 1945 campaign chairman, made an auspicious beginning in its drive to surpass all previous giving.

To assure the fullest mobilization of all sections of the Jewish community Miami leaders invited Dr. Stephen S. Wise, Chairman of the Administrative Committee of the United Palestine Appeal, to address another key meeting in the campaign on Sunday, March 4th. Dr. Wise is expected to plead for extended effort to meet the far larger responsibilities in this critical year to bring aid to the Jews in liberated Europe and to make possible the immigration and absorption in Palestine of the uprooted and the homeless among the survivors.

Reflecting the determination of local communities that, regardless of the fact that the U.P.A. and J.D.C. are this year making independent appeals

to local welfare funds, higher goals must be achieved to meet the challenge of the year of transition, the Jewish community of Newark, N.J. responded in unequalled measure to the eloquent appeal made by George Alpert, outstanding communal leader of Boston, at the initial meeting of the Big Gifts division. Approximately 80% more was contributed for the 1945 drive by the individuals who attended that meeting. The Newark drive has gotten off to a flying start under the dynamic leadership of Dr. Joachim Prinz, Chairman.

Mr. Alpert registered another signal campaign success at Charlotte, N.C. A sum equivalent to two-thirds of the total 1945 quota was raised at the campaign meeting of the Charlotte Jawish Federation following Mr. Alpert's survey of the world Jewish position and the tremendous Palestine and overseas needs. Mr. I.D. Blumenthal is Chairman of the Charlotte campaign for 1945.

#####

2/21/45

February 23, 1945 Mr. Henry Monter United Palestine Appeal 41 East 42nd St. New York 17, N.Y. My dear Mr. Montor: Thank you for your kind letter of February 20. I shall be in New York on Monday March 5, stopping at the Commodore Hotel. I shall be very pleased to see you on that day. Please telephone in the morning so that we can set a time for meeting. With all good wishes, I remain Very cordially yours, AHS: BK

RESOLUTIONS ADOPTED AT THE LUNCHEON MEETING OF THE TRI-STATE UNITED JEWISH APPEAL ADMINISTRATIVE COMMITTEE HELD ON FEBRUARY 25, 1945, at the WEBSTER HALL HOTEL PITTSBURGH; PA.

RESOLUTION #1

The Tri-State United Jewish Appeal Administrative Committee, at a meeting held on February 25,1945 at the Webster Hall Hotel, Pittsburgh; expresses its regrets that the Joint Distribution Committee and the United Palestine Appeal have found it impossible to continue a national combined campaign in 1945.

Realizing that the needs for the life-saving work of the Joint Distribution Committee, and for Palestine which has saved more Jewish lives than any other country in the world, will in 1945 be much greater than in any previous year, we urge the communities in the Tri-State area to raise maximum sums for both agencies.

We resolve that the combined campaigns for the United Jewish Appeal in the Tri-State communities be continued. We further resolve that the Tri-State United Jewish Appeal organization, shipper morris Neaman and Judge lencher, with its Speakers' Bureau under the leadership of Nathan M. Katz, be continued.

RESOLUTION #2

We recommend to all the Jewish communities in the Tri-State area that all funds which were formerly contributed to the National United Jewish Appeal be divided equally in 1945 between the Joint Distribution Committee and the United Palestine Appeal.

0 P Y

New York, February 25, 1945

SIDNEY HOLLANDER, President Council of Jewish Federations and Welfare Funds 165 West 46 Street New York City

In response to your telegram of February 23 urging that the JDC and UPA agree to submit differences to arbitration by mutually acceptable procedure we refer to our letter of February 9th to you setting forth the unresolved differences which existed prior to the Cincinnati meeting on February 10th. Inasmuch as no agreement was reached as a result of the Cincinneti meeting, the differences remaining between the parties still continue to be the following: The UPA proposed a first division of ten million dollars in the ratio of sixty to forty percent or a first division of twenty five million dollars in the ratio of fifty eight to forty two percent with the Jewish National Fund traditional collection ceiling at one million one hundred thousand dollars and that JDC forego the six hundred thousand dollar counter vailing amount. The JDC proposed that the first division be twenty five million dollars in the ratio of sixty to forty percent respectively the JNF traditional collection ceiling to be nine hundred thousand dollars and the JDC to forego the six hundred thousand dollar counter vailing amount. In view of the JDC's consistent desire to maintain the national UJA and recognizing the keen concern felt by the organized Jewish communities of this country for the continuance of the UJA the JDC at a special convened meeting of its executive committee today, agreed to submit to arbitration by mutually acceptable procedure, the unresolved differences as indicated above.

PAUL BAERWALD, Chairman Joint Distribution Committee

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayesod)

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February 26, 1945

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Executive Director HENRY MONTOR Dr. Abba Hillel Silver The Temple Cleveland, Ohio

Dear Dr. Silver:

I regret more than I can say that I shall not be in New York on Monday, March 5th to take advantage of your gracious invitation to meet with you at that time. I am leaving for the West Coast tomorrow and shall not return until about the middle of March.

I had very much wanted the benefit of your counsel, as well as to discuss with you measures by which you could cooperate with immense effectiveness for the benefit of the U.P.A. I take it for granted that you must view with special interest the present phase of the independent U.P.A. campaign. Some of the cycles which occurred in 1941 are, of course, repeating themselves in 1945. Many of the personalities have not changed.

However, I am hoping, immediately upon my return, either to see you in New York if you are there, or if you are free, to come to Cleveland for the specific purpose of meeting with you.

With warmest personal regards, I am

Henry Montor

HM: BG

February 27, 1945

Mr. Sidney Hollander, President Council of Jewish Federations and Welfare Funds 165 West 46th Street New York City

Dear Mr. Hollander:

Your telegram urging arbitration of differences between the JDC and the UPA "by mutually acceptable procedure" which arrived on February 23rd, some two weeks after public announcement of our inability to persuade the JDC to accept any reasonable compromise, merits a full and considered reply.

It is a source of regret to us that our suggestions for the continuation of the UJA on an equitable basis did not materialize because of the attitude from the very beginning of the JDC against the submission of the differences between the two organizations to impartial outside persons.

The belated "acceptance" by the JDC of your proposal has attached to it a condition which is tantamount to another rejection of arbitration by the JDC. The condition stated in the JDC's reply to your telegram limits the question to be arbitrated merely to the degree to which the UPA and the interests of Palestine shall be subordinated in joint fund-raising appeals. The record of the negotiations indicates that it was the continually intransigeant attitude of the JDC with regard to the differences between the two agencies which made an agreement impossible.

(1) The UPA proposed arbitration as early as December 29, 1944 when Dr. James G. Heller wrote as follows to Mr. Paul Baerwald, Chairman of the JDC:

"It is my proposal to the Joint Distribution Committee that the UPA and the JDC accept the services of the three outside persons, who, because of their objectivity and their acquaintance with the facts of both organizations, are in the best position to serve as friendly mediators. I have in mind the three representatives of Welfare Fund communities who are serving on the Allotment Committee of the 1944 United Jewish Appeal."

This proposal was rejected by the JDC.

On January 8th, 1945, the JDC replied as follows:

"We cannot delegate to others the responsibility that we owe to the work entrusted to us. No one who has not had to do with the day to day emergencies that have confronted the JDC can possibly be put in a poisition to evaluate our needs and our obligations. In the negotiation of the Agreement we must assume full responsibility."

(2) On January 11th, Dr. Heller wrote to you, as President of the Council of Jewish Federations and Welfare Funds, asking for "any panel of mediators mutually agreeable to the JDC and the UPA". About the same time you wrote independently, suggesting such mediation to the JDC and the UPA. In its reply to you the JDC said that

"mediation must not become arbitration in any aspect but should at all stages remain friendly intervention. If final agreement does not result, mediation should not eventuate into any judgment or decision."

-2-February 27, 1945 Mr. Sidney Hollander Once again the JDC protected its demand for priority position by rejecting anything resembling arbitration. (3) When your committee of mediators met with the JDC and UPA on January 25, 1945, the JDC rejected every suggestion for compromise. On that occasion the JDC turned down a UPA proposal, which found favor in the eyes of your committee, to give each organization the right to draw equally against the first few million dollars and that all funds including these drawings be subject to final distribution by an Allotment Committee consisting of representatives of the two agencies concerned and of the Jewish communities at large. The insistence by the JDC that Palestine, in 1945, remain in a subordinate position, reflected an unyielding refusal to understand the importance of Palestine even in terms of pure saving of life, to say nothing of the dynamics of rehabilitation in Palestine which has given security to over 300,000 refugees - virtually as many as the rest of the world combined. In order that justice be done in meeting the needs of the JDC and the UPA, the UPA believes that it is eminently desirable that American Jewry, through its various communities, examine the requirements of Jewish life and act on them through the distribution of funds in accordance with procedures determined locally. After ten weeks of negotiation the UPA reluctantly came to a decision with respect to its campaign for 1945 as a result of the unwillingness of the JDC to modify its position. While we appreciate the spirit which moved you, even long after the breakdown of negotiations, to send your telegram, the answer of the JDC of February 26th is a rejection of arbitration and in view of this we do not believe that any fruitful purpose can be served by continuing a process that can only result in confusing the American Jewish public. Sincerely yours, RUDOLF G. SONNEBORN Chairman, National Council RGS:RH

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WESTERN

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SYMBOLS

DL = Day Letter

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DR ABBAA HILLELSILVER. THE TEMPLE = GaoISO

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THERE WILL BE A SPECIAL MEETING OF THE EXECUTIVE COMMITTEE OF THE UNITED PALESTINE APPEAL ON THURSDAY MARCH 1ST AT 4:30 PM. IN BOARD ROOM OF ZOA. 41 EAST 42ND STREET, NEW YORK CITY, ROOM 600 TO REPORT ON NEW

YORK CAMPAIGN AND NATIONAL CAMPAIGN. URGENT YOU BE PRESENT:
RABBI JAMES G HELLER NATIONAL CHAIRMAN.

157 4:30 PM ZOA 41 42 600.