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

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MEMORANDUM

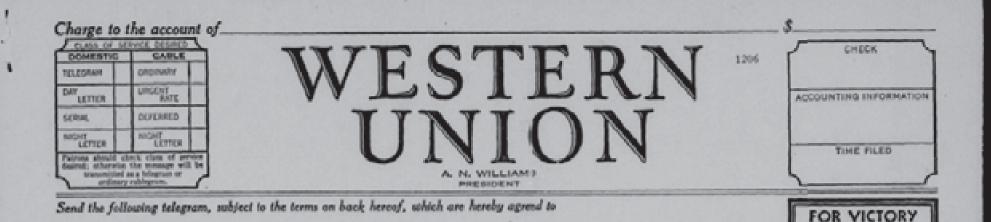
January 26, 1945

From Henry Montor

Attached herewith is a copy of a telegram which is being sont 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 Kerer Hayesod or the Keren Kayemeth.

HM:LG-

kaler



JANUARY 26, 1945 UJA NEGOTTATIONS STALEMATED, FINAL DECISION RECARDING UNITED PALESTINE APPEAL 1945 CAMPAIGN WILL BE MADE AT JOINT MEETING KEREN KAYEMETH, KEREN HAYESOD AND ELECUTIVE UNITED PALESTINE APPEAL MONDAY & 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 INTOLVED.

JAMES G, HELLER

BUY WAR BONDS

JGH: SNG



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=

UST SPOKE TO EMANUEL NEUMANN TO FIND OUT WHETHER YOU 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 AFRIL 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 SHEREROOKE ST WEST.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

February 5, 1945

Jesse Schwartz 527 Snerbrooke 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

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

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	e an a belegrade or	R. D. WHITE PRESIDENT	CHAIRMAN OF THE BOARD	J. C. WILLEVER FIRST VICE-PRESIDENT	~

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

COPY

NIGHT LETTER

FEBRUARY 5, 1945

DR. ABBA HILLEL SILVER THE TEMPLE CLEVELAND, OHIO

FULLY ATTENDED MEETING OF EXECUTIVE COMMITTEE OF UNITED PALEETINE 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. INASKUCH AS YOU ARE FLANNING 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.EIND REGARDS LAMES C. HELLER

CLASS OF SERVICE This is a full-rate Telegram or Cable- gram unless its de- ferred character is io- dicated by a suitable symbol above or pre- ceding the address.	WESTER UNION	IN 1200	STMBOLS DL=Dry Letter ML=Night Letter LC=Drferred Cable MLT=Cible Night Letter
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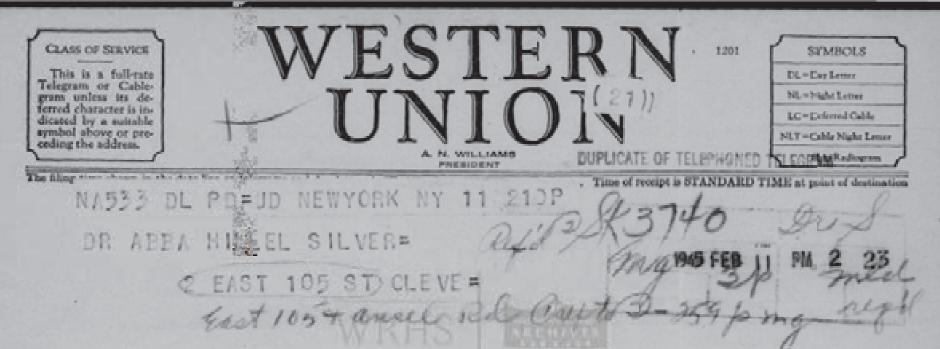
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CLATE SUGGESTIONS FROM

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JAMES G HELLER.

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BOARD OF DIRECTORS OF NOTIONAL CONCIL OF FEDERATIONS AND WELFARE FUNDS HAS ASKED UPA TO RECONSIDER ITS PREVIOUS DECISION. I AM SUMMONING MEMBERS OF EXECUTIVE COMMITTEE OF UPA TO A SPECIAL MEETING AT 400 PM MONDAY FEBRUARY TWELFTH AT HOTEL BILTMORE. URGENT YOU ATTEND=

JAMES & HELLER .

400 pM.

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THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATROES CONGERNING ITS SERVICE

S. J. Zacks 100 Advinte Stilles Joronto

Feb. 12/45.

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

Dear Rabbi Silver:

Your wire received. Our 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, E:00 o'clock. We trust this will be satisfactory.

Our object we 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,

Samuel Tacks

SJZ/FH.

PALESTINE'S NEEDS FOR 1945

The Budgets of the United Palestine Appeal Agencies

Issued by UNITED PALESTINE APPEAL 41 EAST 42nd STREET, NEW YORK

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UNITED PALESTINE APPEAL

presents

THE BUDGETS

of

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

and

JEWISH NATIONAL FUND (Keren Hayemeth)

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

February 15, 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 Palestime Fund. (It received \$250,000 in 1944).

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

The Mizrach: 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, agmicultural settlement, vocational training, housing, industrial development, agricultural and economic research, religious and sultural activity

- 2 -

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 ard 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 settlements, 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 Mational 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
Lcan Service	3,248,812
Administrative Expense	424,942

17.729.684

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IMMIGRATION, RESCUE AND RELIEF

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 Penirsula, 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

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\$4,718,250

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.

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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 couptries 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 Agency Executive in ordarge 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 Gevernment, 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 cf 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

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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 cortact 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 firancial burdens of this immigration is reflected in the housing situation. Since the war began there has been no building in Palostine. Military garrisons and the large increase of the civilian population have strained facilities beyond description.

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According to a statement made by J.W.V. Shaw, Chief Secretary of the Falestine 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

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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

90

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 wwre 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

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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 certi^{*} cates provided by the Jewish Agency. Funds for their maintenence, 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 inmigration, 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

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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 dewelopment 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 willages.

It is significant that a group of workers belonging to the ultra-erthodox 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 rabhi 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 essertial 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.

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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 Beershebz. 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 mcre 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

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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 meeds 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 cats 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 Yiskuv. The following table shows the change which has occurred in this respect since the outbreak of the war.

	Percentage of Yish	uv's Requirements
	<u>1939</u>	1944
From Jewish farms From Arab farms Imports	26% 7% 67%	47% 6% 47%

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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 Governmen: 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 experted 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, Meboroth 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

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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

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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 Igency 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 <u>ingunim</u> (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 Avikail, the village established by veterans of the last war. The sons and daughters voted to establish a Bnei Avikail 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.

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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 Palestime 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,

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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 laber 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 is 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 <u>Tefachot</u>, 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.

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AID TO TRADE AND INDUSTRY AND INVESTMENTS

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

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

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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 Incustry 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 Kerem Hayesod had to establish some general economic principles to serve as a guide in this untried field. These principles are as follows:

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- (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 Junds provided by the Keren Hayesod.

Growth During the War

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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:-

		THUDA OF	PRODUCTION	IN SOME	IMPORTANT	INDUSTRIES	
Date		Food	<u>Textiles</u>	<u>Metal</u>	Machinery	Chemicals	Elestrical Appliances
May 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

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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 now 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.

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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 manifacture 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 Paleatine 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.

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In any post-war program for Palestine the development of a Merchamt 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 allies 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.

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In order to raise the substantial capital needed for Palestine's shipping development a large company with adequate financial rescurces will have to be established. As in the case of other essential industries, such as the Palestine Electric Corporation and the Palestine Potash Company, mational 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

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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 fcr 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 stecking of ponds and other requirements. The food needs of the country have been assisted substantially. During 1938, Jewish fishermen netted 2.2% of all 'ishing hauls in the country, but in 1842, 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 LF 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

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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 scil 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 fishpond 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 Jewich Agency Maritime Department.

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Longer cruises in the Mediterranean are planned by Jewish deep-set fishing orews 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.

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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 Suppl 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. <u>Vocational Training</u>

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

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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 new employs 90 workers has been revealed in a report recently is-

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 finds.

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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 <u>export on an annual basis</u>:

<u>Food</u> - 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 011 - 5-6,000 tons;

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Matzoth - 3-4,000 tons; Saurkraut - 100 tons; Cornflour - 600 tons; Cognas - 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.

<u>Miscellaneous</u> - 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, Sar 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 productior 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. EDUCATION AND CULTURE \$526,500

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.

From 1918 to 1932 the Jewish Agency had the responsibility for the launching and maintenance of the Hebrew education system of Falestine. 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

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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 Palestime 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 tctalled 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 Keok Institute, and in the publication of important documents of religious value.

RELIGIOUS AFFAIRS AND, GRANTS TO INSTITUTIONS

\$247,050

Expenditures in 5705 were \$203,553. The amount budgeted for 5705 is

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\$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 Haifa Technical High School Haifa Nautical School	\$15,187 17,718 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 Ørganization	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

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

\$2,025,000

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, 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.

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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 im 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.

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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 gencrously 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 oppertuaities for self-denial impart particular significance to his military service. After all, heldoined 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 evenywhere 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 manihilation 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 Falestine 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 Falestine.

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

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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 nonprofit 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

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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,

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supplementary financial provisions are made by the Agency to enable them to remain in service. This elementary investment in home defense is another sidelight 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

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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 Essued 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 uprocted 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

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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 Palestins. 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 Eank, 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 Find 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

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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 HOWELAND

The Budget of the Karen 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:

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Purchase of new rural land in the four main regions of Palestime	\$ 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 vari- ous sections of Palestine:	
(a) on rural land \$ 668,250	

(a) on rural land \$ 008,250(b) on arban 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 Palestime 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 fcllows:

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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	<u>60,750</u> \$1,085,400
The item Afforestation \$115,830, includes the upkeep of ex	cisting forests
totalling 3,465,00) trees and the planting of several hundred t	housand new trees

in the current fiscal year.

The breakdown of the item Interest \$522,450, is as follows:	
Interest on debentures	\$ 32,400
Interest on living legacies	125,550
Interest on loans	<u>364,500</u> \$522,450
Loan Service, amounting to \$3,248,812, includes the following:	
Repayment of lebentures	\$ 81,712
Repayment of loans reaching 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 real- izable and progressing 1,551,150	2,106,000 \$3,248,812

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The item Administrative Expenses, \$424,942, includes information serwice, \$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 guarter of an acre):

Year	Area	
1882	25,000	dunam
1,900	220.000	
1914	420,000	"
1922	594.000	"
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 acquir* 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

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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 durams 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 age 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 hip an offer to purchase 250,000 dumams of land in the Negev in one lot at a price of five frances a dunam or about \$250,000 for the entire area.

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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 C.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 conservations program in Jewish Palestime was launched recently with the completion of a dam-reservoir with a capacity for collecting 220,00C 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 Kvatzath Rewivim, 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

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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 coment 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 Jowish 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

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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 Buleh 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 fishbreeding ponds of the Jewish settlements in the Beisan Vallwy. The JNF has special Sanitary Officers entrusted with the task of combatting the conditions that produce malaria.

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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, Jerusales,

- 52 -

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 to 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 Palestin; 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 Hapowl 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

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- 53 -

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 yeshiveth. 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' Hestel. 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 Falestine 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 immigratior.

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.

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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 waz-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 erafts;

(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.

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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 Palestire 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 im 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.

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The Yishuv does not need money from abread 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.

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TABLE I

JEWISH AGENCY AND PALESTINE FOUNDATION FUND

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

INCOME:

JEWISH AGENCY Grants and Participations Collections, Dividends, Interest, etc. Transmitted from Palestine Foundation Fund	\$2,638,544 382,308 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.

EXPENDITURES

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
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

During the period under review an amount of \$1,215,000 was borrowed.

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	ALL DECK	\$6,641,295

EXPENDITURES

Land Purchase	\$5,836,471
Development, Maintenance, etc.	1,264,467
Afforestation	78,428
Interest	428,150
Loan Service	1,897,100
Administrative Expenses	349,689
Tatal Expenditures	\$9,854,305

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

TABLE III

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JEWISH AGENCY AND PALESTINE FOUNDATION FUND

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

I. IMMIGRATION AND RELIEF TO REFUGEES

Care of inmigrants, 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

II. AGRICULTURAL SETTLEMENT

Establishment of new settlements	1,417,500
Consolidation of 85 settlements	1,417,500
Loans to citrus growers	
Investments in agricultural and water companies	263,250
Transferrers 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	
Aggioultural Contraction Cont	101,250
Agricultural Contracting Office	101,250
Agricultural settlement and economic enterprises	
for ex-soldiers	1,012,500
	the second secon

TOTAL AGRICULTURAL SETTLEMENT

5,580,900

\$4,718,250

III. LABOR DEPARTMENT

Loans to citrus growers for transportation of	
labore's 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		
	Taxa Band Arm L	\$ 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		
	Investments in other companies	405,000 251,100	
	Lives cherce in other companies	201,100	
	TOTAL AID TO TRADE AND INDUSTRY AND INVESTM	FMTS	1,736,050
	The first in this and instant and integra	2410	_1,150,000
٧.	NATIONAL CANIZATION AND SECURITY		
••	Political Mept.; Recruiting; Jewish Soldiers'		
	Welfare: Wr Invalids, Soldiers' Families, etc.	1 842 750	
	Jewish Agency Offices abroad	182,250	
	Contan Agogoy Critices abroad	102,200	
	TOTAL NATIONAL ORGANIZATION AND SECURITY		2,025,000
VI.	EDUCATION AND CULTURE		
	Contributions to		
	Education Budget	405.000	
	Bialik Foundation	52,650	
		24,300	
	Youth Department Grants to University, Technion, Nautical	24,000	
	Grants to Chiversity, ischnich, Mattical School	44,550	
	School		
	TOTAL EDUCATION AND CULTURE		526,500
	TUTAL EDUCATION AND COLICIES		
	PRI TOTALIO (0/65)(0)		
VII.	RELIGIOUS AFFAIRS	56,700	
	Grants to Yeshivot, Rabbis, etc.	32,400	
	Rabbi Kook Institute	01,100	
	Mishkan Co. for facilitating building of	20,250	
	synagogues, etc.		
	TOTAL RELIGIOUS AFFAIRS		109,350
	TUTAL RELIGIOUS ATTAINS		
UTTT	GRANTS TO EDUCATIONAL, CULTURAL, SPORT, SOCIAL		
VIII.	AND NOT DADE THETTOMAS, CONTENTS		
	AND WELFARE INSTITUTIONS		
	TOTAL GRANTS		137,700
	TOTAL GRANIS		Contraction of the
IX.	LOAN CEDUTCE		
±A.	LOAN SERVICE Repayment of Loans from Lloyds' Bank and Interest!		
	Anglo-Falestine Bank (Principal and Interest]		537,000
	Anglo-Parestino same (
X.	ADMINISTRATION	The Charles and a start of	
A.	Keren Hayesod	\$ 141,750	
	Jewish Agercy	137,700	
	ounion agonoy		
	TOTAL ADMINISTRATION		279,450
XI.	RESERVE		307,800
	a second se		
	TOTAL BUDGET JEWISH AGENCY AND PALESTINE FO	UNDATION	\$16,584,750
	FUND IN 5705		

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TABLE IV

JEWISH NATIONAL FUND

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

I. LAND PURCHASE

II.

III

For the acquisition of rural land in four		
main regions	\$2,555,550 1,255,500 1,518,750	\$ 8,445,300
For rural land previously acquired in four main regions	3,118,500	e 8,440,000
main rogroup		
4,100 dunams 3,180 "	\$ 76,950 88,168	
4,250 " 27,481 "	144,585 216,797	526,500
(Balances payable include provision for compensation of tenants)		
For rural housing land in three main regions	\$ 457,775 111,375 89,100	668,250
	A	
For urban housing land in three main regions	\$ 297,550 1,830.600 429,300	2,547,450
Payments to be made for other urban land		
purchases		141,750
TOTAL LAND PURCHASE		\$12,332,250
MAINTENANCE OF LAND Guarding	\$ 36,855	
Supervisors, fencing labor	12,555	
Ploughing	6,075	
Legal expenses Survey Work	12,150 10,125	
TOTAL MAINTENANCE OF LAND		77,760
DEVELOPMENT AND IMPROVEMENT OF SOIL		A dendos
Amelioration, cultivation, reclamation	209,385	

Amelioration, cultivation, reclamation 209,385 Town planning work including farm cities 16,200

TOTAL DEVELOPMENT AND IMPROVEMENT OF SOIL

225,585

IV.	HYDROLOGICAL, DRAINAGE, ANTI-MALARIA WORK Drainage work for anti-malaria and irrigation purposes, boring wells and anti-malaria supervisors \$ 47,790 Hydrological Research and survey work 15,390	
	TOTAL HYDROLOGICAL, DRAINAGE, ANTI-MALARIA WORK	\$ 63,180
v.	ADVANCES, LOANS AND GRANTS For seeds and tools (direct and through other institutions)	121,500
VI.	PARTICIPATION IN THE ESTABLISHMENT OF NEW AGRICULTURAL SETTLEMENTS	380,700
VII.	CONSTRUCTION AND REPAIR OF ROADS	115,425
VIII.	AFFORESTATION Upkeep of 3,465,000 trees in existing forests, covering 15,009 dunams Planting 202,000 saplings on 833 dunams 41,310	
	TOTAL AFFORESTATION	115,830
IX.	PROPERTY TAX	\$0,750
х.	<u>INVESTMENTS</u> Participations in development, water and settlement corporations	40,500
XI.	INTEREST \$ 32.40	0
	On debentures 125,55 On living legacies 364,50	0
	TOTAL INTEREST	522,450
XII.	LOAN SERVICE Repayment of debentures \$ 81,712 Repayment of loans reaching final maturity in 5705 <u>1,061,100</u> \$1,142,81	.2
	Contingent maturities: (a) Loans repayable if creditors exercise option \$554,850	

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

TOTAL LOAN SERVICE

3,248,812

XIII.	ORGANIZATION, INFORMATION AND ADMINISTRATIVE EXPEN	SES
	Salaries including Pension Fund \$	132,617
	Information Service	121,439
	Travelling organizers, organization	
	Kerem 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



1,551,150

2,106,000

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	1,736,050
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	537,000
Administrative Expense	340,749	279,450
Reserve		307,800
609/0 W	\$12,145,150	<u>\$16,534,750</u>
B. JEWISH NATIONAL FUND		
•	Expenditures	Budget
	5704	5705
Land Purchase	\$ 5,836,471	\$12,332,250
Development, Main:enance, etc.	1,264,467	1,085,400
Afforestation	78,428	115,830
Interest	428,150	522,450
Loan Service	1,897,100	3,248,812
Administrative Expenses	349,689	424,942
	<u>\$ 9,854.305</u>	\$17,729,684
	14099	

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* Exclusive of monies received from the American Jewish Joint Distribution Committee for transportation and relief and disbursed by the Jewish Agency in its behalf. <u>TABLE VI</u> <u>INCOME AND DISBURSEMENTS</u> <u>of</u> <u>1944 UNITED PALESTINE APPEAL</u> <u>AS OF DECEMBER 31, 1944</u>

Balance of Funds as of January 1, 1944

INCOME

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United Palestine Appeal - 1944 (Bequests) 3,289.83 Jewish National Fund - 1944 1,100,000.00 United Jewish Appeal -19447,549,254.54* United Jewish Appeal -19432,751,000.00** United Jewish Appeal 108,813.00 - 1942 United Jewish Appeal - 1941 30,347.70 United Jewish Appeal - 1940 8,789.12 United Jewish Appeal -19393,315.83 Prior Campaigns 1,157.57 Total Income 11,555,967.59 Total 11,643,786.51 DISTRIBUTION Jewish National Fund - 1944 \$4,050,000.00 - 1943 1,261,153.75 -194242,337.50 - 1941 10,300.00 - 1940 4,134.17 - 1939 1.197.50 5,369,122.92 Palestine Foundation Fund- 1944 \$4,050,000.00 - 1943 1,261,153.75 -194242,337.50 -194110,300.00 - 1940 4,134.17 - 1939 1,197.50 5.369.122.92 Palestine Foundation Fund- 1943 (For Jewish 300,000.00 Agency Deficit) Mizrachi Palestime Fund - 1944 250,000.00 American Friends of the Hebrew University 30,000.00 11,318,245.84 SERVICE PAYMENTS Zionist Organization of America 54,000.00 Mizrachi Organization of America 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 11,559 531.50 Balance of Funds as of December 31, 1944 84.255.01

*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."

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16 NEWYORK PD=UT NA48 NI. 1945 FEB 17 AM 2 28 TEMPLE VER THE HILLEL SIL ABBA DR and the second CLEVE: =FAST 105 ST AT ANSEL RD

MEETING OF EXECUTIVE COMMITTEE OF UNITED PALESTINE = DINNER FEBRUARY TWENTY FIRST SIX HOTEL THIRTY Pin WEDNESDAY APPEAL BILTMORE ROOM 735 IS INTENDED TO PERFECT CAMPAIGN PLA NS GREATLY 1F WOULD APPRE CLATE Y 1 T OU COULD VENTURE GREAT OUR YOU MEET WITH SEPARA TELY DURING COULD BE PRESENT AND COUNTING 11 Y ON HEAV YOUR CTIVE AW DAY SINCE THE DIRECTIONS CORDIAL REGARDS= MANY PARTICIPATI ON JAMES G HELLER.

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THE COMPANY WILL PPRECIATE SHOPPING

M ITS PATRONS CONCERNING ITS SERVICE

Registered with the President's War Relief Control Board, No. 566

UNITED JEWISH APPEAL

FOR REFUGEES, OVERSEAS NEEDS AND PALESTINE

on behalf of JOINT DISTRIBUTION COMMITTEE UNITED PALESTIME APPEAL NATIONAL REFUGEE SERVICE

February 19, 1945

342 MADISON AVENUE NEW YORK 17, N. Y.

VANDERBILT 6-2080

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

National Chairmen:

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

Encs.

Registered with the President's War Relief Control Board, No. 569

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayerod)

MIZRACHI PALESTINE FUND

JEWISH NATIONAL FUND (Keren Kayemeth)

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

NATIONAL OFFICERS

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

National Chairman JAMES G. HELLER

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Executive Director HENRY MONTOR 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,

February 22, 1945

laso

Meyer Director of Publicity

MFS: GL

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

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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 fundraising 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 assume 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 add to the Jews in liberated Europe and to make possible the immigration and absorption in Palestine of the uprocted 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 mode 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. Alport 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 Jerish position and the tremendous Palestine and overseas needs. Mr. I.D. Blumenthal is Chairman of the Charlotte campaign for 1945.

2/21/45 #31 -2-

February 23, 1945

Mr. Henry Montor 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 Honday 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 HEID 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, shippor morris "constituted under the inspiring and devoted leadershippor morris "caman 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. A 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.

WESTERN UNION

New York, February 25, 1945

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

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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 Sth to you setting forth the unresolved differences which existed prior to the Cincingati meeting on February 10th. Inasmuch as no agreement was reached as a result of the Cincinnati 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 JWF traditional collection ceiling to be mine 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 concers 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

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Registered with the President's War Relief Control Board, No. 369

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (Keren Hayetod)

MIZRACHI PALESTINE FUND

JEWISH NATIONAL FUND (Keren Kayemeth)

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 February 26, 1945

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 wormest personal regards, I am

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Executive Director

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

February 27, 1945

Mr. Sidney Hollarder, 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 imability 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 interasts 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 UFA proposed arbitration as early as December 29, 1944 when Dr. James G. Heller wrote as follows to Mr. Faul 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 acquaintence 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 im a poisition to evaluate our needs and our obligations. In the negatiation of the Agreement we must assume full responsibility."

(2) On January 11th, Dr. Heller wrote to you, as President of the Council of Jewich 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."

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Mr. Sidney Hollarder

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

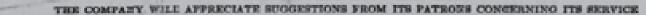
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DR ABBAA HILLELSILVER, THE TEMPLE = Gallst EAST 105ST AT ANSEL RD CLEVE= Gallst

THERE WILL BE A SPECIAL MEETING THE EXEC COMM OF IVE PALESTINE APPEAL ITED ON THURSDAY MARCH OF THE -1ST IN BOARD ROOM OF ZOA, EAST 42ND PM. 41 4:30 YORK CITY, ROOM 600 TO REPORT NEW STREET. ONENEW

YORK CAMPAIGN AND NATIONAL CAMPAIGN. URGENT YOU BE PRESENT= RABEL JAMES & HELLER NATIONAL CHAIRMAN.



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