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### **MS-4787: Abba Hillel Silver Papers, 1902-1989.**

Series I: General Correspondence, 1914-1969, undated.

Sub-series A: Alphabetical, 1914-1965, undated.

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

CONFIDENTIAL

MINUTES OF MEETING OF ADMINISTRATIVE COMMITTEE OF UNITED PALESTINE APPEAL

October 5, 1944, 4 P.M. at U.P.A. office, 41 East 42nd St, New York City

PRESENT: Dr. Stephen S. Wise, presiding: Mrs. Oscar G. Bender, Miss Juliet M. Benjamin, Samuel Berson, Bernard Davidson, Harry P. Fierst, Mendel N. Fisher, David Freiburger, Daniel Frisch, William P. Greenfeld, M. Boukstein, Joseph E. Grosberg, Solomon S. Gross, Isaac Hamlin, Rabbi James C. Heller, Herman Hollander, Leib Jaffe, Max Kirshblum, Abraham Krumbein, Louis E. Levinthal, Abraham L. Liebovitz, Irving D. Lipkowitz, Philip W. Lown, Emanuel Neumann, David Pinski, Sol Reiter, Charles . Rees, Mrs. Samuel J. Rosensohn, Morris Rothenberg, Albert D. Schenzer, Jacob J. Schwolsky, Dr. Arthur I. Shain, Louis Segal, Maxwell Silver, Rudolf G. Sonneborn, Jacob Sincoff, Abraham I. Uslander, Ralph Wechsler, Harold M. Weinberg, David Wertheim,

Samuel Hlitz, Josef Cohn, Henry Monter, Martin Rosenbluth.

FINANCIAL STATUS OF U.P.A.

Mr. Monter referred to a report (Appendix A) which had been circulated among the members. He pointed out that the income in 1944 as of October 4 was \$8,129,268.93, as compared with \$4,750,511.92 for the same period in 1943.

A question was raised as to why funds were deposited in four banks. Mr. Monter stated that this was based on decisions by the Finance Committee. Mr. Sincoff added that the Finance Committee had taken into account the helpfulness of these banks to the U.P.A.

Dr. Heller declared that, based on the statement submitted, the United Palestine Appeal could look forward in 1944 to the largest income in its history. As currently indicated, the United Jewish Appeal will raise a minimum of \$28,000,000 in 1944 and the U.P.A. expects to receive its proportionate share. The Allotment Committee of the U.J.A. will have its first organizing meeting tomorrow. Dr. Heller said a great deal of the credit for the accomplishments of the United Jewish Appeal goes to its staff, particularly its Executive Vice Chairmen, Mr. Monter and Mr. Coons. One of the important factors in the results was the economic situation. But that alone did not explain the response. People are genuinely stirred by the needs. He also felt, as a result of his extensive visits throughout the country, that there has been a change in the complexion of the leadership of the American Jewish communities. In many, if not most, of the communities where money is being raised on a larger scale these years, the money and the leadership are being given increasingly by persons deeply interested in Palestine. He felt this had importance not only with respect to the giving of money but in the ultimate conformation of the American Jewish communities.

Mr. Sonneborn felt that New York City is not doing its share. If the country as a whole is raising \$28,000,000, more than the \$8,000,000 net anticipated from New York City should be forthcoming. Half of the Jewish population is located here.

After discussion, it was

MOVED, seconded and voted that the Chairman appoint a committee to inquire

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into the reasons why the United Palestine Appeal leadership does not play a proportionate role in the United Jewish Appeal of Greater New York.

Mr. Sincoff was of the opinion that a large part of the fault lies with many prominent Zionists who are on various New York United Jewish Appeal committees but never serve. He felt that one of the reasons for New York's record of giving is that while the Zionists have been increasing their gifts, large givers previously connected with the Joint Distribution Committee have been cutting their contributions.

#### LOAN FOR HAPOEL HAMIZRACHI

Mr. Montor reported that the Hapoel Hamizrachi has applied to AMPAL, the American Palestine Trading Corporation, for a \$10,000 loan to establish a free loan fund in Palestine. AMPAL insisted that it would not accept the endorsement of Mizrachi but would require an assurance from the United Palestine Appeal that, in the event of failure by Hapoel Hamizrachi to repay the loan, a proportionate amount would be deducted by the U.P.A. from the allotment voted to the Mizrachi Palestine Fund. The Mizrachi Palestine Fund had requested the U.P.A. to give such an assurance. Mr. Eliezer Kaplan, Treasurer of the Jewish Agency, on inquiry from the U.P.A. had given his approval to the project. It was now for the Administrative Committee to state its position.

A copy of the executed agreement in relation to this loan is incorporated in this minute as Appendix B.

#### STATUS OF 1945 NEGOTIATIONS

Mr. Fisher reported that negotiations were proceeding between the Keren Kayemeth and the Keren Hayesod for the consummation of a 1945 United Palestine Appeal agreement.

#### 1944 UJA ALLOTMENT COMMITTEE

It was reported by Mr. Montor that as a result of a series of meetings between representatives of the U.P.A. and the J.D.C. there had been agreement on the members of the 1944 Allotment Committee of the United Jewish Appeal. Those representing the Welfare Fund communities are Herbert R. Bloch, Cincinnati, David M. Watchmaker, Boston, and Stanley C. Myers, Miami. The U.P.A. is represented by Dr. Heller and Mr. Sonneborn, with Judge Rothenberg and Charles Rosenbloom as the alternates. The J.D.C. representatives are Isaac H. Levy and I. Edwin Goldwasser.

In response to a question as to how much money would be available for distribution Mr. Montor stated that it was being conservatively estimated that this would be at least \$12,000,000, the amount originally distributed having been \$15,000,000.

#### earmarking OF FUNDS IN U.J.A.

Mr. Montor reported that over an extended period of time the President's War Relief Control Board has been trying to coordinate fund-raising within inter-related fields. Many applications have come to the Board for registration for the purpose of raising funds. The Board is trying to avoid granting registration, with the hope that agencies already existing in the field will absorb these new applicants. As a result, the Board has turned to the U.P.A., as it has to the J.D.C., to suggest that the arrangement which now exists within the U.J.A., which does not permit earmarking, be modified in the middle of the year, so that Rumanian or Polish or Dutch or other groups of Jews concerned with

refugees in Palestine (or in Europe) might raise funds among their particular groups for purposes of relief, etc. The money would be turned over to the U.J.A., with the understanding, however, that only that part of the money to which the particular agency is entitled by its percentage in the U.J.A. would go for the specific project. Thus, the J.D.C. has agreed that if a group of Rumanian Jews would, for example, raise \$100,000 for a particular program in Rumania, the J.D.C. would use \$60,000 --- assuming its share of the UJA proceeds is 60% -- for that special project. In addition, it would undertake out of its own resources to spend approximately the balance, i.e. about \$40,000, in the same general area, although not necessarily for the specific project. The total money would go to the UJA and be distributed in accordance with whatever percentages applied.

The J.D.C. has said it will not take unilateral action. The Executive Committee of the United Jewish Appeal will meet tomorrow to consider the problem. It was for the U.P.A. to take a position in the matter. The War Relief Control Board had that day sent another letter to Mr. Montor urging a quick decision, since the Board was, in the meantime, holding up the registration of applicant organizations.

Mr. Montor thought the decision on earmarking extremely important, not merely in relation to the War Relief Control Board but in relation to any agreement for the United Jewish Appeal for 1945. It was related to other problems, such as the Jewish National Fund.

The Chairman asked whether what was involved was a must or a moral recommendation by the War Relief Control Board.

Mr. Montor replied that the Board is saying, in effect, that if the existing, responsible organizations which claim they are operating in the several fields of activity, whether Palestine or Europe, are not prepared to accept this earmarked money, then the Board will grant registration, even though confusion in American fund-raising may result. The Board is virtually saying to the major organizations: if you want to be protected in your right, so to speak, to monopoly in your fund-raising field, you must cooperate by enabling these people who have the urge to raise these special funds to do so.

Dr. Silver asked whether there was any valid reason why the U.P.A. should object to the inclusion of these contributions in the general pool of the U.J.A.

Dr. Heller felt there are serious objections. It would break the tradition of the U.J.A. against earmarking, involving serious consequences for Palestine. The U.J.A. has consistently rejected all earmarked contributions by those who wanted to exclude one or another agency from their gift. Once the gates are opened to earmarking, it will be impossible to stop the procedure. It would destroy the very basis upon which the U.J.A. exists as a cooperative enterprise.

It was Dr. Heller's view that Mr. Joseph Davies is not thoroughly familiar with fund-raising procedures in the American Jewish communities. That is one of the reasons why pressure is being applied for the acceptance of the earmarking procedure. He felt an attempt should be made to have another meeting with the War Relief Control Board to explain what the implications are of accepting an earmarking procedure.

Mr. Montor read a letter from Mr. James Brunot (Appendix C), Executive Director of the President's War Relief Control Board, in which he referred to the acceptance by the J.D.C. of the earmarking plan and urged similar action by the U.P.A.

During the discussion, varying points of view were presented as to the desirability of permitting earmarking within the U.J.A. The majority sentiment was registered against earmarking.

Mr. Fisher moved that the problem be referred to the officers of the United Palestine Appeal, with his own recommendation that their action be in the negative.

It was moved, seconded and voted that the problem of permitting earmarking within the United Jewish Appeal should be referred to the officers of the United Palestine Appeal, with the power to act, with the sentiment expressed at the meeting being taken into account.

#### UPA VIEWS ON A 1945 U.J.A.

Dr. Heller presented his views as to the 1945 United Jewish Appeal and the relation to it of the U.P.A. Judge Rothenberg discussed the aspects of the situation especially related to the Jewish National Fund. Dr. Shain described his experiences in Boston in relation to the Jewish National Fund. Mr. Montor gave a report on the factors that should be taken into account in considering the U.P.A.'s position in the UJA in 1945. The discussion that followed was participated in by Messrs. Segal, Boukstein, Dr. Silver, Rabbi Greenfield, Mr. Fisher.

Dr. Heller announced the appointment of the following Committee to represent the United Palestine Appeal in negotiations for a 1945 United Jewish Appeal: Judge Rothenberg, Judge Rosenblatt, Mr. Sonnenborn and himself.

#### MISCELLANEOUS

Dr. Heller referred to preparations that have been made for the National U.P.A. Conference at Chicago on November 18-19, to be preceded by a meeting of the Administrative Committee. He also briefly described a meeting with representatives of the Council of Jewish Federations and Welfare Funds to discuss a program for further budget research.



1944  
UNITED PALESTINE APPEAL  
STATEMENT OF INCOME AND DISTRIBUTION  
AS OF OCTOBER 4, 1944

APPENDIX A

Bank Balance as of January 1, 1944 \$ 87,106.54

INCOME

United Palestine Appeal	- 1944 (Bequests)	\$ 3,257.68	
Jewish National Fund	- 1944 (thru August)	1,055,903.52	
United Jewish Appeal	- 1944	4,320,000.00	
United Jewish Appeal	- 1943	2,615,000.00*	
United Jewish Appeal	- 1942	96,401.00	
United Jewish Appeal	- 1941	27,161.94	
United Jewish Appeal	- 1940	5,988.61	
United Jewish Appeal	- 1939	2,519.41	
Prior Campaigns		<u>1,036.77</u>	8,129,268.93
<u>Total Cash Received</u>			<u>\$8,216,375.47</u>

DISTRIBUTION

Jewish National Fund	- 1944	\$2,500,000.00	
	- 1943	1,175,903.75	
	- 1942	41,987.50	
	- 1941	10,100.00	
	- 1940	2,784.17	
	- 1939	<u>1,185.00</u>	3,731,960.42
Palestine Foundation Fund	- 1944	\$2,500,000.00	
	- 1943	1,175,903.75	
	- 1942	41,987.50	
	- 1941	10,100.00	
	- 1940	2,784.17	
	- 1939	<u>1,185.00</u>	3,731,960.42
Palestine Foundation Fund	- 1943 (Jewish Agency)	300,000.00	
Mizrachi Palestine Fund	- 1944	<u>208,333.33</u>	<u>\$7,972,254.17</u>

SERVICE PAYMENTS:

Zionist Organization of America	- 1944	\$ 45,000.00	
Mizrachi Organization of America	- 1944	9,000.00	
Peale Zion - Zeire Zion	- 1944	9,000.00	
Hashomer Hatzair	- 1944	<u>900.00</u>	\$ 63,900.00
Executive Committee Grants	- 1944	1,560.06	
Administrative Expenses	- 1944	55,745.53	
Community Service Expenses	- 1944	<u>39,193.04</u>	<u>94,938.57</u>
<u>Total Distribution</u>			<u>\$8,132,652.80</u>

Bank Balance as of October 4, 1944 \$ 93,722.67

National City Bank	\$58,722.67
Manufacturers Trust Co.	10,000.00
National Safety Bank	10,000.00
Public National Bank	<u>5,000.00</u>
	<u>\$83,722.67</u>

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

UNITED PALESTINE APPEAL  
COMPARATIVE REPORT OF INCOME AND DISTRIBUTION  
AS OF OCTOBER 4TH - 1943 AND 1944

<u>INCOME</u>	<u>1944</u>	<u>1943</u>
Totals All Sources	\$ 8,129,268.93	\$4,750,551.92
 <u>DISTRIBUTIONS</u>		
Jewish National Fund	\$ 3,731,960.42	\$ 2,249,175.00
Palestine Foundation Fund	3,731,960.42	2,249,175.00
Mizrachi Palestine Fund	208,333.33	100,000.00
For Jewish Agency Deficit	300,000.00	--
	<u>\$ 7,972,254.17</u>	<u>\$ 4,598,350.00</u>

(Appendix B)

MIZRACHI ORGANIZATION OF AMERICA

1133 Broadway  
New York 10, N.Y.

July 12, 1944

United Palestine Appeal  
41 East 42nd Street  
New York, N.Y.

Gentlemen:

We have entered into an arrangement with Ampal-American Palestine Trading Corp., 1140 Broadway, New York, N.Y., whereunder said corporation will advance us the sum of \$10,000. to be made available to Kupat Milveh, a credit institution of the Hapoel Hamizrachi Organization in Palestine, which extends credit to its members in agricultural and urban settlements.

Our arrangements call for the repayment of the loan in monthly installments commencing September 1st, 1944 over a period of five years, ending August 1st, 1949. The loan will bear interest at the rate of 5% per annum on outstanding unpaid principal. In the event of default on our part in the payment of any installment of principal or interest, the balance then outstanding becomes immediately due and payable, and we have agreed that in such event Ampal-American Palestine Trading Corp. shall have the right to call upon the United Palestine Appeal for the payment of the amount then due on account of principal and interest out of monies payable to us under the terms of Section 15 of the agreement dated January 11, 1944 between the Keren Hayesod and Keren Kayemeth constituting the 1944 United Palestine Appeal, wherein an allotment is made to the Mizrachi Palestine Fund.

In this connection, we hereby irrevocably authorize the United Palestine Appeal, upon receipt of notice by Ampal-American Palestine Trading Corp. of default on our part, to deduct from allotments payable to us the amount necessary to satisfy our indebtedness to Ampal-American Palestine Trading Corp., and to pay the same over to Ampal-American Palestine Trading Corp. This authorization shall be valid as long as our participation in the United Palestine Appeal shall remain in effect and until you have been notified by Ampal-American Palestine Trading Corp. that our obligation to them has been fully paid or that other arrangements have been made revoking the present arrangements.

If it should appear at the end of November 1944 that the agreement between us and the United Palestine Appeal may not be renewed for the year 1945, we hereby authorize you to withhold them from allotments due us for the year 1944, the sum due Ampal-American Palestine Trading Corp.,



United Palestine Appeal  
New York, N.Y.

July 12, 1944

and to hold the funds so withheld until notified by the said Ampal-American Palestine Trading Corp. that you need no longer withhold such funds and that you may turn them over to us. In the event of your being notified by the said Ampal-American Palestine Trading Corp. that we have defaulted in the payment of any installment of principal or interest at any time during 1944, or thereafter, you are hereby authorized to pay over to Ampal-American Palestine Trading Corp. the whole amount withheld by you as aforesaid, and such payment may be made by you without any further responsibility on your part.

In the event of a reconstitution by the Keren Hayesod and Keren Kayemeth of the United Palestine Appeal for the years 1945, 1946, 1947, 1948, including a provision for an allotment to the Mizrahi Palestine Fund, then the fore-going arrangements between the Mizrahi Palestine Fund and United Palestine Appeal shall continue in force.

As our arrangement with Ampal-American Palestine Trading Corp. will go into effect only upon your agreement to withhold the funds and to make payments to Ampal-American Palestine Trading Corp. as hereinabove set forth, we shall appreciate it if you will indicate your agreement thereto by having a duplicate copy of this letter signed by two of your officers duly authorized there unto in the space provided therefor, and send such signed copy to Ampal-American Palestine Trading Corp., 1140 Broadway, New York, N.Y.

Leon Gellman, President  
MIZRACHI ORGANIZATION OF AMERICA

Rabbi Joseph H. Lockstein, Chmn.  
MIZRACHI PALESTINE FUND

The United Palestine Appeal hereby agrees to the foregoing in every respect.

UNITED PALESTINE APPEAL

BY: Henry Montor

By:

(Appendix C)

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THE PRESIDENT'S WAR RELIEF CONTROL BOARD  
Washington Building  
Washington 5, D.C.

August 10, 1944

Dear Mr. Montor:

Following the recent conference between representatives of the United Jewish Appeal and the President's War Relief Control Board, we asked the JDC to confer with representatives of certain landsmanschaften whose applications for registration as war relief agencies are before the Board for formal action. It was our hope that further conversations might lead to prompt agreement on mutually satisfactory arrangements for carrying out the major objectives of these special groups in collaboration with the JDC rather than through independent action either in the solicitation of funds or in the operation of relief programs in the field.

Mr. Hyman has informed us that the staff of the JDC has had a series of conversations with representatives of the Federation of Roumanian Jews, Council of Warsaw Jews, Federation of Yugoslav Jews, and the Federation of Bulgarian Jews. Last week a conference was held with representatives of all of these organizations at which we understand representatives of the New York and national United Jewish Appeal also were present. Mr. Hyman's report indicates that this conference resulted in a tentative understanding as to a basis of collaboration. This seems to us to represent real progress and to point the way to the development of relationships which should minimize the danger of competition and over-lapping as between multiple appeals.

We understand that the principles upon which last week's conference was based were clearly stated in the course of the meeting somewhat as follows:

1. The UJA, as the primary American agency for the support of Jewish war charities, must have undiminished and if possible augmented individual and collective support of the landsmanschaften membership.
2. Any fund raising for special objectives by these organizations must be coordinated with the UJA through its New York organization of similar name and through the Jewish Welfare Funds in other places where landsmanschaften groups may wish to raise money.
3. Fund-raising activities of these groups must be timed and conducted so as not to impair in any way the larger efforts of the UJA.

We understand that, with these principles in mind, a tentative understanding was reached on the following points:

- (a) The landsmanschaften groups may undertake special campaigns for specific quotas or goals under arrangements to be worked out with UJA in accordance with the principles already stated. The proceeds

of such campaigns will be turned over to UJA through its New York organization or the Jewish Welfare Funds in accordance with arrangements effected in advance as to the disposition of such amounts.

- (b) Insofar as the purposes of these special efforts fall within the scope of JDC functions, the JDC will accept its share (65% during 1944) of such funds to be used exclusively for essentially and socially desirable purposes agreed upon in advance by the JDC and the sponsoring organization.
- (c) In addition the JDC would agree to include in its normal program, expenditures on behalf of beneficiaries of interest to the sponsoring group amounting to not less than the remaining 35% of the total special contribution.
- (d) The JDC would absorb administrative overhead in connection with projects undertaken on this basis.

Contrary to the Board's original understanding of the present objectives of the landsmanschaften, it appears that the activities which they desire to support are not confined to functions appropriate to JDC. This raises a question as to the extent to which arrangements similar to those suggested with JDC, or some other plan of relationship not inconsistent with that proposal, might be worked out between these special groups and UJA. We understand that the UJA already has started to explore the situation and we are requesting the UJA to pursue this inquiry as rapidly as possible.

Meanwhile we wish to express to the UJA our belief that the arrangement outlined above, despite the fact that a number of minor problems may arise in its operation, appears to us to represent a decidedly constructive step clarifying relationships among Jewish agencies in the United States engaged in war relief and welfare activities. This general pattern would make it possible for landsmanschaften and similar groups to function as affiliates or supporting units of UJA while retaining the privilege of identifiable activity on their own part. This relationship could be sanctioned by this Board through amendment of the registration of UJA to refer specifically to the cooperating groups concurring in such a plan, thus eliminating the necessity for independent registration of such organizations.

We would be happy to have a prompt expression of the attitude of the UJA toward this proposal.

Sincerely yours,

(signed) James Brunot  
Executive Director

Mr. Henry Montor, Executive Vice-Chairman  
United Jewish Appeal  
342 Madison Avenue  
New York 17, N.Y.

MEMORANDUM I

FINANCIAL REPORT

On Income and Expenditures of  
UNITED PALESTINE APPEAL  
and Its Constituent Agencies

Submitted to

ALLOTMENT COMMITTEE OF 1944 UNITED JEWISH APPEAL

October 20, 1944





UNITED PALESTINE APPEAL, INC. AND CONSTITUENT AGENCIES  
STATEMENT OF INCOME AND EXPENDITURES APPLICABLE TO 1944  
For The Period from January 1, 1944 to August 31, 1944  
and Estimated for Period from September 1, 1944 to December 31, 1944

EXHIBIT A

	United Palestine Appeal	Jewish Agency and Keren Hayesod in Palestine	Keren Kayemeth in Palestine	Keren Hayesod in New York	Keren Kayemeth in New York	Total Jan. 1, 1944 to Aug. 31, 1944	Estimated Amount for Period Sept. 1, 1944 to December 31, 1944 (per Exhibit B)	TOTAL for Year 1944
<u>INCOME</u>								
From U. J. A. 1944 Campaign	\$3,600,000.00	\$	\$	\$	\$	\$ 3,600,000.00	\$ 1,760,000.00	\$ 5,360,000.00
Jewish National Fund, U.S.A. Traditional collections	961,356.00					961,356.00	138,644.00	1,100,000.00
Contributions from other countries		1,293,768.00	1,942,823.00			3,236,591.00	2,547,620.20	5,784,211.20
Grants, Participations, Bequests	3,257.68	1,847,392.00 *	183,351.00	2,826.98		2,036,827.66	762,447.06	2,799,274.72
Collections, Service Charges, etc.		256,992.00	156,162.00			413,154.00	224,998.20	638,152.20
<u>TOTAL INCOME</u>	<u>\$4,564,613.68</u>	<u>\$3,398,152.00</u>	<u>\$2,282,336.00</u>	<u>\$ 2,826.98</u>	<u>\$</u>	<u>\$10,247,928.66</u>	<u>\$ 5,433,709.46</u>	<u>\$15,681,638.12</u>
<u>EXPENDITURES</u>								
Land Purchase	\$	\$	\$3,528,088.00	\$	\$	\$ 3,528,088.00 )	\$	\$
Development, Maintenance, etc.			934,648.00			934,648.00 (	3,450,600.00	7,973,025.00
Afforestation			59,689.00			59,689.00 )		
Immigration and Relief		2,589,891.00				2,589,891.00	1,898,218.80	4,488,109.80
Agricultural Settlement		2,350,401.00				2,350,401.00	2,852,058.60	5,202,459.60
Labor and Housing		780,897.00				780,897.00	1,154,740.05	1,935,637.05
Trade and Industry		320,509.00				320,509.00	414,845.55	735,354.55
Education and Culture		215,504.00				215,504.00	173,360.25	388,864.25
National Organization and Security		1,749,390.00				1,749,390.00	739,854.00	2,489,244.00
Religious Affairs		58,834.00				58,834.00	67,756.50	126,590.50
Grants to Institutions		85,378.00				85,378.00	20,448.45	105,826.45
Interest		60,224.00	186,165.00			246,389.00	117,298.70	363,687.70
Loan Service		248,055.00	1,088,551.00			1,336,606.00	871,711.30	2,208,317.30
Administrative Expenses	52,208.78	233,958.00	241,008.00	9,944.10		537,118.88	291,834.22	828,953.10
Community Service Expense	34,060.70					34,060.70	29,365.30	63,426.00
Appropriations to other organizations (Schedule 1)	249,266.66			147,900.00	100,000.00	497,166.66	412,633.34	909,800.00
Expenses Paid in New York by direction of Palestinian Agencies				41,702.90		41,702.90	20,900.00	62,602.90
<u>TOTAL EXPENDITURES</u>	<u>\$ 335,536.14</u>	<u>\$8,693,041.00</u>	<u>\$6,038,149.00</u>	<u>\$ 199,547.00</u>	<u>\$100,000.00</u>	<u>\$15,366,273.14</u>	<u>\$12,515,625.06</u>	<u>\$27,881,898.20</u>
<u>DEFICIT FOR THE PERIOD</u>						<u>\$ 5,118,344.48</u>	<u>\$ 7,081,915.60</u>	<u>\$12,200,260.08</u>

\* Note: This does not include \$681,647.00 received from the Joint Distribution Committee which amount was disbursed for them and is not included in the expenditures listed above.

During the Period the agencies in Palestine borrowed \$3,980,612.00

**UNITED PALESTINE APPEAL, INC. AND CONSTITUENT AGENCIES**  
**STATEMENT OF ESTIMATED INCOME AND EXPENDITURES APPLICABLE TO 1944**  
**For The Period from September 1, 1944 to December 31, 1944**

**EXHIBIT B**

	United Palestine Appeal	Jewish Agency and Keren Hayesod in Palestine (Schedule 2)	Keren Kayemeth in Palestine (Letter of Transmittal)	Keren Hayesod in New York	Keren Kayemeth in New York	Total Estimated September 1, 1944 to December 31, 1944	See Note No.
<b>ESTIMATED INCOME</b>							
From U. J. A. 1944 Campaign	\$1,760,000.00	\$	\$	\$	\$	\$1,760,000.00	(1)
Jewish National Fund, U.S.A. Traditional collections	138,644.00					138,644.00	(2)
Contributions from other Countries		1,295,213.20	1,262,407.00			2,547,620.20	(3)
Grants, Participations, Bequests	1,628.84	698,287.73	61,117.00	1,413.49		762,447.06	(3)
Collections, Service Charges, etc.		102,744.20	122,254.00			224,998.20	(3)
<b>TOTAL ESTIMATED INCOME</b>	<b>\$1,900,272.84</b>	<b>\$2,096,245.13</b>	<b>\$1,435,778.00</b>	<b>\$ 1,413.49</b>	<b>\$</b>	<b>\$5,433,709.46</b>	
<b>ESTIMATED EXPENDITURES</b>							
Land Purchase	\$	\$	(\$	\$	\$	(\$	(4)
Development, Maintenance, Etc.			( 3,450,600.00			( 3,450,600.00	(4)
Afforestation			(			(	(4)
Immigration and Relief		1,898,218.80				1,898,218.80	(4)
Agricultural Settlement		2,852,058.60				2,852,058.60	(4)
Labor and Housing		1,154,740.05				1,154,740.05	(4)
Trade and Industry		414,845.55				414,845.55	(4)
Education and Culture		173,360.25				173,360.25	(4)
National Organization and Security		739,854.00				739,854.00	(4)
Religious Affairs		67,756.50				67,756.50	(4)
Grants to Institutions		20,448.45				20,448.45	(4)
Interest		17,263.70				17,263.70	(4)
Loan Service		126,511.30	100,035.00			117,298.70	(4)
Administrative Expenses	36,187.82	110,921.40	745,200.00			871,711.30	(4)
Community Service Expense	29,365.30		139,725.00	5,000.00		291,834.22	(4)
Appropriations to other organizations	135,533.34				127,100.00	29,365.30	(4)
Expenses to be Paid in New York By direction of Palestinian Agencies				20,900.00	150,000.00	412,633.34	(4)
<b>TOTAL ESTIMATED EXPENDITURES</b>	<b>\$ 201,086.46</b>	<b>\$7,575,978.60</b>	<b>\$4,435,560.00</b>	<b>\$153,000.00</b>	<b>\$150,000.00</b>	<b>\$12,515,625.06</b>	
<b>ESTIMATED DEFICIT FOR THE PERIOD</b>						<b>\$ 7,081,915.60</b>	

**NOTES:**

- (1) Amount allotted by the U.J.A. \$5,360,000.00 less amount received to August 31, 1944 \$3,600,000.00 leaving a balance to be received of \$1,760,000.00
- (2) U.P.A. limited by agreement to \$1,100,000.00 received through August 31, 1944 \$361,356.00 leaving a balance to be received of \$138,644.00.
- (3) These items have been estimated on the basis that an amount equivalent to one-third of the income which has been received for the nine months will be received for the remaining three months.
- (4) These figures are based on the actual amounts expended during the month of September, 1944 plus the estimate made by the agencies concerned of their expenditures for the remaining three months.



UNITED PALESTINE APPEAL, INC. AND CONSTITUENT AGENCIES IN NEW YORK  
APPROPRIATIONS TO OTHER ORGANIZATIONS  
1944

SCHEDULE I

Mizrachi Palestine Fund  
 American Friends of Hebrew University  
 Zionist Organisation of America  
 Mizrachi Organisation of America  
 Poale-Zion-Zeire-Zion  
 Hashomer Hatzair  
 American Zionist Emergency Council  
 Commission on Palestine Surveys

AMOUNTS PAID TO AUGUST 31, 1944				
: United :	:	:	:	Total Paid :
: Palestine :	Keren :	Keren :	:	Jan. 1, 1944 to :
: Appeal :	Hayesod :	Kayemeth :	:	Aug. 31, 1944 :
\$166,666.66	\$	\$		\$166,666.66
30,000.00				30,000.00
36,000.00				36,000.00
8,000.00				8,000.00
8,000.00				8,000.00
600.00				600.00
	131,900.00	100,000.00		231,900.00
	16,000.00			16,000.00
<u>\$249,266.66</u>	<u>\$147,900.00</u>	<u>\$100,000.00</u>		<u>\$497,166.66</u>

BALANCE OF COMMITMENT FOR YEAR					
: United :	:	:	:	Total to be Paid :	: Total :
: Palestine :	Keren :	Keren :	:	Sept. 1, 1944 to :	: For Year :
: Appeal :	Hayesod :	Kayemeth :	:	December 31, 1944 :	: 1944 :
\$ 83,333.34	\$	\$		\$ 83,333.34	\$250,000.00
30,000.00				30,000.00	60,000.00
18,000.00				18,000.00	54,000.00
1,800.00				1,800.00	9,800.00
1,800.00				1,800.00	9,800.00
600.00				600.00	1,200.00
	118,100.00	150,000.00		268,100.00	500,000.00
	9,000.00			9,000.00	25,000.00
<u>\$135,533.34</u>	<u>\$127,100.00</u>	<u>\$150,000.00</u>		<u>\$412,633.34</u>	<u>\$909,800.00</u>

TOTAL

**JEWISH AGENCY AND KENEN HAYESOD**  
**STATEMENT OF ESTIMATED INCOME AND EXPENDITURES**  
For The Period from September 1, 1944 to December 31, 1944

		Actual for Month of Sept. 1944	Estimated for Period Oct. 1, 1944 to Dec. 31, 1944	Total Sept. 1, 1944 to Dec. 31, 1944
<b>INCOME</b>				
Contributions from Other Countries	\$	647,957.50	\$ 647,245.60	\$1,295,213.20
Grants, Participations, Bequests		61,957.80	636,419.93	698,287.73
Collections, Service Charges, etc.		12,810.15	89,934.05	102,744.20
<b>TOTAL INCOME</b>		<b>\$ 722,645.55</b>	<b>\$1,373,599.58</b>	<b>\$2,096,245.13</b>
<b>EXPENDITURE</b>				
Immigration and Relief	\$	581,958.90	\$1,316,250.00	\$1,898,219.80
Agricultural Settlement		422,058.60	2,430,000.00	2,852,058.60
Labor and Housing		156,892.95	997,847.10	1,154,740.05
Trade and Industry		170,496.90	244,348.65	414,845.55
Education and Culture		31,610.25	141,750.00	173,360.25
National Organization and Security		172,854.00	567,000.00	739,854.00
Religious Affairs		7,006.50	60,750.00	67,756.50
Grants to Institutions		20,448.45	--	20,448.45
Interest		7,913.70	9,350.00	17,263.70
Loan Service		26,511.70	100,000.00	126,511.70
Administrative Expense		29,921.40	81,000.00	110,921.40
<b>TOTAL EXPENDITURE</b>		<b>\$1,627,682.85</b>	<b>\$5,948,295.75</b>	<b>\$7,575,978.60</b>
<b>DEFICIT FOR PERIOD</b>				<b>\$5,479,733.47</b>

\* NOTE: This does not include \$505,678.95 received from the Joint Distribution Committee which amount was disbursed for them and is not included in the expenditures listed above, nor in the estimates for the remaining three months of the year.

CONTRIBUTIONS RECEIVED BY KEREN HAYESOD AND KEREN KAYEMETH IN PALESTINE  
From Sources Other Than U.S.A.  
For the Period from January 1, 1944 to August 31, 1944

PALESTINE FOUNDATION FUND (KEREN HAYESOD)

Great Britain	\$332,412
Palestine	319,954
Latin America	261,792
Canada	252,441
South Africa	196,700
Australia	12,591
Various countries	<u>64,970</u>
	\$1,440,860

Less: amounts earmarked for other in-  
stitutions and not included as  
expenditures 147,092

TOTAL KEREN HAYESOD

\$ 1,293,768

JEWISH NATIONAL FUND (KEREN KAYEMETH)

Palestine	\$ 568,819
Great Britain	478,933
South Africa	350,175
Canada	210,976
Latin America	173,148
Australia and New Zealand	94,179
Various countries	<u>66,593</u>

TOTAL KEREN KAYEMETH

1,942,823

GRAND TOTAL

\$3,236,591



EXPENDITURES JEWISH AGENCY AND KEREN HAYESOD  
For the Period January 1, 1944 to August 31, 1944  
 (in Palestine)

Immigration, Relief to Refugees

Relief to Refugees	\$	1,464,108	
Care of immigrants on arrival		426,874	
Transportation expenses		369,579	
Training		96,519	
Organization, subsidies, etc.		105,750	
For youth refugees		60,211	
Parcels to Jewish refugees in Russia		56,850	
Total: Immigration, Relief to Refugees	\$		2,589,891

Agricultural Settlement

Loans to collective settlements	1,007,064	
Loans to smallholders settlements	295,330	
Agricultural machinery	143,357	
Agricultural Extension Service	51,469	
Investments in water and settlement companies	376,152	
Agricultural Research Institute	119,630	
Loans to individual settlers	134,578	
Loans to citrus growers	24,300	
Wise Girls' Training Schools	9,040	
Various activities - Colonization Department, irrigation, etc.	189,491	
Total: Agricultural Settlement		3,350,401

Labor and Housing

Housing, absorption of immigrants	162,842	
Labor Exchange	83,179	
Fishing Activities	58,085	
Investments in Bitzur	106,312	
Loans to citrus growers	53,024	
Vocational training	26,406	
Auxiliary Farms	88,549	
Investment in Tefachot (new second mortgages company)	302,500	
Total: Labor and Housing		780,897

Aid to Trade and Industry

Loan funds to industry	51,297	
Loan funds to crafts and small trades	88,590	
Various activities: Foreign Trade Institute, etc.	82,718	
Economic Research Institute	39,167	
Investments	58,737	
Total: Aid to Trade and Industry		320,509

SCHEDULE 4 (continued)

Education and Culture

Educational Budget	\$ 177,091	
Bialik Foundation	24,011	
Youth Department	<u>14,402</u>	
Total: Education and Culture		215,504

Aid to Armed Forces, Internal Security, etc.

For soldiers' families, care of war invalids and Jewish soldiers' welfare	375,079	
Recruiting	59,851	
Various political activities and internal security	1,168,432	
Organization, administration, infor- mation and press services	<u>147,028</u>	
Total: Aid to Armed Forces, Internal Security, etc.		1,749,390

Religious Affairs and Yeshivah

58,834

Grants to Institutions

Cultural	44,458	
Social Welfare	30,429	
Sports	<u>10,491</u>	
Total: Grants to Institutions		85,378

Administration

233,958

Loan Service

Repayment of loans	248,055	
Interest	<u>60,224</u>	
Total: Loan Service		<u>308,279</u>

TOTAL EXPENDITURE JEWISH AGENCY AND KIPEN HAYESOD

\$8,693,041

KEREM KATZMETH JERUSALEM  
Details of Expenditures  
For the period January 1, 1944 to August 31, 1944

LAND PURCHASE

On a/c 42,655 dunams rural land transferred	\$ 916,021
"    "    rural land previously transferred	371,570
"    "    rural land subsequently transferrable	<u>469,048</u>
	\$1,756,639
"    "    2,054 dunams rural housing land transferred	268,199
"    "    rural housing land previously transferred	21,760
"    "    rural housing land subsequently transferrable	<u>28,812</u>
	\$ 318,771
"    "    3,212 dunams urban housing land transferred	685,296
"    "    urban housing land previously transferred	33,352
"    "    urban housing land subsequently transferrable	<u>123,780</u>
	\$ 842,428
"    "    20 dunams urban land transferred	37,847
"    "    urban land previously transferred	668
"    "    urban land subsequently transferrable	<u>12,770</u>
	\$ 51,285
"    "    land yet unclassified, less amounts allocated during period	<u>558,965</u>

Total Expenditure for Land Purchase

\$3,528,088

DEVELOPMENT, MAINTENANCE, ETC.

Development, Amelioration, Cultivation, Land Reclamation	\$ 56,802
Loans to settlements and Institutions for seeds and tools	449,469
Land maintenance	86,305
Hydrological work, drainage, anti-malarial work	64,391
Preparation for establishment of settlements	9,157
Road construction	30,901
Buildings	8,959
Property tax	106,755
Participation in water & land development companies	<u>121,909</u>

Total Expenditures for Development,  
Maintenance, etc.

934,648

AFFORESTATION

Planting of new trees and upkeep of 3,500,000 trees	59,689
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INTEREST

On Loans	113,959
On Debentures	15,847
On Living Legacies	<u>56,359</u>

Total Expenditure for Interest

186,165



KEREN KAYEMETH JERUSALEM

-2-

REPAYMENTS

Of Debentures	\$41,375
Of Loans	930,188
To Private Participants	<u>126,988</u>

<u>Total Expenditure for Repayments</u>	\$1,088,551
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ADMINISTRATIVE EXPENSES

Organization, propaganda, administration	<u>241,008</u>
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<b>TOTAL EXPENDITURES</b>	<b><u><u>\$6,038,149</u></u></b>
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MONTHLY EXPENDITURES OF JEWISH AGENCY AND KEREN HAYESOD  
IN PALESTINE  
For The Period from January 1, 1944 to August 31, 1944

SCHEDULE 6

	January	February	March	April	May	June	July	August	Total Jan. 1, 1944 to Aug. 31, 1944	Total for the Calendar Year 1943
Immigration and Relief	\$107,443.00	\$ 303,430.00	\$ 298,096.00	\$ 98,002.00	\$341,861.00	\$ 749,542.00	\$ 533,624.00	\$ 157,897.00	\$2,589,895.00	\$1,409,287.00
Agricultural Settlement	214,298.00	338,863.00	433,808.00	360,458.00	294,646.00	215,249.00	234,418.00	258,669.00	2,350,409.00	1,871,003.00
Labor and Housing	59,324.00	114,440.00	57,052.00	41,460.00	49,236.00	66,064.00	73,722.00	319,602.00	780,900.00	427,684.00
Trade and Industry	18,982.00	67,453.00	90,708.00	15,872.00	35,664.00	28,415.00	25,944.00	37,467.00	320,505.00	282,807.00
Education and Culture	20,343.00	20,221.00	45,553.00	23,903.00	19,651.00	27,256.00	30,889.00	27,690.00	215,506.00	256,320.00
National Organization and Security	154,163.00	201,856.00	316,686.00	131,678.00	165,021.00	239,112.00	261,367.00	279,507.00	1,749,390.00	1,760,478.00
Religious Affairs	4,528.00	11,440.00	12,798.00	5,885.00	5,812.00	5,925.00	5,893.00	6,549.00	58,830.00	66,570.00
Grants to Institutions	4,427.00	5,617.00	14,200.00	9,736.00	15,714.00	3,937.00	11,676.00	20,072.00	85,379.00	97,880.00
Administrative Expense	29,120.00	41,581.00	26,151.00	24,616.00	28,901.00	29,618.00	30,274.00	23,690.00	233,951.00	290,203.00
Loan Service (including interest)	34,786.00	47,244.00	43,128.00	34,413.00	34,405.00	38,293.00	41,610.00	34,397.00	308,276.00	486,790.00
<u>TOTAL</u>	<u>\$647,414.00</u>	<u>\$1,152,145.00</u>	<u>\$1,338,180.00</u>	<u>\$746,023.00</u>	<u>\$990,911.00</u>	<u>\$1,403,411.00</u>	<u>\$1,249,417.00</u>	<u>\$1,165,540.00</u>	<u>\$3,693,041.00</u>	<u>\$6,949,022.00</u>

MONTHLY EXPENDITURES OF KEREN KAYEMETH IN PALESTINE  
For The Period from January 1, 1944 to August 31, 1944

SCHEDULE 7

	January	February	March	April	May	June	July	August	Total Jan. 1, 1944 to Aug. 31, 1944	Total for the Calendar Year 1943
Land Purchase	\$284,217.00	\$380,052.00	\$399,116.00	\$346,797.00	\$253,655.00	\$646,194.00	\$580,170.00	\$637,887.00	\$3,528,088.00	\$5,142,998.00
Afforestation	4,382.00	8,274.00	9,162.00	6,666.00	9,104.00	12,053.00	5,370.00	4,678.00	59,689.00	73,532.00
Development, Maintenance, etc.	60,928.00	177,516.00	86,604.00	33,826.00	152,285.00	205,918.00	123,007.00	94,564.00	934,648.00	752,256.00
Administrative Expenses	22,980.00	24,478.00	37,629.00	24,324.00	36,944.00	24,462.00	34,583.00	35,608.00	241,008.00	267,227.00
Loan Service (Including Interest)	78,578.00	498,266.00	195,949.00	227,664.00	77,752.00	110,769.00	26,956.00	58,782.00	1,274,716.00	1,650,156.00
<u>TOTAL</u>	<u>\$451,085.00</u>	<u>\$1,088,586.00</u>	<u>\$728,460.00</u>	<u>\$639,277.00</u>	<u>\$529,740.00</u>	<u>\$999,396.00</u>	<u>\$770,086.00</u>	<u>\$831,519.00</u>	<u>\$6,038,149.00</u>	<u>\$7,886,169.00</u>

MEMORANDUM II

S U P P L E M E N T A R Y   S T A T E M E N T

Describing Activities Sponsored by United Palestine Appeal

and Its Constituent Agencies

Based on Material

Submitted to

ALLOTMENT COMMITTEE OF 1944 UNITED JEWISH APPEAL

October 20, 1944.



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U. P. A.

MEMORANDUM II

SUPPLEMENTARY STATEMENT WITH DEFINITIONS OF ACTIVITIES

FINANCED WITH UNITED PALESTINE APPEAL FUNDS

BASED ON MATERIAL

SUBMITTED TO ALLOTMENT COMMITTEE OF 1944 UNITED JEWISH APPEAL

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In submitting its request for funds to the Allotment Committee of the 1944 United Jewish Appeal, the United Palestine Appeal emphasizes that expenditures reported upon in the first eight months of 1944 represent actual cash disbursements; while the projection of costs for the balance of the year represents an extension of these cash outlays.

For purposes of recapitulation, it will be noted that the United Palestine Appeal provides the American support for the Jewish Agency for Palestine, the Palestine Foundation Fund (Keren Hayesod), the Jewish National Fund (Keren Kayemeth) and the Mizrahi Palestine Fund. The Jewish Agency for Palestine is recognized in the League of Nations Mandate for Palestine as the representative of the Jewish people for the upbuilding of the Jewish National Home in Palestine. The fiscal instrument to finance its activities is the Palestine Foundation Fund. The Jewish National Fund acquires land in Palestine in the name and as the inalienable property of the Jewish people. The Mizrahi Palestine Fund finances certain Orthodox educational and religious activities in Palestine aside from those already supported out of the budgets of the Palestine Foundation Fund and Jewish National Fund.

The Palestine Agencies adopted a budget for the year 5704 (October 1, 1943 to October 1, 1944) of \$19,497,912. The actual expenditures of the agencies in Palestine during the calendar year 1944 will total some \$26,742,728.60 of which amount the Jewish Agency will spend \$16,269,019.60 and the Jewish National Fund \$10,473,709.00.

The Mizrahi Palestine Fund receives from the United Palestine Appeal an outright grant during 1944 of \$250,000. Grants are made to the Hebrew University, etc., as noted in the report of income and expenditures. Out of the funds of the United Palestine Appeal, through the Keren Hayesod and Keren Kayemeth, the work of the American Zionist Emergency Council was also financed as shown in the fiscal report.

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 the 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 might work out their own livelihood and future -- is untouched by the resources of these Jewish funds.

Rescue, furtherance of immigration, the transfer and absorption of new immigrants, agricultural settlement, vocational training, housing, industrial development, agricultural and economic research, religious and cultural activity are among the tasks financed by the Jewish Agency. It also contributes substantially toward the maintenance of the Jewish super-numerary and special police, aids soldiers' families and maintains, together with the Vaad Leumi, hospitality services for the armed forces garrisoned in or



visiting Palestine. Performing in full most of the functions intended for it in the League of Nations Mandate, the Jewish Agency enables Jews to come to Palestine and to stay there -- in security and freedom.

The United Palestine Appeal submitted to the Allotment Committee in Memorandum I a detailed statement of income and expenditures. It desires, in this supplementary memorandum, to touch upon some of the highlights of these expenditures and upon the larger horizons which are implicit in the program for rebuilding of Jewish Palestine.

In Palestine the process of reconstruction of Jewish life on a large scale has gone forward throughout the war. In addition to the normal functions which they carry out in peace-time and under conditions of stress, the Jewish Agency, the Palestine Foundation Fund and the Jewish National Fund had new responsibilities thrust upon them as a result of the war. These they grasped with such imagination and determination that the transformation that has occurred in Palestine during five years of war exceeds the progress achieved in the preceding decade. An entirely new foundation has been laid for the absorption of great masses of Jews. Palestine has, in fact, become an industrial as well as an agricultural country. The shops and factories established during this period match the economic absorptivity of the expanded agricultural areas. Both are important factors in Palestine Jewry's contributions to the war effort.

#### RELIEF AND RESCUE

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.

The statement that some \$4,488,110 will be spent during 1944 by the Immigration Department of the Jewish Agency covers a wide variety of activities. The principal contact with the Jewish underground in Europe has been maintained by the Jewish Agency offices in Istanbul, Geneva, the Iberian Peninsula, Teheran and elsewhere. Jewish Agency rescue committees inside Europe have been engaged in intricate efforts to remove Jews from concentration camps to other areas, even if only for temporary safekeeping purposes. Many thousands of Jews were saved in this way. Their number is not reflected merely in the figures for Jewish immigration into Palestine. Hundreds of members of the Zionist movement in Europe, working under the aegis of the Jewish Agency, laid down their lives in the course of organizing these escapes. The close cooperation that obtained between the Jewish Agency and the Joint Distribution Committee with respect to maintenance and transportation should be a source of satisfaction to the Jewish community as a whole as well as to the two bodies.

Even today the emissaries of the Jewish Agency Immigration Department are to be found in key danger spots, exposed to the greatest personal risks. Twenty delegates of Hechalutz are now engaged in refugee work in various centers. These representatives of the Jewish Agency have been engaged in relief tasks as well as rescue. Jews in twelve European countries have been brought such assistance. The records of the President's War Refugee Board will bear testimony to the unique effectiveness of the work done by such men

as Chaim Barlas, Jewish Agency representative in Turkey, who will shortly be in Bucharest; S. Adler-Rudel, who is now visiting Stockholm on behalf of the Jewish Agency in connection with Jewish refugees in the Scandinavian countries; Fritz Lichtenstein, who is now dealing with the problems of the Jewish refugees in Spain and Portugal; and Elishu Dobkin, deputy member of the Jewish Agency Executive in charge of immigration, who has only recently visited Great Britain, Spain and Portugal to spur immigration.

From January 1 through November 10, 1944, some 13,000 Jews came to Palestine. 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 about 56,000, equal to the number the rest of the world absorbed during the same period.

At the very time when our Memorandum was submitted the Joint Distribution Committee was arranging for the transportation to Palestine on the Guine of some 400 Jewish refugees, who had been gathered in Spain, Portugal and Tangiers. 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 will be 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.

The task of getting Jews out of Europe involved skill, effort and funds. But the financial problem assumes its truly burdensome aspects once they arrive in Palestine. This arises out of the character of the immigrants arriving. During the entire year only 250 of the so-called "capitalist category" came to the country. All the others, mostly of middle class

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

One aspect of the financial burdens of this immigration is reflected in the housing situation. Since the war began there has been no building in Palestine. Military garrisons and the large increase of the civilian population have strained facilities beyond description. Owing to the complete lack of any housing reserve, the provision of accommodations and beds for new arrivals who are not housed by relatives or friends constitutes a particularly serious problem and is today a costly matter for the Jewish Agency. The pressure for adequate accommodations is so great that the Jewish Agency has had to devote large resources to minimum and elementary housing. As part of this program, the Jewish Agency established 20 temporary camps, housing 2,400 immigrants, and also a number of other dwelling centers. The cost of the camps alone amounted to over \$400,000.



Far greater expenditures are now being made, with \$1,200,000 being used for the construction of dwellings. Plans are also approved for the building of 2700 new rooms. 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 to promote large-scale purchases of such materials.

The Jewish Agency immigration office in Beyoglu, Turkey, was responsible during the first eight months of 1944 for the clearance and issuance of thousands of immigration certificates for Palestine. Of these, 5,451 were used by immigrants passing through Turkey. Of these 1,082 were youths from various countries; the others came from Bulgaria, 656; Hungary, 160; Rumania, 2,732; Greece, 539; Holland (on exchange), 282.

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 has this year actually approved such rescue immigration certificates for 34,561 persons, as follows: Hungary, 18,586; Bulgaria, 8,845; Rumania, 7,130. The difficulties of getting exit visas and transportation, and the stipulations of the British Government, are the reasons why, up to August 31, 1944, of the total number of 34,561, only the 5,451 referred to above were able to reach Palestine.

The Palestine Government has now approved the immigration schedule for Palestine for the six-month period from October 1, 1944 to March 31, 1945. It provides for 10,300 certificates which will be distributed as follows: Rumania and Bulgaria, 5,000; Italy, 900; France, 2,000; Switzerland, 1,000; Belgium, 200; Yemenites, 1,000; Turkey, 200. The schedule provides that 1,500 a month are to arrive in Palestine from October through December and that the rate of immigration is to be revised in 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.

In 1944 Palestine played an incomparable role in actual rescue. The number of Jews who were brought to Palestine is greater than was absorbed by all other countries in the world during the same period. But the transfer of these people and their physical reception and housing in Palestine are only the introductory phases of the long-range financial requirements imposed on the Jewish Agency.

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. It is, however, desirable to call attention to the part which the Jewish Agency has in the scheme for sending food parcels to Russia. This program was originally initiated by the Jewish Agency and, by agreement, transferred for major financing to the Joint Distribution Committee, although a very large sum is still contributed by Palestine Jewry itself for the scheme.

The Jewish Agency maintains a clerical staff in Jerusalem and Tel Aviv to execute the scheme properly. By agreement, the Jewish Agency (a) has been charged with the conduct of general appeals for funds to people in Palestine who can afford to buy parcels and send them to their relatives or friends in Russia; (b) has been entrusted with contacting immigrants' associations within Palestine and collecting the addresses of refugees in Russia through them or otherwise; (c) has been expected to determine the order of precedence for the dispatch of parcels to addresses submitted by the Jewish Agency; (d) has negotiated with the Palestine authorities and obtained the export licenses for the parcel scheme; (e) has purchased, jointly with the J.D.C., the merchandise obtained in Palestine for the parcel shipments.

It is estimated that the Yishuv (Jewish community in Palestine) has spent about LP. 150,000 (c.\$600,000) on sending help to refugees in Russia through the Jewish Agency and other channels.

It is inevitable, of course, that Palestine Jewry should play so outstanding a part in any endeavor to bring relief and rescue to the Jews of Europe. Their ties are close and recent. Moreover, a community of almost 600,000 Jews surcharged with a feeling of national responsibility for the whole Jewish people must place its obligations to that people on a very high plane.

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

Already Palestine Jewry is planning to play a self-respecting role in bringing sympathy and support to the Jews being liberated in Europe. The Jewish Agency for Palestine joined with the Vaad Leumi in creating a Relief Council for European Jewry, which has channeled Palestine Jewry's assistance to their stricken brothers. This summer the Relief Council opened 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 Hermann, Secretary of the Palestine Foundation Fund in Jerusalem, who represents the Relief Council at the UNRRA meetings in Cairo, the Palestinian units have received official recognition and are expected to participate shortly in 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 disposal of certain sums for refugee assistance in Europe. This sum, according to the records in Jerusalem, amounted to \$681,647 through August 31. Note should be taken of the fact, however, that 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 our Memorandum I.

#### AGRICULTURAL COLONIZATION

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 1944, as in previous years, one of the largest individual amounts in the budget is devoted to colonization, including the building of new settlements and the expansion of old ones to absorb new settlers. Activities of the Agricultural Department included every type of Jewish settlement. It assisted collective settlements and smallholders' settlements and also supported individual settlers and cooperatives in villages.

It is essential to remember, however, 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.

Thus, ten new settlements were initiated this year up to October 1. This brought the number to some 41 since the war started and to a total of 289. But in the month of October 1944 alone the Jewish Agency launched ten new settlements. New Jewish settlement has now reached to some 25 miles south of Beersheba. In that southern part of Palestine where neighboring Bedouins had raised a poor barley crop once in two years, there have now been found considerable water sources promising extensive development.

The expenditures incurred this year in 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 current year about \$450,000 will be made available to 12 of these settlements to round out their needs.

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

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

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

The money given for settlement provides for a house, a stable, poultry, a horse, cattle, machinery, seeds, irrigation of water supply, and maintenance for a few months. The colonization department of the Jewish Agency estimates that to settle one family on the land an investment of between LP 500 and LP 600 is required, excluding the cost of land. With the cost of land included, this would be about LP 900. For comparative purposes, it may be noted that the cost of settling a family in farming in Australia is figured at about LP 2,000.

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

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

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 substantial percentage of wheat, oats and other cereals grown in the country 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.

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

The steady reduction of the area which a family needs for subsistence has been brought about by the efforts of the Experiment Station. This is illustrated in the improvement of irrigation methods. 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 Station secured facilities from the Government for the import of seed unobtainable in the country itself. It introduced new crops such as ground nuts and soy beans. It was responsible for the introduction of new varieties of wheat, such as the Australian and the Moroccan. It transformed citrus, which could not be exported because of the war, into essential cattle feed, thus contributing to the preservation of the citrus industry, a vital part of Palestine's economy.

The Station completed experiments in the dehydration of citrus for the manufacture of marmalade. Manufacturers in England are now testing the pro-

cess 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 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 Jewish Agency's Agricultural Experiment Station -- has largely freed herself from her former dependence on foreign imports.

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

An illustration of this process is to be found in the Mekoroth Water Company, in which the Jewish Agency and the Jewish National Fund have the

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

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

#### LABOR DEPARTMENT

If Palestine today has a supply of labor, numbering some 60,000, to man the industrial front it is due largely to the professional and vocational training that tens of thousands of laborers received in projects initiated or assisted by the Keren Hayesod through the Labor Department of the Jewish Agency. The agricultural training services for workers in the plantation villages and maritime training are among the vocational contributions of the Labor Department. In addition, thousands of laborers have benefited from the housing projects of the Labor Department, particularly in the citrus zone.



The functions of the Labor Department vary with the economic situation. In the first year of the war its task was to deal with the unemployment situation, through the extension of organized relief, the creation of new sources of employment and the transfer of workers from the citrus plantations and the towns to the mixed-farming villages. Since 1941 this particular problem has not existed.

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

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

building of hundreds of small houses. The Jewish Agency has also shared in the establishment of three new building societies. It will be seen that in this area of activity, 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.

#### TRADE AND INDUSTRY

The history of Palestine's economic growth is inextricably bound up with the vision displayed by the Palestine Foundation Fund and Jewish National Fund. These two funds were the instruments through which new avenues of development were constantly being opened up. For example, in order to encourage and develop the building industry in the towns the Keren Hayesod founded the General Mortgage Bank which, since its launching, has advanced loans totalling some \$20,000,000. This has been of tremendous help in the development of the Jewish towns which today contain more than three-quarters of the Jewish population of Palestine. It was the Keren Hayesod which showed its faith in the economic and industrial future of Palestine by contributing \$500,000 to the initial capital of the Palestine Electric Corporation which is today a key to the production of the country. The Keren Hayesod participated in the founding of the Palestine Potash Company which exploits the Dead 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.

Having governmental responsibility, the Jewish Agency is constantly concerned with enlarging Palestine's economic horizons. Every new shop and

factory is a bridge to a secure future for more Jews entering Palestine. That explains the part which the Jewish Agency has played and will play, in increasing measure, in stimulation of all forms of trade and industry -- so that a maximum of Jews may find gainful employment. About ten years ago it was freely predicted that industry in Palestine was doomed to sterility. In the last year, Palestine's industrial production was valued at \$180,000,000, a substantial part of the amount going into the war effort. The Jewish plants, whether producing hundreds of thousands of shoes for the Turkish Army, precision instruments for United Nations bomber commands or vast yardage of textiles for army goods, were exemplifying both Jewish initiative and Palestine's contribution to the war effort. The Jewish Agency has consistently been in the vanguard, prodding reluctant private investors, exploring for markets and by-products, willing to sink the original investments in new enterprises to show its faith in the country's possibilities. Today Palestine is the most important industrial center in the Middle East. It has incalculable potentialities. It is the intention of the Jewish Agency to convert them into realities, so that hundreds of thousands of Jews may come to a permanent future.

Heavy and light industries of all kinds have been encouraged by loans, underwritings, guarantees, etc. Even the ancient handicraft industry in Jerusalem has been revived with Jewish Agency financing. There is a special Handiwork Section of the Jewish Agency's Department of Trade and Industry which has aided in the establishment of workshops, of which there are 35, where local woods are being used for the manufacture of artistic objects, ornaments, toys and similar articles. Employment has been given to hundreds of craftsmen.

The Trade and Industry Department of the Jewish Agency 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 local manufacturers to make practical use of materials not hitherto exploited.

The Maritime Department of the Jewish Agency has been responsible for the phenomenal growth in Jewish interest in fishing and in maritime pursuits. This field represents one of the important facets of Palestine's expansion. It is generally recognized now that there is an important future for Jews in this sphere, in fishing vessels and on merchant ships. The additional training which Jews are now receiving in the Royal Navy will be an invaluable asset for the various maritime schools and leagues which have been established in Palestine, many with the assistance and support of the Jewish Agency.

The Department developed facilities for the training of youth, fostered the growth of a Palestinian Merchant Marine and developed Jewish fishing in the lakes and on the shores of the Mediterranean. One of the most important institutions of its kind is the Nautical School at Haifa, founded by the Jewish Agency and the Palestine Maritime League.

In the past few years the production of fish by Jews has increased phenomenally. Palestine Foundation Fund money is used for the founding of fishing settlements, the stocking of ponds and other requirements. The food needs of the country have been assisted substantially. During 1938, Jewish fishermen netted 2.2% of all fishing hauls in the country, but in 1942,



their share rose to 21.6%. The figure has risen since. In the same period, the Jewish share in the cash sales of fish rose from 1.8% to 27.2%. There are several fishing villages (founded by the Keren Hayesod) which now exist almost entirely upon this pursuit.

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.

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.

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

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. The industrial growth of Palestine is perhaps best reflected in the more than doubling of the power sales of the Palestine Electric Corporation, in a comparison between 1939 and 1943.

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 \$1,675,000 as compared with some \$725,000 in 1941-42 and \$340,000 in 1940-41.

The Jewish Agency, in all these enterprises, has been conscious of one dominant principle: It must encourage all activities which will permit the sound economic absorption of the maximum number of Jews.

#### EDUCATION AND CULTURE, RELIGIOUS AFFAIRS, GRANTS TO INSTITUTIONS

From 1918 to 1932 the Jewish Agency had the responsibility for the launching and maintenance of the Hebrew education system of Palestine. During that period the Keren Hayesod spent almost \$5,000,000 on creating a network of schools that is of inestimable importance to the Jewish intellectual life of Palestine and a source of pride to Jews throughout the world. The fact that the heavy burden of education was, to a large extent, taken off the shoulders of the new immigrants, assisted in no small measure in their absorption into the country's economy. In 1932 the financial responsibility was taken over by the Vaad Leumi (General Council of the Jewish community of Palestine), while the Jewish Agency granted annual subventions. In 1944 the Jewish Agency is contributing \$280,000. 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 among the refugees during the past few years. Since the Palestine Jewish community took over the primary financial responsibility it has been acquitting itself well in this, as in other areas. There are now some 67,000 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 800,000, of which LP 420,000 is for 315 Hebrew primary schools. It is to that budget that the Jewish Agency contributes this year LP 70,000.

The cultural activities assisted by the Jewish Agency includes 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 Rabinat, the Rabbi Kook Institute, and in the publication of important documents of religious value.

The arrival in Palestine from Europe of many of the rabbinical heads of world-famous Talmudical Academies has led the Jewish Agency to make appropriate grants for the fostering of the Talmudical Academies in Palestine and for assistance to the rabbis. The religious affairs department has also assisted in the creation of a number of religious institutions, such as synagogues, in various villages and elsewhere.

Among the various institutions to which grants were made are the Hebrew University, the Haifa Technical Institute, the Haifa Nautical School, the New Besalel School, the Agricultural School Mikveh Israel, the Palestine

Conservatoire of Music, Habimah Theatre, Ohel Theatre, the Palestine Symphony Orchestra, the Central Council for the Promotion of Hebrew, Maccabi Athletic Organization, Hapoel Athletic Organization, Elitzur Athletic Organization and Workers' Sick Fund of the Histadruth.

The sums granted to these institutions do not in any way constitute an evaluation of the importance of the work in which they are engaged. Rather are the sums given to them considered token payments by the Jewish Agency, indicating its awareness and approval of the task the respective institutions have assumed. The grant in each instance, however, is based upon an examination of the budget of each institution.

#### DEFENSE: EXTERNAL AND INTERNAL

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.

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

If Jewish Palestine has been able to render such a magnificent account of itself in the war effort, it has been due to the fact that from the beginning the Jewish Agency assumed full responsibility for the recruitment of



men and women for the British armed forces. Through the Jewish Agency recruiting offices some 31,000 Jewish men and women of Palestine enlisted as volunteers in the British Army. They have written a glorious record in the Infantry, Pioneer Corps, Royal Engineers, Port Operating Companies, Signal Corps, Royal Air Force, Royal Medical Corps and other branches. From Syria to France, the names of Palestine Jews are inscribed in citations for gallantry and daring beyond the call of duty. Among the first British troops to land on Italian as well as on French soil were units of Palestine Jewish soldiers, commanded and staffed by Palestinians. Palestine Jews also have found their place in the Royal Navy. Over a thousand of them are seamen, locksmiths, cooks, mechanics, stokers, radio operators, etc. on ships of the Royal Navy as a result of the maritime and sea training 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.

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 the borders of 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 surround-

ings. The Central Committee also secures reductions in public services and in the price of essential commodities. These services are in addition to the welfare work conducted by the Jewish Agency in the interest of the soldiers themselves, and the assistance being given by the Jewish Agency to invalided soldiers. The closest contact is maintained by the Jewish Agency with Palestine Jewish military units wherever they are located. All these functions, performed in the United States by the U.S.O., are financed, in part by the Jewish Agency, in part by the Palestine Jewish community, within Palestine itself and in the various centers where Palestine Jewish soldiers are to be found.

Tens of thousands of dollars have already been paid out by the Jewish Agency this year for assistance to honorably discharged and wounded veterans, and this item of expenditure is obviously bound to mount.

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, Netach 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.

The defense of Jewish Palestine itself has always been a primary concern of the Jewish Agency. At critical periods, the Government often has

been notoriously weak. Jewish self-sufficiency has been a prime requisite to deal with eventualities. The tensions of war and the uncertainties of peace underline the necessity of maintaining the internal security structure which the Agency has financed through the years. About 5,900 Jews are now serving in the Government's Supernumerary Police; about 800 Jews are in the regular Police Force and about 16,000 are in the Jewish Special Police who receive part-time military training. For the Jews in the Supernumerary Police, which has a military status, supplementary financial provisions are made by the Agency to enable them to remain in service. This elementary investment in home defense is another sidelight on the governmental responsibilities borne by the Jewish Agency in its far-flung program.

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.

One branch of this Political Department, centered in Jerusalem, is specially devoted to the improvement of Arab-Jewish relations. A substantial part of its activities is in the field of acquainting Jews with the Arab language, customs and aspirations. For example, a permanent Institute for teaching the Arab language and Arab usages to Jewish mukhtars (heads of

Jewish villages and settlements) and watchmen was established this year. The courses cover eight months of instructions, with six hours of Arabic classes daily, followed by two hours of lectures of a general nature. It is hoped that within a short time each settlement will have an expert on relations with the Arabs. This one Institute alone involves a cost of about \$80,000.

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

It is the function of the Political Department to conduct relations with the British Government, in all its civilian and military branches. Political activities of the Jewish Agency were intensified when its main efforts had to be directed toward the abolition of the White Paper policy which would freeze Palestine's development, and toward the formulation by Great Britain and the United Nations of a policy to permit the full realization of the intentions of the Balfour Declaration and the Palestine Mandate to establish an autonomous Jewish National Home. From the time the White Paper was issued in 1939, the Jewish Agency has been engaged in winning the support of public opinion to the position taken by the League of Nations Mandates Commission that the White Paper was indefensible. The right of Jews to a special position in Palestine must rest on solid political grounds. To guarantee the security of the Yishuv in Palestine and to ensure that post-



war Palestine will remain open to Jewish immigration and will be able to absorb hundreds of thousands of uprooted Jews, nothing could be more basic or fundamental for the survivors of the European holocaust than to make certain that the political activities of the Jewish Agency are continued and strengthened.

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

#### LAND AS KEY TO A HOMELAND

The basic fact is that the Jews do not own enough of the land of the Jewish National Home. Possessing less than 7% of the land, even though they are over 34% of the population, the Jews are oppressed by land-poverty. That explains the urgency behind the program to acquire a maximum acreage of land. A further spur is provided by the provisions of the still-existent 1939 White Paper which aims at cutting Jews off from the ownership of land in certain important zones of the country. The paramount incentive arises

from the knowledge that the nature of the Jewish borders in Palestine will be 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 Jewish Palestine.

How inadequate the land possessions are is seen from the fact that the Jewish National Fund now owns about 720,000 dunams or 180,000 acres! But this land was acquired at great cost, every dunam of it rising in price as Jewish failure to take advantage of opportunities continued. It is indeed paradoxical that the Jews are 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.

There is not enough land available today to provide settlement for every Jew in Palestine who wants to farm. Beyond this need stands the even greater responsibility of acquiring the land on which tens of thousands of Jews must depend for their prospective ability to settle in Palestine.

Adequate land must be available (1) to settle Palestine Jewish ex-servicemen; (2) for the thousands of refugees already in the country; and (3) the countless Jews still to come, adults and children alike.

The earnestness with which the land problem is considered by servicemen is observed in the formation of more than a dozen irgunim (pre-settlement groups) by men and women in various Jewish units in theatres of operation. They are planning their post-war settlement on the national soil. More than 1500 of these soldiers have already registered their intention to settle on the land. Perhaps one of the most striking of these groups is that composed of 50 young men and women in the British Army whose parents founded Kfar Avihail, the village established by veterans of the last war. The sons and daughters voted to establish a Bnei Avihail

cooperative settlement. The age of these people is between 20 and 25. They reflect the age brackets as well as the intentions of the many others who feel that they are entitled to first consideration in the distribution of land for settlement. In addition, the Jewish Agency is already in receipt of requests from soldiers of the United Kingdom, South Africa, Australia and other allied countries for opportunities to settle on farms in Palestine after the war.

The unavailability of adequate funds seriously hampers operations in the purchase of land. It increases the cost, in terms of delayed purchases and financing. Moreover, it threatens the success of the broad-scale plans which have been evolved to obtain a maximum of land in the quickest possible time.

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

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 these 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.

The Jewish National Fund is now dealing with a program involving 250,950 dunams of land, of which 236,120 dunams are for agricultural purposes, 5,130 for housing projects and an additional 9,700 dunams are required to link existing settlements. The total cost of these land areas is estimated at LP 2,335,750.

The program of the Jewish Agency and the Jewish National Fund contemplates the erection of 40 new settlements on 175,000 dunams of land. The Jewish Agency experts have figured that LP 800,000 is required for taking possession of the areas and 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 per dunam. A great part of the land acquired was marshy or was sandy or rocky, requiring considerable supplementary investment of money and labor at the rate of several pounds per dunam. As is indicated above, the basic price has risen again.



Some forty years ago, Menahem Ussishkin, the late President of the Jewish National Fund, paid a visit to Zichron Yaakov in Palestine. At that time there was submitted to him an offer to purchase 250,000 dunams of land in the Negev in one lot at a price of five francs a dunam or about \$250,000 for the entire area. It is superfluous to point out that the Zionist movement did not then have that amount of money to lay out. That is merely one startling illustration of why it is now costing Jews years of additional effort and huge sums of money to acquire land that could and should have been bought in earlier years. What has been happening in the past five years has accentuated the need for speed in buying up every available acre of land.

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

The redemption of the land for national use is the basic aim of the Jewish National Fund, but it also plays an important role in the amelioration -- or improvement of the land. Its most dramatic contribution toward that end is its afforestation program. One of the great problems facing Palestine's agriculture, climate, etc., is the erosion of the soil over the centuries. The J.N.F. is planting trees to clear swamps, to provide shade, to strengthen the soil as a whole. The total number it has planted is now some 3,500,000. Rocky, sandy, eroded and swampy soil are being reclaimed for habitation in this manner.

It is of interest that the United Palestine Appeal has played a part in modifying the role of the Jewish National Fund in Jerusalem as primarily a land-acquisition agency. Under the terms of the United Palestine Appeal

agreement between the Palestine Foundation Fund and Jewish National Fund a "Bitzaron Fund" was set up. This provides that one third of the income of the J.N.F. from the United States shall be utilized in a special way as regards colonization. Of the amount thus made available, 40% is granted outright to the Jewish Agency for agricultural settlement; 35% is spent by the J.N.F. for settlement operations and the remaining 25% is used for the purchase of areas of special importance for security, as for example, land to round off zones of Jewish settlement or to link up separated zones.

The budget of the Jewish National Fund is also used to guard areas not yet ready for settlement; for the ploughing or extensive cultivation of unsettled areas in order to maintain title; for the examination of the properties of the soil; preparation of the land for settlement; drainage of swamps to eliminate the sources of malaria, thus ensuring health of the settlers; afforestation of tracts not otherwise suitable for cultivation, thus paving the way for permanent occupation. In this way, it very substantially supplements the colonization program of the Palestine Foundation Fund.

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

The J.N.F. also plays a vital role in other directions. This is illustrated in the building of workers' housing projects in town as well as in the country. Lowcost housing programs depend for their success on the national ownership of land. Typical of the J.N.F. activity in this field was the recent allocation of a hundred building plots for the construction of workers' houses at Afuleh, central market town of the Valley of Jezreel.

To date the J.N.F. has acquired over 30,000 dunams specifically for housing schemes. About half this area is in the residential zone of the Valley of Zebulon; the balance is located largely in the towns of Tel Aviv, Jerusalem, Haifa, Tiberias, Safed and Nathanya. Some 22,000 people are already living on these J.N.F. lands.

The significance of the Jewish National Fund lies not alone in its acquisition of land for the Jewish people. It is a powerful instrument for curbing the exploitation of the land through sky-rocketing prices brought on by private speculation. Whatever rise occurs in the value of the land owned by the J.N.F. accrues to the benefit of the Jewish people and not any individual.

#### COMPARATIVE TABLES

The enormous increase in the expenditures of the Palestine Agencies in 1944, as compared with 1943, is indicated in the following tables showing the expenditures of the Jewish Agency, the Palestine Foundation Fund and the Jewish National Fund during the first eight months of 1944 (January 1 to August 31) in comparison with the entire year of 1943:

Jewish Agency and  
Palestine Foundation Fund

	1943 (12 months)	1944 (8 months)
Immigration, relief to and rescue of refugees	\$1,409,287	\$2,589,895
Agricultural settlement	1,871,003	2,350,409
Labor and housing	427,684	780,900
Trade and industry	282,807	320,505
Education and culture	256,320	215,506
Aid to armed forces, security, Jewish-Arab relations, etc.	1,760,478	1,740,390
Religious affairs	66,570	53,830
Grants to institutions	97,880	85,379
Administration	290,203	233,951
Loan service (including interest)	<u>486,790</u>	<u>308,276</u>
	\$6,949,022	\$8,693,041

Jewish National Fund

Land purchase	\$5,142,998	\$3,528,088
Afforestation	73,532	59,689
Development, maintenance, etc.	752,256	934,648
Administration	267,227	247,008
Loan service (including interest)	<u>1,650,156</u>	<u>1,274,716</u>
	\$7,886,169	\$6,038,149

Total Expenditures

Jewish Agency, Palestine Foundation Fund, Jewish National Fund	<u>14,835,191</u>	<u>14,731,190</u>
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JEWISH AGENCY BUDGET FOR LAST THREE MONTHS OF 1944

The estimated expenditures of the Jewish Agency for October, November and December amount to some \$5,948,000, consisting of the following major items:



(1) For refugee reception and absorption...LP 325,000 (c. \$1,300,000)

Of this sum, LP 100,000 is for assistance on arrival and relief during the early period of their stay; LP 200,000 for additional investments for the housing of immigrants; and LP 25,000 for tasks involved in the organization of the immigration.

(2) For agricultural settlement.....LP 600,000 (c. \$2,400,000)

Of this sum, LP 125,000 is for ten new settlements, which were launched in the first week of October, half of them for ex-servicemen. An additional amount of LP 25,000 is earmarked for the absorption of refugees in existing agricultural settlement; LP 260,000 for the development of settlements started in the last year; LP 25,000 for the rehabilitation of the country's citrus groves; LP 165,000 on account of the regular agricultural budget, including middle-class settlements, the Agricultural Research Institute and the Agricultural Extension Service. The adaptation to changing economic conditions in agriculture, brought about by the progress of the war, demands substantial expenditures.

(3) For labor and housing activities.....LP 250,000 (c. \$1,000,000)

Primarily this includes housing for workers, in addition to the amounts invested in housing and mortgage companies from the loan obtained from Lloyds Bank.

- (4) For trade and industry. . . . .LP 60,000 (c.\$ 240,000)

This includes stimulation of crafts and artisanry through the Small Trade Department of the Jewish Agency, plus the Agency's Economic Research Institute. The Jewish Agency also intends to add considerable amounts for investments in the promotion of industry.

- (5) For aid to armed forces, internal security, etc. . . . .LP 140,000 (c.\$ 560,000)

The Jewish Agency has been compelled to increase its assistance to soldiers' families. Certain costs are also involved in connection with the establishment of the Jewish Brigade, which the British Government recently authorized. High costs are also involved in the re-establishment of returning, especially invalided, servicemen.

- (6) For education and culture . . . . .LP 35,000 (c.\$ 140,000)

- (7) Religious affairs and similar purposes. . .LP 15,000 (c.\$ 60,000)

- (8) Administration of Jewish Agency . . . . .LP 10,000 (c.\$ 40,000)

- (9) Keren Hayesod expenditures  
(Administration and loan service) . . . .LP 37,000 (c.\$ 148,000)

The Jewish Agency, which serves as the great generating force for Palestine's economic development will, during this period, have to mobilize additional substantial amounts for investments in various activities in connection with the transition period and post-war planning.

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

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

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

Economic planning on a broad scale -- fully parallel to that in the United States -- must be undertaken by the Jewish Agency. But whereas a prosperous citizenry and a powerful Government are the guarantors of orderly transition in the United States, there are no such bulwarks in Palestine.

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

At the beginning of 1944, the Jewish Agency had hoped that its budget might include hundreds of thousands of dollars for this post-war planning activity. But the more pressing, irresistible daily needs -- for relief and immigration, for settlement and housing -- sent actual expenditures far beyond the budget. 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 co-operation with banks and various companies, of financial and economic corporations which, it is hoped, will attract additional finance capital from the money market;

(2) the activities to benefit from such large-scale investments to include agricultural settlement, water development, the rehabilitation of the war-shattered citrus industry, settlement of demobilized service men; and expansion of Jewish maritime activities, in particular, the shipping industry;

(3) to invest large funds in an industrial credit corporation to be set up in conjunction with the Anglo-Palestine Bank for aiding and guiding industrial development during the transition period;

(4) to give similar help to building activities, which are likely to absorb a great part of the country's labor resources during the transition period; to promote vocational training of immigrants, both adults and youths; to aid the development of trades and crafts;

(5) and to initiate large-scale research into the country's economic capacity and for economic planning generally.



It must be emphasized that this is what the Jewish Agency wants to do, needs to do, if the utilization of Palestine's potentialities for large Jewish settlement is to be accomplished.

#### THE YISHUV'S CONTRIBUTION

There is one aspect of the question of financial support of Palestine which needs clarification because misunderstandings still exist: it is not the Yishuv in Palestine -- consisting of those who were integrated into the economic structure of the country -- which needs financial assistance from American Jewry or any other Jewish community in the world. It does not need nor does it ask financial support. On the contrary, in addition to all its contributions to the war effort in manpower and money, in industrial and agricultural products, in hospitality to the United Nations' armed forces, in scientific research and in medical assistance, the Yishuv, constituting 34% of Palestine's population, pays 72% of the income tax levied by the government. The Yishuv finances its communal institutions in town and village; sustains a widespread school system comprising 483 schools now visited by some 67,000 children; and, on top of this, contributes generously to the Palestine Foundation Fund, the Jewish National Fund and the War Needs Fund (the latter being an autonomous local Palestine Jewish campaign for refugee aid and internal needs). The Yishuv sets an example to world Jewry by its devotion and sacrifice in relief activities both in and out of Palestine.

Two conclusions are suggested. First, it is a remarkable vindication of the faith of the Jews in the rest of the world that Palestine would give Jews an opportunity to stand on their own feet. Palestine Jews, infused with a sense of responsibility to the Jews from among whose shattered

midst they themselves came only a few years previously, are setting standards that should be an inspiration. Secondly, Palestine Jews are reaffirming to the rest of the Jewish world the primary importance of the Palestine Foundation Fund and the Jewish National Fund as the media through which Jews are brought to Palestine and given a chance for creative survival.

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

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FROM: HENRY MONTOR

PRIVATE AND CONFIDENTIAL

MINUTE OF MEETING BETWEEN JOINT DISTRIBUTION COMMITTEE AND  
 UNITED PALESTINE APPEAL REPRESENTATIVES TO DISCUSS 1945  
UNITED JEWISH APPEAL  
 Hotel Biltmore, New York City  
 November 10th, 1944

Present: Dr. James G. Heller	
Judge Morris Rothenberg	for the United Palestine
Rudolf G. Sonneborn	Appeal
Henry Montor	
Isaac H. Levy	
Louis Broide	
I. Edwin Goldwasser	for the Joint Distribution
Joseph C. Hyman	Committee
Moses A. Leavitt	

Mr. Levy opened the meeting by saying that at the last session with the UPA representatives the JDC had proposed a distribution of 1945 United Jewish Appeal income on the basis of 60% to the JDC and 40% to the UPA with \$25,000,000 being distributed inclusive of any amount to be voted to the NRS. The JDC made no proposal with any idea of bargaining, Mr. Levy declared. The JDC asked as its share an amount which it considers less than the situation for the JDC this coming year will justify. This, in effect, is our absolute determination. We will agree on nothing further, Mr. Levy stated. Insofar as the Jewish National Fund is concerned, we are of the view that the energies of the JNF must be put solely and exclusively behind the UJA campaign. Whatever differences may exist within the Zionist ranks on the subject of the JNF should be composed in order to achieve unity between the JDC and the UPA within the UJA. Mr. Levy declared that material received from all parts of the country insists that the separate campaign activities of the JNF have a money effect upon the UJA and also a disturbing effect.

Dr. Heller stated that a meeting of the Executive Committee of the UPA was held two days previously and the Executive Committee had been advised of the discussions with the JDC with respect to the JNF and other problems. It was the unanimous judgment of the Executive Committee of the UPA that in the light of the needs in Palestine there would have to be a 50-50 distribution as between the UPA

and the JDC. The UPA does not see any possibility of receding from that position. Insofar as the JNF is concerned, it is utterly out of the question to accede to the proposal of the JDC that there be a pool of the JNF income in the UJA. Dr. Heller stated. What the JDC is demanding is really a reversal of the present situation, Dr. Heller declared. It represents a departure from the position to which the JDC has acceded from the very beginning of the UJA when it was agreed that the JNF had the right to conduct its traditional collections outside the framework of the UJA. The UPA, Dr. Heller declared, is not a free agent in this matter. He pointed out that legacies received by the JDC are not considered income for the UJA. Therefore there are certain conditions under which it is agreed by the parties and even by the JDC that it is desirable and necessary to exclude certain income from the consideration of the UJA. Furthermore, Dr. Heller said, the JDC really gets the full benefit of JNF collections through the Allotment Committee. When the UPA presents its financial statement to the Allotment Committee and indicates the excess of expenditure over income it makes a full report of the income accruing to the UPA from the JNF traditional collections and thus decreases the financial responsibility which must be borne toward the UPA by the UJA.

Dr. Heller said that he does not believe that the collections of the JNF interfere with the UJA in any way. As between 1943 and 1944 the JNF income has remained almost constant while the UJA income has jumped \$10,000,000. The UPA, Dr. Heller concluded, cannot retreat from its position.

Mr. Broide remarked that the writing of the UJA agreements is an annual transaction. Each year it is considered on a separate basis; therefore whatever happened in the past year is not necessarily relevant for 1945. As an illustration of what could be done by the JNF, Mr. Broide referred to the Night of Stars, an enterprise initiated and conducted by the UPA to this day. All the income of Night of Stars, he said, is credited to the account of the UJA even though it is a UPA enterprise. Why should not the JNF conduct its affairs on the same basis, Mr. Broide asked.



Judge Rothenberg declared that the JDC representatives want to destroy the JNF. We will resist that to the limit. We have argued this subject innumerable times and no new argument can be mustered at this time.

Mr. Brado suggested that within the limits established by a Mediation Committee the JNF could raise any amount it wanted without limit. All that the JDC was asking was that the income should go to the UJA and that whatever income accrues to any party should benefit all parties.

Mr. Leavitt asked whether JNF collections had gone down when the JNF money began to be divided with the Keren Hayesod (in 1936). Judge Rothenberg said that they had not.

Mr. Levy reiterated his position against separate activities for the JNF and cited a number of communications which he had received on the subject of the JNF allegedly interfering with the UJA campaigns in a number of communities. He also referred to very substantial contributions made by individuals to the JNF in various communities.

Mr. Berne said that he could not accept the statement that money given to the JNF does not affect the UJA or a welfare fund.

Dr. Heller said that he hoped that the UJA would continue. He hoped that the JDC would not force a breakup of the UJA because of the JNF. What the JDC was insisting upon was actually the discontinuance of all JNF activities. If the JDC succeeded in breaking up the UJA on this account it would earn the resentment of hundreds of thousands of people throughout the country, Dr. Heller said.

Mr. Ryman declared that he resented the assumption that the JDC is trying to break up the UJA. The agreement worked out between the UPA and JDC has worked in 1944. It is the UPA, he said, which is demanding a change. It is the UPA which is now introducing a new element, a departure from 1944, which would give the JNF unrestricted rights to fund-raising without ceiling. He didn't think that the country would stand for it. A terrific moral onus would be borne by the UPA if the UJA were broken up.

Since no conclusion could be reached at the meeting it was agreed that there would be a subsequent session later in the month.

# UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (*Keren Hayesod*)

JEWISH NATIONAL FUND (*Keren Kayemeth*)

MIZRACHI PALESTINE FUND

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

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December 5, 1944

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### Executive Director

HENRY MONTOR

Dear Friend:

On October 5, 1944 representatives of the United Palestine Appeal met with representatives of the Council of Jewish Federations and Welfare Funds to discuss the Council's budget research program.

It is the intention of the Council to present at its General Assembly in February 1945 a plan for the extension of its present budget research activities. You will recall that in 1941 there was an intense discussion on the wisdom and feasibility of what was then described as "national budgeting". As a result of negotiations at that time between the Council of Federations and the United Palestine Appeal, the plan to institute "national budgeting" was deferred for consideration for a three-year period. An interim program was adopted.

As a result of the discussions held with the Council of Federations representatives on October 5th, I have formulated some recommendations which I believe may take into account the desires of communities and, at the same time, preserve the purposes which animated the U.P.A. attitude in 1941.

Attached herewith is a draft of these proposals. I would appreciate greatly your helpfulness in giving me your comments on this draft and advising me of any suggestions or corrections that you may have in connection with these proposals.

Cordially yours,

*James G. Heller*  
James G. Heller  
National Chairman

JGH:MBG  
Enc.

## DRAFT OF A PLAN TO EXPAND BUDGETING RESEARCH

From: Mr. James G. Heller

At a meeting on October 5, 1944, officers of the United Palestine Appeal met with representatives of the Council of Jewish Federations and Welfare Funds to discuss an extension of the program of budget research already initiated by the Council. As a result of those discussions, I am submitting the following outline to officers of the United Palestine Appeal for their consideration. I am also making a copy available to the Council of Federations for its own study.

### 1. EXTENSION OF BUDGET RESEARCH

It is recognized that officers of local communities entrusted with the task of determining the allocation of funds as between beneficiary agencies desire a maximum of accurate information to reach a fair decision. It is my opinion that the Council of Federations and Welfare Funds might appropriately extend the information it is now providing to its constituent agencies. The following suggestions are intended to explore the possibilities of such extensions:

#### A. AGENCY INFORMATION

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

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

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

- (1) Expenditures should be defined in detail, differentiating between functional activity, personal service, campaign expense, promotional expense and any other type of disbursement. The Council should undertake to formulate a basic method of reporting of such expenditures which the various agencies should be asked to comply with, to assure uniformity for the benefit of the understanding of the Council's constituent agencies.
- (2) Income should be defined in detail, covering all sources of income, whether from campaigns in the United States or other sources, here or abroad. Where the activities of several organizations overlap, with one agency providing funds for a special service provided by another agency, the amount of such contribution and the reason should be carefully indicated.
- (3) As nearly as possible to the beginning of the fiscal year of the particular agency it should submit to the budget research department of the Council a detailed outline of the budget for the following year, showing expenditures in each category, the amount expended in the same category the previous budgetary year and the reasons for any changes.
- (4) In submitting an accounting of expenditures made and of the budget for the ensuing year, an agency should indicate the number of staff it employs, with a definition of the tasks performed. The Council should be authorized to seek supplementary information from the particular agency, if needed.
- (5) There should be submitted to the Council as frequently as the



circumstances warrant, a complete list of the official personnel of the agency, with an indication as to how officers are chosen and at what intervals.

- (6) Agencies raising funds in the United States for expenditure abroad should make available, as soon as possible after the fiscal year has ended, a detailed accounting of the expenditures abroad, indicating income from all sources to the agency or institution making the expenditures as well as an itemization of the total expenditures on behalf of all sources.
- (7) The annual fiscal report of each agency to the Council should also include a statement of assets and liabilities, and a reconciliation of surplus or deficit for the period.

#### B. INTER-AGENCY RELATIONS

An expanding problem for Jewish communities is the rise of new agencies for functioning and fund-raising. In addition, existing agencies enter fields covered partly or in full by other agencies; or long-established agencies seem to be operating in similar fields. There is an earnest desire to assure a maximum of constructive achievement with a minimum of duplication and overlapping. The Council budget research department should be enabled to assist communities in obtaining ample information. These suggestions are offered:

- (1) For new agencies entering a field of service, the Council shall obtain:
- (a) The completest possible information on reasons for establishment, planned expenditures, expected income, officers and area of activity;
  - (b) And, at the same time, make inquiries of the agency or agencies believed to be in that field already of expenditures it is making or services it is rendering in that field. All exchange of information shall be regarded as available for the constituent members of the Council;

- (c) As long as the President's War Relief Control Board shall be in existence, information should also be obtained as to any action which the Board may have taken with respect to the agency.
- (2) On the basis of information submitted to it by various agencies, the Council shall be authorized to cross-index material to show areas in which agencies may seem to be operating simultaneously. Before such material is published, however, it shall be submitted to the respective agencies for their comment. Such comment shall be included in the report issued by the Council.
- (3) Where the seeming duplication in an area seems to the Council budget research department serious, it shall be authorized to call together representatives of the several agencies for the purpose of determining, by common action, whether duplication can be eliminated, if it actually exists. The Council shall be authorized to publish the results of such efforts.

### III CAUTIONS ON BUDGETING RESEARCH

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

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

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UNITED PALESTINE APPEAL

41 EAST 42nd STREET

## MEMORANDUM

*Date* December 5, 1944

*To* Dr. Abba Hillel Silver

*From* Henry Montor

*Subject*

I believe that you will be interested in a copy, herewith attached, of a memorandum I have written to Dr. James G. Heller on the subject of the American Fund for Palestinian Institutions.

HM:BG

Enc.

UNITED PALESTINE APPEAL

41 EAST 42nd STREET  
NEW YORK 17, N. Y.

C O P Y

MEMORANDUM

CONFIDENTIAL

Date December 5, 1944

To Dr. James G. Heller

From Henry Montor

Subject American Fund for Palestinian Institutions

The American Fund for Palestinian Institutions announced that it would appeal to American Jews for \$550,000 in 1945. Because some of the items in the budget seemed to call for more careful scrutiny, I cabled to Palestine for more accurate information than was reflected in the published statements of the A.F.P.I. A cable received from Mr. A. Ulitzur, Treasurer of the Keren Hayesod in Palestine, leads to the following conclusions which are of importance:

(1) In the light of actual allocations by the A.F.P.I. of \$100,000 in 1943 (the year for which complete figures are available), a goal of \$550,000 in 1945 is described as "highly exaggerated and unfounded".

(2) An important number of institutions which are incorporated in the A.F.P.I.'s appeal to American Jewry receive support from the Jewish Agency, in some instances to a greater extent than from the A.F.P.I.

(3) There is a substantial discrepancy between some of the figures announced by the A.F.P.I. and those reported from Palestine -- as to needs and expenditures.

There are attached herewith two statements: (1) showing, where available, the total expenditures of some of the most important institutions included in the A.F.P.I. appeal to America and the sources of income; (2) a comparison of actual expenditures during the year 5703 (Oct. 1, 1942 to Oct. 1, 1943) and the amount of expenditures estimated by the A.F.P.I. for the same institutions for 1944.

Because there is a tendency on the part of American Jewish leaders, Zionists and non-Zionists alike, to accept the American Fund for Palestinian Institutions (a) because "philanthropies" are non-controversial and, therefore, deserve community-wide support; and (b) because any "merger" of fund-raising organizations must, per se, be a blessing to the community, I should like to offer these personal observations:

(A) The mere fact that an institution exists in Palestine does not, of itself, entitle that institution to support by American Jews in the United States. Palestine Jewry now represents a powerful force. Local Talmud Toras and philanthropic institutions of limited scope should be supported by the Yishuv. If such institutions do not deserve American support, the way to eliminate them is not to include them in some "merger" but to advise the public of the facts of the case.

(B) There is a tendency in some branches of fund-raising to attempt to fix goals on the theory that allowance must be made for "bargaining"



between an agency and a community. This makes for bloated goals which are unhealthy for the American Jewish community, for the agency itself and for all causes which must compete in such an atmosphere. From that point of view, an excessive goal for the American Fund for Palestinian Institutions would be harmful to Palestine.

(C) It seems to me imperative to halt a tendency in the American Fund to add on institutions regardless of the validity of their claims upon the American Jewish community.

HM:ER



## ANALYSIS OF 1944 BUDGET OF AMERICAN FUND FOR PALESTINIAN INSTITUTIONS

(Based on Cable from A. Ulitzur, Treasurer of Keren Hayesod, Jerusalem, November 16, 1944)

In a memorandum issued for 1944 the American Fund for Palestinian Institutions announced that American Jewry would be called upon to contribute \$400,000 during the year to "50 beneficiaries". The American Fund has announced that it will require \$550,000 for 1945, with the number of "beneficiaries" announced as 69.

(1) In response to an inquiry as to the nature of these "beneficiaries" and the relation of income from Palestine to that from other sources, Mr. A. Ulitzur, Treasurer of the Keren Hayesod, cabled:

"GREATER PART EDUCATIONAL, CULTURAL INSTITUTIONS INCLUDED AMERICAN FUND PALESTINE INSTITUTIONS 1944 MEMORANDUM RECEIVE JEWISH AGENCY GRANTS.

"AFPI ALLOCATED LESS THAN 100,000 DOLLARS IN 1943. ITS APPEAL FOR 500,000 FOR 1945 HIGHLY EXAGGERATED AND UNFOUNDED, EVEN IF TRADITIONAL INSTITUTIONS INCLUDED".

An analysis was then submitted as to the sources of support and expenditures of a number of the institutions included in the AFPI appeal.

(2) (a) MIKVEH ISRAEL AGRICULTURAL SCHOOL: Total 5703 expenditures, EP 30,416 (c.\$121,000). Income consisted of EP 12,050 for tuition fees; the balance came from grants, contributions and participations. The American Fund for Palestinian Institutions contributed EP 988 (c.\$4,000), the Jewish Agency EP 500 (c.\$2,000). Tuition fees included an amount of EP 9,048 (c.\$36,200) paid by the Jewish Agency's Youth Aliyah Department.

In the year 5704 the Jewish Agency's direct contribution was increased from EP 500 to EP 700; and the payments for tuition from the Youth Aliyah Department of the Jewish Agency were more than doubled.

The 1944 AFPI budget states that \$26,938 is the sum requested from it.

It should be noted that Hadassah is the major contributor to Youth Aliyah funds. Thus in 5704 (ending October 1, 1944), Youth Aliyah will have provided some \$80,000 -- the major portion of which will have been contributed by the Jews of the United States through an established fund.

- (b) HAIFA NAUTICAL SCHOOL: Expenditures in 5703 were EP 4,422. The Jewish Agency contributed EP 1,000, the AFPI EP 914. For 1944, AFPI asked \$14,800.
- (c) PALESTINE CONSERVATOIRE OF MUSIC: Jerusalem: Expenditures, EP 4,220. The Jewish Agency contributed EP 320, AFPI EP 839.
- (d) NEW BEZALEL SCHOOL, Jerusalem: Expenditures, EP 2,333. The Jewish Agency contributed EP 754, WIZO, EP 200 and AFPI, EP 370.
- (e) HEBREW TEACHERS COLLEGE, Jerusalem: Expenditures, EP 5,941. The Vaad Leumi contributed EP 2,927, AFPI, EP 1,100. AFPI requested for 1944, \$11,760.

- (f) INSTITUTE FOR PHYSICAL EDUCATION, Haifa: and PHYSICAL TRAINING in "226 ELEMENTARY AND SECONDARY SCHOOLS".

In describing the purposes it serves, the American Fund for Palestinian Institutions states that it "aids about 60,000 persons — refugees, underprivileged children, teachers, students, musicians, writers, social workers, doctors, nurses, scholars, farmers, widows, orphans, etc." The prospectus goes on to say: "By supporting social welfare, education and culture in Palestine, America is assisting in the maintenance of essential human needs, and is constructively sharing in the contribution towards a haven for Jews."

But of these "60,000" persons benefitted, over 48,500 are involved in this "physical training" program, for which AFPI requested \$25,000 in 1944.

In this connection, Mr. Ulitzur cables:

"ADEQUATE INFORMATION STILL NOT RECEIVED CONCERNING INSTITUTE FOR PHYSICAL EDUCATION, HAIFA. FIRST INQUIRIES REVEAL THIS INSTITUTE CLOSED SINCE 1940.

"PHYSICAL TRAINING IN ELEMENTARY AND SECONDARY SCHOOLS RECEIVED NO AFPI ALLOCATIONS UNTIL END 1943. HERETOFORE, HALF EXPENDITURE UNDER THIS HEADING WAS COVERED BY JEWISH AGENCY, OTHER HALF THROUGH SCHOOL BUDGETS OF HEBREW SCHOOL NETWORK, TOWARD WHICH JEWISH AGENCY CONTRIBUTES (some \$280,000 in 1944). BELIEVE SEPARATE APPEAL FOR AMERICAN SUPPORT ABSOLUTELY UNJUSTIFIED, MORE PARTICULARLY IN VIEW OF INTERNAL AGREEMENT BETWEEN JEWISH AGENCY AND VAAD LEUMI REGARDING OUR (JEWISH AGENCY) PARTICIPATION IN EDUCATION BUDGET.

- (g) PALESTINE SYMPHONY ORCHESTRA: For 1944 the AFPI asked \$25,000 from America. The expenditures in 5703 were LP 34,586. The Jewish Agency contributed LP 400 (c. \$1,600). The 1943 allocation of AFPI was \$4,000.
- (h) HABIMA THEATRE: The 1944 request of AFPI was \$14,460. Complete figures have not yet been obtained. The Jewish Agency contributed LP 800 (\$3,200). The 1943 allocation of AFPI amounted to \$6,300.
- (i) TEL AVIV MUSEUM: Expenditures were LP 2,222. The 1943 accounts do not show an allocation by AFPI, although according to the May, 1944 digest (published by the Council of Jewish Federations and Welfare Funds) the AFPI shows an allocation of \$1,000 for 1943 to this institution. The 1944 request of AFPI is \$3,600.
- (j) BRIT (VRIT OLAMIT AND VAAD HALASHON (Hebrew Language Academy): In its 1944 budget, the AFPI asks \$13,800 for the former and \$10,404 for the latter, a total of \$24,204. In 5703 the Jewish Agency paid Brit Ivrit LP 100 and the Vaad Halashon LP 823, a total of c. \$3,692. The Brit Ivrit expended in 5703 LP 1,567. The AFPI contributed LP 765 (c. \$3,060).

- (k) HECHALUTZ: For Hechalutz work in 1944, AFPI requested a total of \$46,640. The Jewish Agency in Palestine has authorized the Keren Hayesod in the United States (out of United Palestine Appeal funds) to contribute \$16,000 to Hechalutz, beginning October 1, 1944.
- (l) "YESHIVOTH": The most serious question that arises in connection with the budget of the American Fund for Palestinian Institutions is the inclusion of numerous schools labeled "yeshivoth." An analysis of their curriculum and their membership indicates clearly that many of these institutions are purely local in character and would be termed "talmud torahs" of exceedingly limited scope in any community in the United States. There is no differentiation between advanced seminaries emphasizing high Jewish scholarship, which characterizes the yeshivoth in the best sense of the term, and limited parochial schools, with a score or more of pupils in each case.

With respect to the "yeshivoth" of Palestine a great deal more analysis is necessary so that the truly worthy ones may get such support as they require, while others should depend upon the support of the Jewish community in Palestine.

At the present time various theological colleges in Palestine receive support through the Mifal Hatorah grants of the Jewish Agency. In 5703, the Jewish Agency paid to the Mifal Hatorah YP 3,500 (\$14,000), and in 5704 YP 5,000 (\$20,000).

For miscellaneous "yeshivoth", the AFPI asked for \$46,652 in 1944.

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A more detailed analysis and a memorandum on income and expenditures of institutions incorporated in the AFPI appeal are being prepared for airmailing to the United States. They will be made available when completed.

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# II

## COMPARISON OF ACTUAL EXPENDITURES OF PALESTINE INSTITUTIONS IN 5703 (ending October 1, 1943) AND THEIR "ESTIMATED EXPENDITURES" FOR 1944

(as reflected in the published budget of the American Fund for Palestinian Institutions)

		Actual Expenditure 5703	Estimated Expenditure 1944	
Mikveh Israel	(c.)	\$121,700	\$117,714	
Haifa Nautical School	"	17,700	34,400	(?)
Palestine Conservatoire of Music	"	17,000	20,084	
Bezalel Art School	"	13,400	8,200	
Hebrew Teachers College	"	24,000	80,860	(?)
Institute for Physical Education, Haifa (closed since 1940)			40,000	(?)
Palestine Symphony Orchestra	(c.)	140,000	190,000	(?)
Tel-Aviv Museum	"	9,000	12,580	
Brit Ivrit Olamit	"	6,300	28,800	(?)
Kolel Shomrei Enoch	"	42,000 (5702)	150,000	(?)
Ezrat Nashim (Hospital for the Insane and Incurable)	"	31,000 (1942)	44,700	

Question Mark Emphasizes Unanswered Question as to Contrast Between Two Figures.

UNITED PALESTINE APPEAL  
41 East 42nd Street  
New York City

C O P Y

December 8, 1944

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

Dear Mr. Lurie:

With reference to my letter of November 27th,  
I am sending you, herewith, material relating to  
the budgets of the agencies of the United Palestine  
Appeal.

Cordially yours,

(Signed) James G. Heller  
National Chairman

JGH/RRW  
Enc.

December 7, 1944

MEMORANDUM ON THE BUDGETS OF THE AGENCIES OF THE U.P.A. FOR 5705

Attached herewith are the following statements:

- 1) The provisional budget of the Jewish Agency and the Keren Hayesod in Jerusalem for the fiscal year 5705 (October 1, 1944 to September 30, 1945) as compared with actual expenditures in 5704 and estimated expenditures in 1944;
- 2) The budget of the Keren Kayemeth in Jerusalem for 5705 as compared with actual expenditures in 5704 and estimated expenditures in 1944;
- 3) The estimated budget of the United Palestine Appeal for 1945 based on expenditures in 1944.

JEWISH AGENCY AND KEREN HAYESOD, JERUSALEM

Expenditures in 5704 amounted to \$12,145,150; expenditures in 1944, including actual expenditures for the first nine months of the year, and estimated expenditures for the last three months, will approximate \$16,269,019. The provisional budget for the fiscal year 5705 requires \$18,332,000.

Agricultural Settlement

Under this category, there is a marked increase in the estimated expenditures of 1944 as compared with the actual expenditures in 5704, and there will be a farther increase in 5705, with the result that the budgetary requirement in 5705 is more than double the amount spent in 5704. The main reason for this increase is the establishment during the first nine months of 1944 of ten new settlements and the initiation of a similar number in October, 1944, i.e. after the beginning of the fiscal year 5705. Of the ten settlements initiated at the beginning of 5705, five are for the settlement of Jewish soldiers of Palestine after demobilization. The sum of approximately \$2,000,000 is provided in the 5705 budget for the development of

these ten settlements.

About \$1,760,000 is required for the development of settlements started prior to 1948. Some \$400,000 is set aside for the rehabilitation of the country's citrus groves; a similar amount (\$400,000) is earmarked for the absorption of refugees in existing agricultural settlements; the balance (\$2,640,000) is needed for the regular agricultural budget, including the development of middle-class settlements, the maintenance of the Agricultural Research Institute and the Agricultural Extension Service.

The activities of the Agricultural Department of the Jewish Agency include every type of Jewish settlement. It assists collective settlements and small-holders' settlements, and also supports individual settlers and cooperatives in villages. New Jewish settlement has now reached to some twenty-five miles south of Beersheba; the total number of Jewish settlements in Palestine is now 300.

In dealing with the budgetary requirements of the Jewish Agency, it is essential to remember that a colony started does not represent a responsibility ended. 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 676,280; but it is estimated that LP 940,000 more is needed to complete their requirements, in terms of adequate living quarters, livestock equipment, etc. Some 14,000 people are involved in this group of settlements.

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

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



The money given for settlement provides for a house, a stable, poultry, a horse, cattle, machinery, seeds, irrigation or water supply and maintenance for a few months. The colonization department of the Jewish Agency estimates that to settle one family on the land an investment of between LP 500 and LP 600 is required, excluding the cost of land. With the cost of land included, this would be about LP 900. For comparative purposes, it may be noted that the cost of settling a family in farming in Australia is figured at about LP 2,000.

By its investments and expenditures, by its administrative direction and by its specialized research, the Jewish Agency serves 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.

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.

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

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

The Jewish Agency has not only directly financed settlement. It has encouraged others to do so and has helped to improve conditions for agriculture in all its forms. This is reflected in the account of investments made this year in various companies, such as the Palestine Agricultural Settlement Association, Mekoroth Water Company, the Agricultural Trust. Rural and Urban

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

#### Immigration and Relief

Expenditures in 5704 (Oct. 1, 1943 to Sept. 30, 1944) amounted to \$3,567,864. During that fiscal year there was a steady upward trend in the field of expenditures so that the total for the calendar year of 1944 is estimated to reach some \$4,488,110, of which approximately \$3,171,860 was spent during the first nine months of the year. Expenditures under this category do not include such monies as are 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 the figures mentioned in Statement I.

The chief reason for the steady increase in expenditures for immigration and relief is the fact that during the calendar year 1944 the number of refugees and other immigrants who reached the shores of Palestine rose almost continuously reaching its climax in the first week of November when some 1,300 refugees entered the country. Fifteen hundred certificates a month have been granted by the Palestine Government for October, November and December, 1944, out of a total of 10,300 covering the period from October, 1944 to March, 1945. It is the firm belief of the Jewish Agency that after the exhaustion of this number of certificates, immigration to Palestine will not be halted by the British Government, but that the White Paper of 1939 will have been abrogated at least in practice by that time.

The task of getting Jews out of Europe involved skill, effort and funds. But the financial problem assumes its truly burdensome aspects once they arrive in Palestine. This arises out of the character of the immigrants arriving. During the entire year only 250 of the so-called "capitalist category" came to the country. All the others, mostly of middle class origins, were utterly destitute, marked by physical and nervous exhaustion. 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, 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, 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.

One aspect of the financial burdens of this immigration is reflected in the housing situation. Since the war began there has been no building in Palestine. Military garrisons and the large increase of the civilian population have strained facilities beyond description. Owing to the complete lack of any housing reserve, the provision of accommodations and beds for new arrivals who are not housed by relatives or friends constitutes a particularly serious problem and is today a costly matter for the Jewish Agency. The pressure for adequate accommodations is so great that the Jewish Agency has had to devote large resources to minimum and elementary housing. As part of this program, the Jewish Agency established 20 temporary camps housing 2,400 immigrants, and also a number of other dwelling centers. The cost of the camps alone amounted to over \$400,000.

Labor and Housing

The acute shortage of housing facilities is being felt in Palestine today not only in dealing with the refugee problem but also in meeting the needs of the local population. The Jewish Agency's special concern in this field is with laborers both in agricultural settlements and in factories in the towns. In 1944 the Jewish Agency was responsible for the establishment of Tefachot, a second-mortgage company started with a foundation capital of \$400,000, to which the Jewish Agency contributed one-half. Comprehensive plans for enlarging the building activities have been completed some months ago. A large portion of the expenditures involved in the execution of these plans, that was to have been provided for in the 5704 budget, was deferred to the last three months of the calendar year 1944, which, at the same time, is the first quarter of the fiscal year 5705. The increase in the 5705 budget of about 40% as against expenditures in 5704 also reflects the intensified efforts of the Labor Department in the widespread field of its activities, including, in addition to housing, professional and vocational training of tens of thousands of laborers, establishment and maintenance of labor exchanges, mediation in labor disputes, etc.

Other Items

The other items in the budget of the Jewish Agency and the Keren Hayesod are self-explanatory. National Organization and Security includes aid to armed forces, recruiting, internal security, assistance to soldiers' families, provision for invalided servicemen, the cost of the Arab-Jewish Relations Department, as well as the cost of the Political Departments of the Jewish Agency in Jerusalem, London and Geneva.

The attached budget of the Jewish Agency and the Keren Hayesod in Palestine is based on information of a provisional nature cabled from Jerusalem by the Jewish Agency Executive. The Executive has not yet finally confirmed the budget, which is subject to revision.



KEREN KAYEMETH, JERUSALEM

Expenditures in 5704 totalled \$9,240,853. Expenditures in 1944 are estimated to reach \$10,473,709, and budgetary requirements for 5705 are listed as at \$17,729,684. More than two-thirds of the 5705 budget (\$12,332,250) is for land purchase. The breakdown of this sum is as follows:

Purchase of new rural land in the four main regions of Palestine		\$8,448,300
Balances payable for the acquisition of rural land contracted for in previous years		526,500
Purchase of urban land		141,750
First payments on land for housing purposes in various sections of Palestine:		
(a) on rural land	\$668,250	
(b) on urban land	<u>2,547,450</u>	
		<u>3,215,700</u>
		12,332,250

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

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

"We are," continues Dr. Granovsky, "under the strongest pressure to provide quickly adequate suburban land to mitigate urban overcrowding and to meet the constantly expanding housing needs. It is conservatively estimated that in the three big towns of Palestine at least 100,000 rooms are now needed, and this

number does not include provision for prospective immigrants and servicemen."

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

In evaluating the program of the Keren Kayemet, one should remember the basic fact: that the Jews in Palestine do not own enough of the land of the Jewish National Home. Though they constitute more than 34% of the population, they possess less than 7% of the land. The Jews are 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. There is not enough land available today to provide settlement for every Jew in Palestine who wants to farm. Beyond this need stands the even greater task of acquiring the land on which tens of thousands of Jews must depend for their prospective ability to settle in Palestine.

More than a dozen pre-settlement groups have been formed by men and women serving in various Jewish units in theatres of operation who are planning their post-war settlement on national soil. More than 1500 of these soldiers have already registered their intention to settle on the land. 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.

As will be seen from the above figures, more than 36% of the total amount for land purchase in 5705 is earmarked for housing purposes. It is an integral part of the program to solve one of the most urgent problems in Palestine today. On the rest of the land (acquisition of which is now under negotiation) the establishment of 40 new agricultural settlements is contemplated.

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

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

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

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

Interest on debentures	\$32,400
Interest on living legacies	125,550
Interest on loans	364,500
	<u>\$522,450</u>

Loan Service, amounting to \$3,248,812, includes the following:

Repayment of debentures	\$ 81,712
Repayment of loans reaching final maturity in 5705	1,061,100
	<u>\$ 1,142,812</u>

Brought forward \$1,142,612

Contingent maturities:

(a) Loans repayable if  
creditors exercise  
option \$554,850

(b) Loans earmarked for  
housing purposes re-  
payable when building  
schemes realizable  
and progressing 1,551,150 2,106,000  
\$3,248,612

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





## I.

JEWISH AGENCY, KEREN HAYESOD - JERUSALEM

	<u>Expenditures 5704</u>	<u>Expenditures 1944 *</u>	<u>Budget 5705 **</u>
Immigration & Relief	\$3, 567,864	\$4,488,110	\$5,200,000
Agricultural Settlement	3,305,816	5,202,459	7,200,000
Labor and Housing	1,096,865	1,935,637	1,480,000
Trade and Industry	563,196	735,354	840,000
Education and Culture	346,060	388,865	560,000
National Organization & Security	2,307,654	2,489,244	2,060,000
Religious Affairs and Grants to Institutions	203,553	232,416	240,000
Loan Service and Interest	413,393	452,054	432,000
Administrative Expense	<u>340,749</u>	<u>344,860</u>	<u>320,000</u>
	<u>\$12,145,150</u>	<u>\$16,269,019</u>	<u>\$18,332,000</u>

\* Includes actual expenditures for the period from January 1, 1944 to September 30, 1944 and estimated expenditures for the period from October 1, 1944 to December 31, 1944

\*\* This budget is based on information of a provisional nature cabled from Jerusalem by the Jewish Agency Executive. The Executive has not yet finally confirmed the budget, which is subject to revision.

# II.

## KEREN KAYEMETH - JERUSALEM

	<u>Expenditures</u> <u>5704</u>	<u>Expenditures</u> <u>1944 *</u>	<u>Budget</u> <u>5705</u>
Land Purchase	\$5,751,402	(	\$12,332,250
Development, Maintenance, etc.	1,277,598	(\$7,973,025**	1,085,400
Afforestation	75,597	(	115,830
Interest	284,483	286,200	522,450
Loan Service	1,515,093	1,633,751	3,248,612
Administrative Expenses	<u>336,580</u>	<u>380,733</u>	<u>424,542</u>
	<u>\$9,240,853</u>	<u>\$10,473,709</u>	<u>\$17,729,684</u>

\* Includes actual expenditures for the period from January 1, 1944 to September 30, 1944 and estimated expenditures for the period from October 1, 1944 to December 31, 1944.

\*\* Actual expenditures during the first nine months of 1944 were as follows:

Land Purchase	\$4,041,380	
Development, Maintenance, etc.	1,084,648	
Afforestation	<u>64,609</u>	\$5,190,725

Estimated expenditures under these items for the last quarter of 1944

2,762,300

\$7,973,025

### III.

#### UNITED PALESTINE APPEAL

##### Budget for 1945

The U.P.A. will have spent by the end of 1944 for administrative expenses approximately \$88,396.60

Community Service Expenses 63,426.00

Appropriations to other organizations:

Mizrachi Palestine Fund	\$250,000	
American Friends of Hebrew University	60,000	
Zionist Organization of America	54,000	
Mizrachi Organization of America	9,800	
Poale Zion - Zeire Zion of America	9,800	
Hashomer Hatzair of America	1,200	304,800.00

In addition, the constituent agencies of the U.P.A., namely, the Palestine Foundation Fund, Inc., N.Y., and the Jewish National Fund, Inc. N.Y., will have paid by the end of 1944, for expenses incurred in New York at the direction of the Palestine agencies, approximately 62,602.90

The following expenditures are to be added:

(a) Administrative expense of the Palestine Foundation Fund, Inc. N.Y. *	14,944.10
(b) Appropriation of Palestine Foundations Fund, Inc. N.Y. to the Commission on Palestine Surveys	25,000.00
(c) Allocation of Palestine Foundation Fund and Jewish National Fund to the American Zionist Emergency Council	<u>500,000.00</u>
	\$1,139,169.60

While the budgets for 1945 of the U.P.A. and its constituent agencies in New York are at present under consideration, it can safely be assumed that the total for 1945 will not fall short of the total amount spent in 1944.

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\* The administrative expense of the Jewish National Fund, Inc., N.Y. is not covered by U.P.A. funds, but from the traditional collections of the J.N.F.

# UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (*Keren Hayesod*) JEWISH NATIONAL FUND (*Keren Kayemeth*)  
MIZRACHI PALESTINE FUND

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

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SOLOMON GOLDMAN  
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### Executive Director

HENRY MONTOR

December 26, 1944

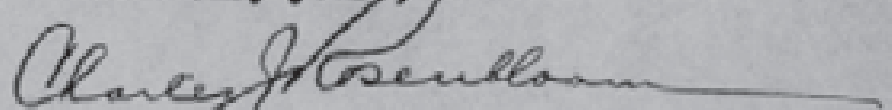
Dr. Abba Hillel Silver  
The Temple  
Cleveland, Ohio

Dear Dr. Silver:

I am sending you herewith the financial and explanatory material on the operations of the United Palestine Appeal and its constituent agencies which the Allotment Committee of the United Jewish Appeal for 1944 considered in its recent deliberations. As you now know, the Allotment Committee distributed an additional amount of \$10,000,000, of which \$4,770,000 went to the U.P.A. and \$5,330,000 to the J.D.C.

The two memoranda, one summarizing the fiscal data and the other giving descriptive information on the expenditures, constitute an excellently comprehensive statement of achievements in Palestine and of needs. I know that, as a member of the Administrative Committee of the United Palestine Appeal, you will wish to familiarize yourself with the contents of these memoranda, both for your own information and for the help it can provide in discussing the United Palestine Appeal at meetings in your own community and elsewhere.

Cordially yours,



Charles J. Rosenbloom  
Treasurer

CJR:MFG  
Encl.



Dr. A. H. Silver

CONFIDENTIAL

MINUTE OF A SUB-COMMITTEE MEETING

January 10, 1945, 6:00 P.M.

United Palestine Appeal office - 41 East 42 Street  
New York City

PRESENT: Rudolf G. Sonneborn  
Judge Morris Rothenberg  
Herman L. Weisman  
Samuel Blitz  
Henry Montor

To discuss further procedures in relation to the 1945 United Jewish Appeal, the group met at the suggestion of Dr. Heller. A letter dated January 8, 1945 had been received from Mr. Isaac H. Levy, rejecting on behalf of the Joint Distribution Committee the U.P.A. proposal that the differences between the J.D.C. and U.P.A. for 1945 be submitted to the neutrals of the 1944 Allotment Committee.

In accordance with the resolution adopted at the last meeting of the Administrative Committee of the U.P.A., it was agreed that a letter should be sent to Mr. Sidney Hollander, President of the Council of Jewish Federations and Welfare Funds advising of the J.D.C.'s reaction to the U.P.A. proposal and stating that the U.P.A. would be prepared to accept the mediation of any committee agreeable to the J.D.C. and U.P.A.

It was also agreed that a reply to Mr. Levy's letter should be sent to the J.D.C. by the U.P.A.

It was agreed that the forms of both letters should be submitted to Messrs. Sonneborn, Rothenberg, Weisman and Dr. Heller before they were issued.

.....  
On January 11th, Mr. Sonneborn advised the U.P.A. that he approved of the draft of the letter to Mr. Sidney Hollander. Dr. Heller stated by phone from Cincinnati that he approved the draft which was read to him. Mr. Weisman notified the U.P.A., also by telephone, that he approved of the letter to Mr. Hollander. Judge Rothenberg entered certain modifications and on January 12th agreed to the issuance of the letter by the U.P.A. to Mr. Sidney Hollander.

MINUTES OF MEETING OF BOARD OF DIRECTORS OF  
UNITED PALESTINE APPEAL  
THURSDAY, MAY 3, 1945, AT OFFICE OF U.P.A.  
41 EAST 42ND STREET, NEW YORK CITY

PRESENT: James G. Heller, presiding, Miss Juliet N. Benjamin, Leo B. Eagan, I. M. Kowalsky, Abraham Krumbein, Harris J. Levine, Seymour R. Levine, Abraham L. Liebovitz, Samuel Markewich, Abraham A. Redelheim, Louis P. Rucker, Bernard A. Rosenblatt, Herman L. Weisman

Miss Sarah Behrman, Louis L. Cohen, Mendel N. Fisher, Mrs. Bert Goldstein, Sidney Green, Herman Hollander, Eliezer Kaplan, Henry Montor, Martin Panzer, Ellis Radinsky, Louis Rinsky, Martin Rosenbluth, Alex Rothenberg, Robert Silverman, Moyer F. Steinglass, Abraham Uslander, Moyer W. Weisgal

CHAIRMAN OF BOARD

The Chairman pointed out that the agreement constituting the United Palestine Appeal required the election of a Chairman of the Board of Directors. This had not yet been done.

It was moved, seconded and unanimously carried that Dr. Stephen S. Wise be elected Chairman of the Board of Directors of the United Palestine Appeal.

STATUS OF UNITED PALESTINE APPEAL

A report on the conduct of the independent campaign of the United Palestine Appeal since the decision of the Executive Committee of the UPA on February 5th, was presented by Mr. Montor. He described the organization in terms of field representatives, lay leadership and contacts with hundreds of communities. The general estimate that could be made was that the response was better than had been anticipated. He felt that the UPA campaign would bring more money to Palestine in 1945 in terms of ratios and dollars than in 1944.

During the course of his review he spoke of Dr. Heller's active participation in the campaign through his visits to numerous communities. He also referred to the indefatigable work of Mr. Herman Weisman, Chairman of the Campaign Office Committee; also to Dr. Jacob Shoham, Chairman of the UPA for New Jersey; Mr. Charles Brown, National Chairman for the West Coast; Mr. Mortimer May, National Chairman for the South; Mr. Joel Gross, National Chairman for the East, and Mr. Harold Goldenberg in the Middle West. He also referred appreciatively to the fine cooperation that had been extended by Hadassah in recent

weeks, and wanted especially to express thanks to Mrs. Szold for her helpfulness. Mr. Montor also reviewed the acts of cooperation of the Zionist Organization of America, Mizrahi and Poale Zion.

In the course of his remarks he observed that, in the building up of Zionist membership, emphasis upon numbers has not carried with it a similar emphasis on the quality of Zionism of those who had been enrolled. As a result, the UPA has been finding difficulty among some groups of Zionists, even those who hold positions of local leadership. He felt that there should be a keener understanding among Zionist leadership as to what was aimed at by the UPA campaign. The experience of the UPA during the course of its current campaign may constitute the best basis for introspection by Zionist leadership as to the course and content of Zionism in the United States. He realized, of course, that one could not for six years tell the Zionists of America that the happiest of all worlds is to be found in a United Jewish Appeal; and then expect them within six weeks to unlearn the philosophy which had been imposed upon them. He felt that, despite the difficulties that were being had with some groups of Zionists, the UPA had a positive value in that a spirit of determination had been given to a great many who were coming closer to Palestine. The UPA campaign was in his view a contribution to the strengthening of Zionism in America.

In reviewing the physical results of the campaign, he pointed out that with the exception of Cleveland and Hartford, the major cities in the United States had not yet made decisions with respect to their allocations. An Inter-City Committee had been formed among twelve of the larger communities. The purpose was to try to bring about a reconstitution of the United Jewish Appeal, to establish a fact-finding committee which would serve as the basis for allotments by local communities, and to send a mission to Europe and Palestine to determine on-the-spot conditions existing in those areas.

Mr. Montor stated that at a meeting that the UPA representatives had had with the Inter-City Committee, it had been made clear that the UPA would cooperate in making all information available to the Council of Jewish Federations and Welfare Funds, but that it could not accept the Inter-City Committee as a representative body with whom private negotiations should be conducted. The UPA had made arrangements with the Council of Federations for the fullest possible study of all facts at its disposal. Mr. Montor was under the impression that the Council of Federations was prepared to turn whatever material it received over to the Inter-City Committee. But it had also given assurance that all material made available would be turned over to all member agencies of the Council of Federations.

Mr. Montor said that the visit to the United States of Mr. Eliezer Kaplan was proving to be a very great asset. He had visited some of the major communities already, and was planning to visit others in the coming weeks. Everywhere the response was remarkable, with great enthusiasm among non-Zionists as well as Zionists. St. Louis, Kansas City, Chicago, Detroit, Philadelphia, Pittsburgh, Boston, and



Newark were among the communities on Mr. Kaplan's itinerary. Mr. Montor was sure that everywhere a deep impression not only as to the needs of Palestine but as to the validity of the Zionist movement would be left by Mr. Kaplan. Mr. Kaplan was meeting with local budget committees and local Boards of Directors. In order that Mr. Kaplan might also meet with the Executive Directors and lay leaders - such as chairmen of welfare funds and chairmen of budget committees - of communities that he could not personally visit, a conference had been arranged in New York City for May 19th and 20th.

The Chairman gave some of his personal impressions of the progress of the UPA campaign. He recalled that just prior to the decision for an independent campaign, Mr. Montor had aroused the ire of some of the members of the Board by rehearsing at considerable length the liabilities that we would have in regard to the rank and file of some Zionist members and the inability of some Zionist leaders to put themselves at the disposal of the UPA. From the beginning, the UPA took the position that it wanted to present its story from a positive and not a negative angle. It was not going to attack anybody. It would cooperate with the welfare funds all over the country. However, from the beginning, the JDC, with its first statement as to what had transpired, had been issuing pamphlets and documents that made it impossible for the UPA to continue merely with its affirmative position. It was essential that the UPA answer many of the statements that were being made with regard to the Palestine position.

He reviewed the communal organization of some of the leading cities. The Zionists are not always represented in the welfare fund structures to the extent that would be justified by their work and their giving. He reviewed also the attitude of many of the Zionists whom he had met throughout the country. He felt that a job of education had to be done among the Zionists in regard to the whole problem in Palestine.

#### PRESIDENT'S WAR RELIEF CONTROL BOARD

The Chairman reported that a telegram had been received on April 23rd asking that the UPA attend a meeting in Washington on Thursday of that week called by the President's War Relief Control Board. The Chairman had been unable to go, and instead, Dr. Shokan had undertaken to represent the UPA there, together with Messrs. Montor and Radinsky. Representatives of the JDC, UPA, NRS as well as Messrs. Hollander and Lurie, of the Council of Jewish Federations and Welfare Funds were present at the meeting. The discussion was a lengthy one, both before and after lunch. It was an unpleasant meeting, he said, first because the members of the WRCB treated the representatives of the several agencies as though they were children and as though the organizations had no rights. They made no real effort to find out what the situation was. It was also evident at the meeting that the members of the Board had made up their minds in advance and that they felt that they were vested with complete mandatory power in regard to the agencies.



Mr. Sidney Hollander, President of the Council of Jewish Federations and Welfare Funds, moreover, had played a very ignoble role in the type of speech he made attacking the leadership and motives of the agencies. The Chairman then read excerpts from the minutes drawn up by a UPA representative of the meeting with the WRCEB on April 26th. The meeting, the Chairman said, resulted in the impression that the Board was going to give the JDC and the UPA a certain time to get together; and, if they did not, then the Board would lay down the conditions under which they would have to recombine into the UJA.

The Chairman reported that on Monday, April 30th, there had been a meeting of UPA representatives with the JDC for the purpose of considering the general plan of action in relation to the WRCEB. He stated that the JDC representatives had suggested that a joint memorandum should be drawn up to be sent to the WRCEB explaining the position of the agencies, and that representatives of the two groups should present the memorandum in person. It was the common judgment that the WRCEB ought not to exercise its authority in the relations between the JDC and the UPA, because it was acting outside of its proper sphere.

The Chairman reported on a visit he had paid to Washington on Tuesday, May 1st. Together with Mr. Montor he had seen Mr. James Brunot, Executive Director of the WRCEB, with whom a long discussion was held as to what the WRCEB intended. The visit was paid to Mr. Brunot by the Chairman at the joint request of the JDC and the UPA in order to find out whether the Board would receive a delegation to present a memorandum. Mr. Brunot suggested that a memorandum be drawn up in writing and submitted first without any delegation.

The Chairman also reported on visits he had with other persons in Washington for the purpose of getting their reaction to the powers of the Board in these matters.

Mr. Weisman believed that one of the factors which must be emphasized in connection with the independent campaign is that it is important for the Zionists of the country to recognize their functional place in the community setup and that they must endeavor to be more closely integrated in the welfare funds, federations and community councils. It was regrettable that in previous years Zionists had not concerned themselves very much with such problems. Now they are aware of the fact that these communal structures play a role in relationship to Palestine as well.

Another point that he wanted to make in connection with the independent UPA campaign is that for the first time there is an opportunity in the communities to speak at length and fully about Palestine. On the basis of his own experience he felt that the reaction throughout the country was good. For years there had been no adequate full-scale presentation in the campaigns of the basic Zionist story of Palestine. Occasionally there were Zionists who were not eager to respond, but in the main their reaction was good.

Mr. Fisher was of the opinion that this is the proper psychological time for an independent campaign, and if the present independent campaign were not continued and there was a reconstitution forced by the WRCEB, there would not be an independent campaign for many years to come.

Mrs. Goldstein declared that the WRCEB did not have a right to dictate in this situation. The Board would not have jurisdiction if the UPA would not accept such jurisdiction. If the UPA would assent, that would establish a precedent for all other Jewish movements in the country. There was a larger issue at stake.

There was some discussion as to the authority of the WRCEB in its relation to agencies engaged in relief, rehabilitation, etc., as a result of war created needs.

Mr. Kaplan gave some of the impressions registered on his mind by his visits to a number of communities. Mr. Kaplan said that, with respect to the campaign in the United States, the position in Palestine was that there would be no intervention in whatever decision the UPA would make. There would be wholehearted support for whatever decision was made.

Leaving all other questions aside, he felt, however, that he ought to give his personal opinion on the subject raised by the WRCEB's order. He felt that if a decision by this Board were unavoidable, it would be preferable for the UPA to reach a voluntary agreement with the JDC instead of having one imposed by the Board. It is always better for Jews and Zionists to agree among themselves than to have decisions imposed by outside bodies.

Mr. Liebovitz recited some of his own experiences with Washington Bureaus and their jurisdiction. He did not feel that while the war was on there could be any profitable resistance.

Rabbi Kowalsky urged that the Zionists should be encouraged to play a maximum role in local federations. Commenting on Mr. Hollander's actions at the meeting with the WRCEB, Rabbi Kowalsky felt that every reputable Jewish organization should indicate very clearly its reaction to this type of conduct.

Mr. Levine felt that it was very desirable that negotiations should be entered into with the JDC and that the best possible terms should be obtained by the UPA before a decision was imposed by the WRCEB.

#### AMERICAN COUNCIL OF VOLUNTARY AGENCIES

Mr. Montor reported on correspondence with the American Council of Voluntary Agencies, arising out of a statement by Mr. James Brunot, Executive Director of the WRCEB, that the Council had been asked to accept membership of the United Palestine Appeal.

JEWISH WELFARE BOARD IN NEW YORK UJA

A letter was received from Mr. Sylvan Gotshal, President of the Greater New York United Jewish Appeal, (Appendix A) advising that a request had been received from the Jewish Welfare Board for an additional grant of \$120,000 from the 1945 UJA of Greater New York. The by-laws of the New York UJA require the assent of the UPA, the JDC and the NRS for any such action.

Mr. Montor suggested that the Board of the UPA approve the request for the additional grant to the Jewish Welfare Board. It was Mr. Montor's view that the UPA had no voice whatever in the running of the New York UJA. Whether the UPA would approve or not, favorable action would probably be taken eventually. Therefore, for the sake of form, the UPA should agree. It would be part of the picture that the UPA would have to take into account for 1946.

The Chairman said that he disagreed with the suggestion; that there was no warrant for an addition to the Jewish Welfare Board at this time.

Judge Rosenblatt moved, and it was seconded, that the question of an additional amount for the Jewish Welfare Board should be laid on the table and that no action should be taken until after a decision had been received from the WRCB.

THE MOTION WAS CARRIED.

ADMINISTRATION ACCOUNT

It was reported by Mr. Montor that Mr. Sonnenborn, who had to be out of the city today, had urged that the Board of Directors authorize the opening of a special account to be called a Disbursement Account. It would be used exclusively for administration expenses. This account would be kept apart from the one from which funds are distributed to the Keren Hayesod and Keren Kayemeth.

Mr. Green explained how the disbursement account would operate.

Mr. Fisher suggested that the question of the signing of the checks should be referred to the Campaign Office Committee.

The Chairman stated that the aim is to obtain from the Board of Directors ratification of the signatories now authorized to sign checks for the UPA. Also the Campaign Office Committee should be asked to bring a recommendation to the Board of Directors in regard to setting up a revolving fund for the purpose of paying administration expenses.

It was moved, seconded and carried that all persons now authorized to sign checks of the UPA shall continue to

do so and that the Campaign Office Committee also be asked to bring a recommendation back to the Board of Directors with regard to a Disbursement Account which would be separate from the regular accounts of the UPA.

DR. HELLEN'S TRIP TO PALESTINE

The Chairman reported that he was planning to leave for Palestine the latter part of May, and he would like the opportunity of meeting with the Boards of the Keren Hayesod and Keren Kayemeth before his departure.

MEETING ADJOURNED.





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(APPENDIX A)

UNITED JEWISH APPEAL  
of Greater New York, Inc.

250 West 57th Street, New York 19, N. Y.

April 30, 1945

The United Palestine Appeal, Inc.  
41 East 42 Street  
New York 17, N. Y.

Gentlemen:

Please be advised that a request by the National Jewish Welfare Board for an additional sum of \$120,000 for the year 1945 from the United Jewish Appeal of Greater New York, Inc., as set forth in the enclosed letter, was presented to our Executive Committee at a meeting on April 26, 1945.

At this meeting, our Executive Committee unanimously resolved that it be recommended to the Joint Distribution Committee, the United Palestine Appeal and the National Refugee Service that an additional \$120,000 be allocated to the National Jewish Welfare Board for the year 1945.

May we have your official consent to this additional allocation,

Very truly yours,

(Signed) Sylvan Gotshal  
President

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NATIONAL JEWISH WELFARE BOARD

Office of the President  
Frank L. Weil  
60 East 42nd Street  
New York 17, N. Y.

April 27, 1945

United Jewish Appeal of Greater New York, Inc.  
250 West 57th Street  
New York, N. Y.

Gentlemen:

I herewith request, on behalf of the National Jewish Welfare Board, the additional sum of \$120,000 for the year 1945 from the New York City Campaign.

I regret the necessity of making this request. It is the first time the J.W.B. has had to increase its budget during the course of the year after it has been adopted, but we are confronted with conditions that have made the situation imperative.

The increased needs of the armed forces have required increased service, which require increased funds to meet them. The Chief of Chaplains of the Army has written us stating that General Eisenhower has cabled requesting thirty-six additional Jewish Chaplains in the European theatre of operation. The Chief of Chaplains of the Navy, on a tour of the Pacific, has asked immediately for five additional Jewish Chaplains. The number of Jewish wounded men in hospitals who require the services of the Board have increased beyond the estimate we had anticipated. Our overseas work has expanded beyond our original estimates. Rabbi Philip Bernstein, Executive Director of our Religious Activities, recently returned from a tour of the Pacific, during the course of which he ascertained that our plan for the shipment of supplies was insufficient because of the pressure of shipment of Army and Navy materiel; that in order to get religious supplies to the men when needed, it would be necessary to purchase them and ship them considerably earlier than we had anticipated. For this item alone, it is necessary to expend, in 1945, more than \$100,000 which we had anticipated would not be needed until 1946. This item alone represents more than one-third of the increased emergency budgetary requirements. In addition to all of the foregoing, it is necessary to expand our program of service in Hawaii because of the fact that there are, and currently will be for some time, 5,000 to 10,000 Jewish men in that area alone. We have also had to expand our staff in the area of Veterans' Service.

April 27, 1945

These increased demands were first submitted to the Chairman of the Army and Navy Division, who, together with his staff, examined them with the utmost care and finally requested the Budget Committee for an increase for emergency needs. The Budget Committee took the position that it would recommend the increase if the communities of the country were prepared to provide the necessary funds to discharge the obligation. Our National Finance Council thereupon telephoned community leaders throughout the country and submitted the matter to them. With complete unanimity, they stated that we must meet the responsibility and discharge the required services and they would see to it that we would receive the necessary funds to do so.

For these reasons, I submit to you, on behalf of the Board, the request for \$120,000 additional for 1945. If this sum is approved, this will make a total of \$770,000 which the Board is to receive. A schedule of payment of the sum of \$650,000 has already been prepared and if approval is given to the payment of the additional sum of \$120,000, I shall be glad to confer with your representative to work out a mutually acceptable schedule of payments.

I earnestly trust that your participating organizations will approve this increased request.

I enclose a small pamphlet which has been prepared for circulation throughout the country giving further details in connection with the increased emergency budget.

If you wish any further information, I shall be glad to submit it to you or appear in person in support of the request.

Very truly yours,

(Signed) Frank L. Weil

CONFIDENTIAL

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS  
OF THE UNITED PALESTINE APPEAL  
MONDAY, MAY 14, 1945, AT 4:30 P.M., AT THE OFFICE  
OF THE UPA, 41 EAST 42ND STREET, NEW YORK CITY

PRESENT: James G. Heller, presiding, Herman W. Bernstein, Miss Juliet Benjamin, Mrs. Moses P. Epstein, Daniel Frisch, Mrs. Bert Goldstein, Israel Goldstein, Leo B. Kagan, Max Kirshblum, Abraham Krumbein, Seymour E. Levine, Louis E. Levinthal, Abraham L. Liebovitz, Irving D. Lipkowitz, Samuel Markewich, Henry Montor, Abraham A. Redelheim, Bernard A. Rosenblatt, Louis Segal, Jacob B. Shohan, Rudolf G. Sonneborn, Sigmund Thau, Herman L. Weisman

Albert K. Epstein, Mendel N. Fisher, Sidney Green, Martin Panzer, Ellis Radinsky, Martin Rosenbluth, Bernard C. Rudolph, Harry Seeve, Saul S. Spiro, George Stefansky, Meyer F. Steinglass

ALLOTMENT COMMITTEE OF 1944 UJA

A report on the action of the 1944 UJA Allotment Committee, which met on May 5th, was given by Mr. Montor. The UJA had had at its disposal an additional sum estimated to range between \$1,500,000 and \$2,000,000. Following extensive discussion, the Allotment Committee decided to distribute all funds to be received by the UJA beyond the amounts already distributed, on the basis of 50-50 between the JDC and the UPA. The vote for the motion was 4 to 3.

Supplementary comments on the action of the Allotment Committee and the nature of the proceedings before it were given by the Chairman and Mr. Sonneborn. Both of them asked that it be recorded that Dr. Rosenbluth and Mr. Green had very competently supported the financial position of the UPA in the discussions.

Dr. Goldstein said that the Board should congratulate Dr. Heller and Mr. Sonneborn, also Mr. Montor, Dr. Rosenbluth and Mr. Green for the work they had done in connection with the Allotment Committee proceedings.

It was formally moved by Dr. Goldstein, seconded and unanimously carried, that a vote of thanks be given to Dr. Heller, Mr. Sonneborn and their associates for their fine achievement in respect to the action taken by the Allotment Committee of the UJA.

PRESIDENT'S WAR RELIEF CONTROL BOARD

Mr. Montor reported that on April 26th, as a result of the telegraphic invitation from the President's War Relief Control Board,



the JDC and the UPA together with representatives of the National Refugee Service and the Council of Jewish Federations and Welfare Funds met in Washington. At that time the Board said in effect that either the two agencies should reconstitute the United Jewish Appeal, or the WRCEB would do so.

Mr. Montor pointed out that copies of a confidential minute on the meeting of April 26th had been circulated among the members of the Board of the UPA. Since that time representatives of the UPA and the JDC had met and drawn up a memorandum in which they jointly expressed the view that the Board ought not to intervene in a matter which so keenly concerned the Jewish community, taking into account the fact that the agencies antedated the WRCEB and would undoubtedly endure beyond the life of the Board. At the same time a request was made that the JDC and the UPA have an opportunity of meeting personally with the Board to supplement the arguments presented in the memorandum. Dr. Heller had gone to Washington and had met with the Director of the Board and with Mr. Taft, its Acting Chairman. He was under the impression that the Board would give the agencies the opportunity of a hearing.

On Friday afternoon Mr. Baerwald as Chairman of the JDC, and Dr. Heller as Chairman of the UPA, had received a reply from the WRCEB to that communication (Appendix A).

Extended discussion was held on the attitude which the UPA should adopt toward the WRCEB. The Chairman posed the question as to whether the UPA should act alone or in concert with the JDC. How far was the UPA willing to go in questioning the jurisdiction of the WRCEB? If the UPA would challenge that jurisdiction, the question inevitably arises as to the reconstitution of the UJA. In that event there are two alternatives: either reconstitution by negotiation with the JDC itself; and - in that event - upon what terms? Or waiting for the WRCEB to impose a reconstitution of the UJA under terms which it will itself set forth.

Mr. Montor reported on a conversation he had had that morning with Mr. Leavitt, Secretary of the JDC, who had said that the JDC would not put itself in the position of challenging the Board.

Mr. Levine asked what would be the consequences if the WRCEB were to be defied.

It was Mr. Montor's view that any answer to the question would be highly speculative.

It was moved by Mr. Sonneborn, and seconded, that it be the consensus of the Board of the UPA that it should not under any circumstances defy the WRCEB and that a committee be appointed by the UPA with full authority to act with the JDC in that spirit.

Upon the suggestion of the Chairman, the motion was withdrawn in order that another resolution that had been prepared with Dr. Heller, might be read (Appendix B).

An extensive summary of the powers of the WRCB was presented by Mr. Weisman, who declared that the position of the JDC with respect to the Board is quite different from that of the UPA. The JDC would find it impossible to say that it solicits money from the American people for needs that are not war created, whereas the UPA is not in that position. He did not think that the WRCB could lift the registration of any organization without giving that body an opportunity to be heard. He pointed out that, if the WRCB were to say that it had no jurisdiction over the UPA, it would not be a prejudicial statement. The tasks, for which the UPA functions, do not properly come within the war created functions of the WRCB. The UPA does not say that it needs its money for war created needs. Certainly there are scores of agencies that go to welfare funds constantly asking for money for purposes not connected with the war, and are definitely not emergency war relief. Certainly the WRCB does not assume jurisdiction over such bodies.

It was Mr. Weisman's view that the Board of the UPA might take the following position: (1) that the UPA has not authorized and does not authorize any challenge of the jurisdiction of the WRCB; (2) it is our considered judgment that it would be a grievous error to assimilate the UPA with other fund-raising agencies which raise money for war created needs or for emergency war relief; (3) therefore, we respectfully urge upon the WRCB that a UPA delegation be heard in regard to the matter presented in the communication of May 10, 1945.

Dr. Shohan, who headed the UPA delegation which met with the WRCB on April 26th, commented on the attitude of members of the Board toward Jews. The only two points they raised at the meeting were (1) the question of money, and (2) the question of manpower. Dr. Shohan wanted to associate himself with the point of view of Mr. Weisman. He felt that the UPA should stay under the jurisdiction of the Board.

Mr. Segal urged adoption of the procedure submitted by Mr. Weisman.

Mrs. Epstein felt that some of the work being financed by the UPA had some bearing on war conditions. She felt also that the WRCB did have jurisdiction.

Dr. Goldstein expressed himself in favor of the proposals made by Mr. Weisman. He felt that perhaps the end of the war in Europe might in some way temper the attitude of the WRCB.

Mrs. Goldstein was of the opinion that, whether or not there is a war, the UPA goes on with its constructive work in Palestine. She felt that the question of the WRCB's power was vital, and affected the whole Jewish community. To accept the action without challenge involves dangers in other directions.

Mr. Frisch said that he would like to be informed as to any proposition that may have been submitted by the JDC recently.

Mr. Rudolph was of the opinion that the directive of the WRCB should be accepted as quickly as possible.

Mr. Fisher supported Mr. Weisman's proposal and urged that as long as possible the intervention of the WRGB should be resisted.

Mr. Weisman's proposal was also supported by Dr. Rosenbluth and Judge Rosenblatt.

The Chairman, summarizing some of the discussion, reiterated his view that the decision made with regard to an independent campaign was the right course. There has been some controversy in the community - in some communities more than in others. The real convictions of people are being tested and discovered. He felt that the democratization of the American Jewish community was inseparably bound up with an independent campaign, and this had a meaning on a long-time basis in regard to Zionism separate and apart from the question of funds. He felt that this was just the beginning of a process that had just been initiated. What the UPA was doing was in effect a continuation of the program which Herzl had originally talked about. The UPA campaign should be viewed not as a temporary matter but from the long-time position of Zionism in Jewish life.

Insofar as the WRGB was concerned, the Chairman supported the suggestions made by Mr. Weisman, although he felt that the WRGB would not recede from the position it had taken. Whether right or wrong, the WRGB was prepared to act. The Chairman had the impression very definitely from his visits in Washington that, if the JDC and the UPA did not get together on their own account, the Board would impose a reconstitution of the UJA. It was his view that the JDC at the present time showed a slight tendency to yield. If an arrangement were made with the JDC, more would be obtained than had been available originally.

In response to Mr. Frisch's question about the Jewish National Fund, the Chairman felt that the JNF would not get anything better than the same ceiling as last year.

The Chairman said that he had just received notice that he was to fly to Palestine either Saturday or the following day. He deeply regretted having to leave in the midst of this situation, but for two years he had pressed for the opportunity to go to Palestine and had been making all efforts to obtain a priority to do so. Now that he had obtained it, he did not wish to negate all that effort.

The Chairman also reported that at the meeting of the Allotment Committee on May 5th, Mr. Watchmaker, Chairman of the Allotment Committee, had made an impassioned speech following the deliberations of his Committee with regard to the reconstitution of the UJA. The Chairman had told him that he had no authority to discuss the situation and that all decisions with regard to the UPA were made by the Board of Directors. Mr. Watchmaker said that he had the feeling that he could prevail upon the JDC to accept a 56-44 arrangement for all funds, with no allotment committee, and with the same ceiling for the JNF as last year. The Chairman said that he had indicated that he would submit the matter to the Board of Directors. Then Mr. Watchmaker and his associates in the UJA Allotment Committee met with the JDC representatives, Messrs. Levy



and Goldwasser. Apparently they had suggested that they would accept such an arrangement provided they had the right to add that the JDC would be permitted to receive up to \$800,000 for Landsmanschaften for relief purposes and projects in Europe.

Dr. Heller had had to leave prior to the end of that meeting, and Mr. Sonneborn had then informed him by telephone about what had been suggested. As far as he was concerned, Dr. Heller said that this was completely unacceptable. He had called Mr. Watchmaker on long distance in Boston and had told him so.

It was moved, seconded and carried that Mr. Weisman's motion:

- (1) that the UPA has not authorized and does not authorize any challenge of the jurisdiction of the WRGB;
- (2) it is our considered judgment that it would be a grievous error to assimilate the UPA with other fund-raising agencies which raise money for war created needs or for emergency war relief;
- (3) therefore we respectfully urge upon the WRGB that the UPA delegation be heard in regard to the matters presented in the communication of May 10, 1945

should be adopted and that a committee should be appointed to carry on and to report back to the Board of Directors on any future action to be taken.

Mr. Montor said that there were only two alternatives. The Board of the UPA had to be willing to say to the WRGB that the UPA was not within its jurisdiction. If the Board of the UPA is not prepared to go on record as making that statement, there is only one other alternative, and that is accepting whatever the WRGB does. The Board will issue a directive as to the nature of the reconstitution, or else the UPA would have to get together voluntarily with the JDC. He was opposed to any formula set up by the Board. He felt it would be harmful from every aspect. He felt that action should be taken jointly with the JDC, and that out of their common discussion a formula would be established.

Mr. Fisher moved, it was seconded and unanimously carried that the Board of Directors of the UPA bid Godspeed to Dr. Heller on his departure for Palestine and express to him deep appreciation for the excellent leadership he had given the UPA.

The Chairman announced that the committee to consider further action on the WRGB situation and to report back to the Board of Directors of the UPA will consist of Messrs. Levinthal, Weisman, Rothenberg, Lipkowitz, Gross and Shohan.

The meeting was then adjourned.



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(APPENDIX A)

THE PRESIDENT'S WAR RELIEF CONTROL BOARD

Washington Building  
Washington 5, D.C.

May 10, 1945

Registered Mail

Mr. Paul Baerwald, Chairman,  
The American Jewish Joint Distribution Committee,  
270 Madison Avenue,  
New York 16, New York.

Rabbi James G. Heller,  
National Chairman,  
United Palestine Appeal,  
41 East Forty-second Street,  
New York 17, New York.

Gentlemen:

The President's War Relief Control Board herewith acknowledges your communication dated May 1, 1945, signed by Paul Baerwald, Chairman of the American Jewish Joint Distribution Committee, and James G. Heller, National Chairman of the United Palestine Appeal. In this communication, it is stated:

1. "Basically, as we see it, the aim of Executive Order No. 9205 which established the Board on July 25, 1942, was to deal with fund raising problems growing out of 'war created needs'."
2. "That in the case of both, the American Jewish Joint Distribution Committee and the United Palestine Appeal, the programs and objectives of these organizations antedated by decades the establishment of The President's War Relief Control Board and that, in pre-war as in post-war situations, these two agencies have functioned and planned to operate."
3. As to JDC, "its fundamental character as a permanent agency of relief and rehabilitation in the special field of Jewish interest on behalf of Jews throughout the world, has not thereby been modified. The word relief as used loosely does not indicate the variety of its functions."
4. "Both within the programs of the JDC and of the UPA, there are elements of special importance and interest to the Jewish communities of this country and elsewhere which are not to be found in the so-called emergency relief undertakings of war created bodies."

In view of the above statements, the Board would be glad to be informed (a) whether the JDC and the UPA consider that in soliciting contributions from the American people, they are not soliciting them for "war created needs" or for "emergency war relief" and (b) whether they consider that the Board has no jurisdiction under the President's Executive Order regarding solicitations made by them for contributions. If such be the position taken by the two agencies, the Board will be called upon necessarily to consider the question of cancellation of the registration of each agency on the ground of lack of jurisdiction. If it decided to cancel, the Board would be called upon to inform the various Community Chests and other similar bodies in local communities that requests for allocations of community funds made by the two agencies should not be deemed to be requests for contributions for "war created needs" or for "emergency war relief." Furthermore, the agencies concerned would be obliged to refrain from appealing to the public or to allocating bodies for funds on the grounds that they are designed to meet war created needs.

In view of the urgency of the situation the Board would appreciate it if you would answer the questions herein contained immediately.

By order of the Board:

WRHS  
/s/

Very truly yours,

Joseph E. Davies

Joseph E. Davies  
Chairman

RESOLUTION

The Board of Directors of the United Palestine Appeal, having heard the letter dated May 10th from Mr. Joseph E. Davies, Chairman of the President's War Relief Control Board, records its view that the UPA is not an agency dealing solely or primarily with war-created needs, but has purposes and objectives related to the peaceful rehabilitation of the Jewish people in their National Homeland.

The Board of Directors asks that this view be communicated to the President's War Relief Control Board, but recognizes that in the interest of preserving public relations during the war period the UPA will have to subordinate its views to the discipline exercised by the President's War Relief Control Board regardless of the merits of the position the Board may take.

The Board of Directors of the UPA authorizes the appointment of a committee with full power to represent it, with the following general directives:

- (a) An effort should be made by this sub-committee to explore with the Joint Distribution Committee the possibility of a common attitude toward the President's War Relief Control Board. This sub-committee of the UPA is authorized, if the JDC will join in such a policy, to urge upon the War Relief Control Board a modification of the position it has thus far adopted;
- (b) The sub-committee of the UPA is authorized to take such action as it may deem necessary in the event that the JDC will not agree to a joint policy in respect to the President's War Relief Control Board;
- (c) In the event that the sub-committee finds it desirable to bring about a reconstitution of the United Jewish Appeal, it shall have power to fix such terms as it may deem for the best interests of the UPA.

CONFIDENTIAL

MINUTES OF A SPECIAL MEETING OF BOARD OF DIRECTORS OF  
UNITED PALESTINE APPEAL  
TUESDAY, MAY 29, 1945, AT UPA OFFICE  
41 EAST 42 STREET - 10:00 A. M.

PRESENT: Stephen S. Wise presiding, Jacob H. Cohen, Mendel N. Fisher, Leon Gellman, Leo E. Kagan, Max Kirshblum, Abraham Krumbein, Abraham L. Liebovitz, Seymour R. Levine, Samuel Markewich, Irving Miller, Henry Montor, Abraham Redelheim, Louis Segal, Jacob B. Shoham, Archibald Silverman, Jacob Sincoff, Herman L. Weisman, David Wertheim

Sidney Green, Eliezer Kaplan, Martin Panzer, Ellis Radinsky, Martin Rosenbluth, Robert Silverman, Meyer W. Weisgal

PRESIDENT'S WAR RELIEF CONTROL BOARD

A letter from Charles P. Taft, Acting Chairman of the President's War Relief Control Board, dated May 25, 1945 (Appendix A) was read. It was a directive by the Board ordering the reconstitution of the United Jewish Appeal by June 4, 1945.

Mr. Weisman reported that the JDC and the UPA had agreed to take common action with respect to any decision by the Board and to make arrangements for reconstitution on a basis satisfactory to themselves rather than in compliance with a directive.

Mr. Weisman reviewed the history of negotiations between the JDC and UPA since last December and pointed to the similarity between a proposal which he had made to the JDC in December and the one contained in the PWRCB's directive. Mr. Weisman reported that the previous Friday, as the result of a meeting of the Campaign Office Committee, he and Mr. Montor had visited Messrs. Leavitt and Hyman of the JDC in order to discuss the JDC's declaration that, regardless of the directive of the Board if it involved a formula for the distribution of funds, the JDC would not consider itself bound by it. Mr. Weisman gave similar assurance to the JDC.

Mr. Fisher felt that nothing was left to the UPA, now that the PWRCB had issued its directive, but to begin negotiations with the JDC. He moved that a committee be designated to negotiate with the JDC and to bring back a report to the regular meeting of the Board of Directors scheduled for Thursday, May 31st.

There was some discussion as to the jurisdiction of the PWRCB.

Mr. Segal contended that the order of the PWRCB is, in his view, contrary to Zionist and Jewish interests. He stated that other government bureaus had issued orders which had been resisted by organizations which felt that their constitutional rights had been invaded. He felt that it



was weakness on the part of Zionists that, when an action was taken by their own government which they felt to be unfair, they did not challenge it. He felt that the PWRCB did not have authority to act in the manner in which it did, and that it should be challenged accordingly.

Rabbi Miller said that he supported to some extent the position taken by Mr. Segal. He did not believe that the UPA and the JDC had exactly the same status in relationship to the PWRCB.

Mr. Montor said that there were only two alternatives that face the UPA Board: the first was a motion to instruct the officers to take all legal steps necessary to remove the UPA from the jurisdiction of the WRCB. In the event that the UPA Board failed to take such action, then there is only one other alternative, and that is to proceed as quickly as possible to a meeting with the JDC and to come to an agreement with it. It seemed to him that it was much better for the UPA to come to an agreement with the JDC, whatever the terms, than to comply in the fullest spirit with the directive of the Board. Undoubtedly there would be an agreement not only for 1945 but for 1946 as well, since the bulk of the year 1945 had passed. Since the UPA and JDC were going to live together for at least another year and a half, it was certainly desirable that the terms of such relationship should be fixed by the two agencies themselves, and not by the Board.

Mr. Segal moved, and Mr. Gellman seconded, that the UPA Board take all necessary steps to take the UPA out of the jurisdiction of the PWRCB.

Mr. Kaplan asked what the influence on fund-raising would be of the adoption of such a motion.

Finding it necessary to leave, the Chairman expressed his own view that, to his regret, there seemed to be no other alternative for the UPA but to conform to the order. He reviewed the various circumstances both internal and external which would not permit open resistance at this time to the Control Board's order.

Dr. Wise then turned the Chair over to Mr. Weisman.

In comment on a query by Rabbi Miller, Mr. Montor said that it was his view that most Zionists would not sustain resistance by the UPA to the Control Board's order. There had been an independent UPA campaign. There are many Zionists who gave it splendid support. By and large, the campaign had been successful to such an extent that it would stand in favor of the UPA when negotiations were resumed. It was his view that, to challenge the Board and to say to it that the UPA was not prepared to abide by its order, would invite not merely the hostility of the Board, but the hostility of the overwhelming majority in the country, including Zionists.

He felt it desirable that an agreement be made with the JDC rather than to comply fully with the WRCB's directive, because the UPA should keep out of the control of the WRCB as much as possible. It was

his view that the Board was hostile, that it was dominated in some respects by an anti-Palestine sentiment, reflected by Mr. Charles P. Taft, one of the members of the State Department.

It was moved and seconded that Mr. Segal's motion regarding the withdrawal of the UPA as a registered agency with the FWRCE be tabled.

THE MOTION TO TABLE WAS CARRIED, with two negative votes.

The Chairman suggested that a subcommittee should be appointed with power to explore with the JDC the situation created by the WRCE's letter of May 25th, and to report back to the UPA Board at the Thursday meeting.

Mr. Fisher declared that he had no objection to an exploratory committee being appointed, but before any terms were completed he would like to have a meeting of the UPA Board on Thursday so that the Board could receive a report of the subcommittee. The subcommittee should know, he said, that it does not have full power.

Mr. Segal moved that any committee appointed to negotiate with the JDC should make clear to the JDC that the JNF ceiling cannot be made a part of the agreement between the UPA and the JDC.

The Chairman said that if such a motion carried, there would be no one in authority in the UPA who would act on such a committee.

Rabbi Miller moved, it was seconded and unanimously carried, that a committee be appointed by the UPA to consider with representatives of the JDC the situation arising out of the letter of May 25 from the President's War Relief Control Board.

Mr. Segal, after a discussion by Mr. Fisher, withdrew his motion.

#### APPOINTMENT OF ACTING CHAIRMAN

Mr. Kaplan observed that it seemed to him desirable that in the absence of Dr. Heller in Palestine an Acting Chairman of the UPA should be named. He said that he had discussed the question with Dr. Heller before the latter's departure. Dr. Heller had indicated that he felt that Herman Weisman would be an excellent choice, since he had been working closely with him. Mr. Kaplan did not know what the UPA procedure was or whom it wished to have, but in any event, in view of the many problems that had to be disposed of, the naming of some acting chairman seemed logical.

Mr. Sincoff moved that Mr. Herman L. Weisman be named as Acting Chairman.

The Chairman suggested that it would be better if the subject were taken up at the regular meeting of the Board of Directors on Thursday.

POWERS OF COMMITTEE

Dr. Shohan took the view that it is not in the best interest of the UPA that its committees should go into negotiations with the JDC without the power to act. The JDC, he said, gives its committees full authority. He wondered why the UPA mistrusted the committees which it named. Sometimes a decision could be made quickly that would be favorable to the UPA but, if time had to be lost to convoke meetings at which the Board could consider matters, then the possibility of favorable action was occasionally lost. He wondered what justification there was for sending UPA committees into meetings without power and with no authority.

Mr. Fisher said that experience had proved that it was more desirable for the Board to act on such matters. He wanted to be sure that the negotiations with the JDC would be subject to the approval of the Board.

The Chairman reassured Mr. Fisher that, in accordance with custom, the agreement would have to be made with the consent and approval of the UPA Board of Directors.

MEETING ADJOURNED.



(APPENDIX A)

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THE PRESIDENT'S WAR RELIEF CONTROL BOARD  
Washington Building  
Washington, D. C.  
May 25, 1945

Dear Rabbi Heller:

We have received your telegram of May 16 and a telegram from Mr. Baerwald both replying to our letter of May 10. Both the UEA and the JDC acknowledge the jurisdiction of The President's War Relief Control Board which the joint statement submitted under date of May 1 seemed to question.

The Board has given careful consideration to the situation presented at the hearing held in Washington on April 26 and to the further materials submitted by the UPA and the JDC since that time.

Under the terms of Executive Order 9205 dated July 25, 1943 and of Section 8 (b) of the Joint Resolution of Congress approved November 4, 1939, the Board has registered the United Palestine Appeal, the National Refugee Service and the American Jewish Joint Distribution Committee as war relief agencies. It has registered the United Jewish Appeal as a joint fund-raising organization for war relief purposes.

The registrations of these agencies authorize the UPA, the NRS and the JDC to perform certain relief and welfare services which now must be construed as war relief and welfare measures and to solicit funds for these purposes primarily through the UJA, which was authorized to conduct a combined appeal in collaboration with local fund-raising organizations where they exist.

The agencies formerly supported through the United Jewish Appeal now propose to abandon that method of securing their principal support and to substitute independent appeals to local fund-raising organizations except in New York City. This modification of agency programs would require amendment of the registrations of the UPA, NRS and JDC and withdrawal of the registration of the UJA as a combined fund-raising organization. Requests for such amendments have been filed with the Board by the UPA, NRS and JDC. The fact that the UPA, NRS and JDC have proceeded to inaugurate such independent appeals without prior authorization by the Board is a violation of section 501.7 of the Board's regulations.

The Board considers that the principal points bearing on the question of whether these amendments should be approved are the following:



1. The reasons for failure to reconstitute the UJA in 1945 include -

- (a) Failure of the UPA and JDC to agree, as heretofore, on a formula for division of an initial portion of the proceeds of the combined campaign.
- (b) The belief, on the part of at least some of the persons involved, that separate appeals to local fund-raising organizations and separate promotional programs by the several national agencies will permit more effective presentation of the needs for funds and that this may result in larger total contributions.

2. The costs of fund-raising and promotional activities already projected by the three organizations are now estimated in the total of \$1,257,000 in addition to their normal administrative costs which last year totaled approximately \$800,000. This more than doubles fund-raising costs which totaled \$593,000 for the UJA in 1944.

3. Except in New York City the decision as to allocation of funds between the three agencies formerly financed through the UJA would be made under the proposed plan by budget committees of local fund-raising organizations rather than the national agencies and the allocation committee of the UJA.

The Board is convinced that the proposal to abandon the United Jewish Appeal and conduct separate campaigns by the method and to the extent proposed is contrary to the public interest and inimical to the humanitarian causes heretofore served jointly through the United Jewish Appeal.

Since 1939 when the United Jewish Appeal was established as a means of financing the principal Jewish overseas charities the Appeal has made an enviable record during a period of critical emergency. It has distributed more than \$95,000,000 in a manner which now permits flexibility of allocations in the interest of equitable consideration of emergency needs. Its fund-raising costs have been reduced to 2.5%.

During 1945 the humanitarian purposes served through the agencies of the United Jewish Appeal will continue to require all the resources which possibly can be obtained for urgent relief and welfare measures. Diversion of large sums for additional promotional costs is unjustifiable at this critical time.

Furthermore, the needs served through the agencies of the UJA will continue to be influenced by emergency factors which clearly indicate that flexibility in allocating funds still is

highly necessary and desirable. Equitable consideration of these conditions can best be provided through a pooling of resources for allocation from time to time by a central allocations committee which can be informed continuously of developments affecting relief and welfare programs.

The United Jewish Appeal should be continued during the war emergency period. The Board suggests that it be reconstituted for 1945 with an allocations committee instructed to meet quarterly or oftener and authorized to allocate all of the proceeds of the united campaign to the several participating agencies without a predetermined percentage formula in regard to any part of the funds. The allocations committee should be empowered to make annual allotments sufficient to meet fixed obligations of the participating agencies. Its allotments for relief and welfare services which must be adjusted to changing circumstances should be made in a manner which will permit prompt response to emergency needs wherever they may arise.

The promotional activities of the UJA should be continued on a basis which will continue the economy in cost and manpower which the joint campaign has achieved in the past. As heretofore, the objective of the UJA campaign should be to interpret the needs served through the several participating agencies and to present them in a way that will make clear the essential unity of purpose in the combined appeal—to secure the maximum resources to meet the great needs for relief and welfare services during this period of critical emergency.

The Board insists that in the public interest, especially during the war emergency period, the UPA, the NRS and the JDC provide for the continuation of the United Jewish Appeal in 1945 along the lines proposed. Recognizing the strength of the point made by you and Mr. Baerwald to the effect that the special problems arising in this connection can best be cleared up within the Jewish community as an integral part of the American body politic the Board requests that by June 4, 1945 the three agencies submit a statement to the effect that the three agencies in their own interests and in the public interest have composed the difficulties which until now have delayed re-establishment of the United Jewish Appeal for 1945.

With regard to the request for another hearing before the Board as incorporated in the statement of May 1 and in the replies to our letter of May 10 the Board sees no reason for an additional hearing at this time.

Sincerely yours,

/sgd./ Charles P. Taft

Charles P. Taft  
Acting Chairman

CONFIDENTIAL

MINUTE OF A MEETING OF THE BOARD OF DIRECTORS OF THE  
UNITED PALESTINE APPEAL  
THURSDAY, MAY 31, 1945, 4:30 P.M., AT THE OFFICE OF THE UPA  
41 EAST 42 STREET, NEW YORK CITY

**PRESENT:** Herman L. Weisman, presiding, Mendel N. Fisher, Mrs. Bert Goldstein, Abraham Goodman, Leo B. Kagan, Abraham Krumbein, Abraham L. Liebovitz, Samuel Markewich, Irving Miller, Henry Montor, Abraham Redelheim, Morris Rothenberg, Albert Schiff, Jacob B. Shohan, Rudolf G. Sonnenborn, David Wertheim.

Miss Sarah Behrman, Samuel Blitz, Sidney Green, Eliezer Kaplan, Martin Panzer, Ellis Radinsky, Martin Rosenbluth, Alex Rothenberg, Jesse Schwartz of Montreal, Robert Silverman, Meyer F. Steinglass.

ELECTION OF ACTING CHAIRMAN

In view of the absence from the country of Rabbi James G. Heller, who is on a visit to Palestine, it was held desirable to name an acting chairman in his place.

It was moved and Rabbi Miller seconded that Herman L. Weisman be named Acting Chairman of the UPA in the absence of Dr. Heller.

It was unanimously carried.

WAR RELIEF CONTROL BOARD

A report on negotiations with the JDC at a meeting on May 29th was presented by Mr. Weisman. The committee, which had been appointed to represent the UPA, consisted of Mr. Weisman, Judge Rothenberg and Mr. Montor. The decision to negotiate arose out of the Directive from the President's War Relief Control Board to the effect that the United Jewish Appeal must be reconstituted by June 4th. The representatives of the JDC were Isaac H. Levy, Jerome Kohn, Louis Broido and Joseph C. Hyman.

Reporting on the position taken by the JDC at the negotiations on May 29th Mr. Weisman stated that Mr. Levy started off by reiterating the 60-40 JDC proposal. During the lengthy session, many proposals were exchanged. There was agreement between the JDC and the UPA that any directive from the Board with regard to the specific manner of the distribution of funds should not be accepted by either side and that it would be harmful to the future of Jewish causes in this country to abide by such a specific directive. It was therefore concluded that it was preferable for the two organizations to agree on a formula for the distribution of funds. The JDC proposals included the New York formula involving 43-57 and a ceiling of \$1,100,000 on the JNF and also the so-called Watchmaker formula, involving a distribution of 44-56 with a ceiling of \$1,100,000 on the JNF and the right of the JDC to obtain up to \$800,000 in earmarked funds from Landsmanschaften.



Among the various proposals made during the discussion by the UPA was one that finally came down to 55-45. A large part of the discussion was given over to the status of the JNF. Finally, the JNF ceiling was brought up from \$1,100,000 to \$1,500,000. The UPA was therefore in a position, Mr. Weisman said, of agreeing on a formula for the distribution of UJA funds on the basis of 56% to the JDC and 44% to the UPA, with a ceiling of \$1,100,000, or of lifting the JNF ceiling to \$1,500,000 with a proportionate drop in the percentage of UJA income to 57-43. It was Mr. Weisman's view that the latter arrangement seemed preferable, in view of the effort being made to preserve the JNF as a functioning entity in Zionist fund-raising.

The final proposal agreed to with the JDC, subject to the approval of the Board of the UPA, was 57% to the JDC and 43% to the UPA, with a \$1,500,000 ceiling for the JNF.

In reply to an inquiry from Mr. Sonneborn as to whether the JDC would have as readily acceded to 56-44, Mr. Weisman stated this had been proposed by the JDC. The JDC had, however, stood firm on the ceiling of \$1,100,000. The only way, he said, to reach a comfortable ceiling for the JNF was to drop 1% as far as the UPA ratio in the UJA income was concerned.

Mr. Weisman also pointed out that the JDC would be permitted to obtain up to \$800,000 in earmarked funds from Landmanschaften. He pointed out that this was part of the suggestion that emanated from David Watchmaker, chairman of the 1944 United Jewish Appeal Allotment Committee, and his associates, following the meeting of the UJA Allotment Committee on May 5th. Mr. Watchmaker had brought pressure to bear on the JDC and UPA for a reconstitution and had finally proposed a formula involving a ratio of 56-44, ceiling of \$1,100,000 for the JNF and the right of the JDC to obtain \$800,000 in earmarked gifts from Landmanschaften.

Dr. Heller and Mr. Sonneborn, the UPA representatives on the Allotment Committee, had indicated their approval of the 56-44 formula, but not of the JDC's right to obtain \$800,000 in earmarked funds. At that time the JDC had indicated to Mr. Watchmaker their readiness to accept his proposal.

In the discussion with the JDC, Mr. Weisman stated, the JDC was in a sense in the position of having a roof, so-to-speak, on the demands of the UPA, inasmuch as in December, 1944, the UPA had been urging the three neutrals in the Allotment Committee, headed by Mr. Watchmaker, as mediators between the JDC and the UPA.

Mr. Weisman reported that the question of the nature of NRS participation in the UJA had also been raised. Since 1942 the NRS had worked itself into the position of being the third constituent agency, although the UJA corporation was supposed to be controlled equally by the JDC and the UPA. The UPA had indicated to the JDC that it was determined on a revision of the agreement which would make it clear that the administrative features of the campaign would be solely within the competence of the JDC and the UPA and not in the power of the three national co-chairmen of the UJA, one of them designated by the NRS. Because there were three national chairmen, the equal partnership between the JDC and the UPA was distorted into a tripartite arrangement.

The administrative affairs of the UJA campaign would be within the jurisdiction of a Campaign Committee composed of an equal number of representatives



of the JDC and the UPA and not of the three National Chairmen. Insofar as the NRS is concerned, its problem had been discussed at a meeting attended by JDC and UPA representatives on May 31st. The NRS had agreed in December 1944 to take \$875,000 with the right to go to an Allotment Committee. It was now agreed that the NRS would still get \$875,000 and that it would have the right, if it needed additional funds, to go to a committee composed of the JDC and the UPA, with a non-voting representative of the NRS present. In the event that such a committee would not reach a solution acceptable to the NRS, the JDC and the UPA would agree to appoint three additional impartial persons to pass on the problem presented.

In response to a question from Rabbi Miller as to the duration of the agreement, Mr. Weisman stated that concluding an agreement in June for a 1945 UJA meant that in September or October negotiations would have to begin again with the JDC. It was desirable to avoid that. It was also desirable to avoid an Allotment Committee and, subject to the approval of the UPA Board, that too is eliminated. Both agencies are agreed that the business of choosing and working with an Allocations Committee had become very burdensome.

Subject to the approval of the Boards of the two organizations, it was agreed that the UJA would continue until December 31, 1946, which may or may not coincide with the expression "duration" used in the letter from the PWRCB. Insofar as the NRS is concerned, it will have to agree with the JDC and the UPA for the initial amount that it is to receive for 1946. The same machinery would apply for an additional allotment.

Commenting on the raising of the ceiling of the JNF from \$1,100,000 to \$1,500,000, Judge Rothenberg pointed out that the additional sum of \$400,000 is divided by the Keren Hayesod and the Keren Kayemeth. Moreover, the JNF was not estopped from raising funds in excess of \$1,500,000; only the excess will go into the common pool. Out of that common pool, the UPA would again receive 43%. He also felt that one of the big gains of the new arrangement was the elimination of the Allotment Committee. It had always involved a constant struggle. As to the continuation of the UJA in 1946, he thought it might be possible to insert a clause that unless either party give thirty days' notice, the agreement would continue for 1946.

In answer to a question from Mrs. Goldstein with regard to the separate JDC activity among the Landsmanschaften last year, Mr. Montor stated that at the meeting with the JDC, Mr. Levy had proposed 57-43, with a ceiling of \$1,100,000 and had even offered to drop the amount for the Landsmanschaften to \$275,000. It appeared that insofar as the present conditions are concerned, the earmarked income from Landsmanschaften for the JDC would be comparatively minimal.

Mr. Blitt stated that in 1945, the JDC has thus far obtained \$45,000 from this source.

There was some discussion on the question of the duration of the contract of the UJA.

Consideration was also given to the question as to whether the PWRCB would insist on the full terms of its directive involving the set-up of an Allotment Committee which would meet quarterly or oftener.

Dr. Sheehan said he did not favor the Formula that had been agreed upon. He pointed out that at the last meeting of the Board on May 29th, he had suggested that the committee representing the UPA should have full power. The answer given was that the committee should have only exploratory power and that the final power should rest with the Board. He felt that a formula of 56-44, with a ceiling of \$1,100,000 for the JNF would be preferable.

This view was supported by Rabbi Miller. He did not think that there was any principle involved in a ceiling of \$1,100,000 as against \$1,500,000. The one principle involved was whether there should be a ceiling altogether on the JNF. Once it had been agreed that a ceiling should be established, the amount was immaterial. He felt, however, that every point above 40% for the UPA was desirable. He advocated a thirty day clause with respect to the renewal of the agreement.

Mr. Kagan declared that there was no question of victory involved as to whether the UPA would receive one or more percent in the allocation of funds. The situation was forced upon the UPA as a result of the War Relief Control Board order. He approved a 57-43 formula with a withdrawal clause for 1946.

Dr. Rosenbluth said that the choice was between two alternatives: 57-43 and a ceiling of \$1,500,000 and 56-44 and a ceiling of \$1,100,000. He felt that these were the only two alternatives that need to be discussed at this time. He echoed Rabbi Miller's views as to the preferability of a 56-44 formula. He declared that if the Board were to vote for a 57-43 percentage with a ceiling of \$1,500,000 for the JNF, the cost to the UPA in 1945 would be approximately \$100,000, which meant that the Keren Kayemeth itself would pay \$50,000 for the opportunity of having the ceiling raised. Dr. Rosenbluth then cited some statistics to confirm his view.

Mr. Liebovitz approved the 57-43 formula and a thirty-day withdrawal clause.

Mr. Fisher disputed Dr. Rosenbluth's figures as to what was involved in choosing a 57-43 formula.

Mr. Montor reported that he had been in touch with Charles Brown of Los Angeles, Harold J. Goldenberg of Minneapolis and Mortimer May of Nashville. These men, who had served as Campaign Co-Chairmen of the UPA had uniformly given their reaction that a 56-44 formula would be more desirable. People in the Welfare Funds disregard the amount raised by the JNF, these men said.

Mr. Montor said he would like to address himself to the representatives of the Jewish National Fund with the thought that they might be willing to reconsider the matter from two points of view: the feeling of hundreds of people who worked for the UPA and who ought to have some kind of incentive and stimulation for the work they put in; secondly, it was certainly desirable to start the UPA off from a higher level, that is, 44%, than the lower figure of 43%. A situation might arise in 1946 which might limit the opportunities of the JNF to raise funds. By the agreement, the UPA would be frozen at 43% in 1946. He hoped that the JNF would be willing to reconsider the situation in the light of the discussion at the meeting.

Mr. Schiff was of the opinion that the 57-43 ratio was undesirable.

Mrs. Goldstein believed that the action of the PWRCB should be resisted, but if the UJA reconstitution was inevitable, it should be on the basis of any determination made by the War Relief Control Board and not by voluntary action of the UPA. She felt that a ceiling on the JNF traditional collections was detrimental to the Zionist movement.

Mr. Goodman felt that the question of the amount of money or ceiling of the JNF was not an important factor in the thinking of leaders in the smaller communities, whereas the question of the percentage as between the UPA and the JDC did play an important part. He felt that a 57-43 ratio, regardless of the advance on the ceiling of the JNF, would be unwise.

Mr. Sonnensborn proposed that the Board of Directors accept a 56-44 ratio, with a \$1,100,000 ceiling for the JNF. The chairman urged that the action be held in abeyance until the close of the discussion.

Judge Rothenberg reviewed his participation in various aspects of the Zionist movement, saying that his loyalties were not specifically to the JNF, but to the movement as a whole. He pointed out that the JNF is a partner with the Keren Hayesod in the UPA. As such, it must be treated with dignity in the UPA; just as the UPA wished to be treated with dignity in its relations with the JDC. The JNF was not only engaged in raising money, but in keeping up the Zionist banner. It is the traditional organization which stands for certain social standards and, while it collects funds, carries on magnificent Zionist propaganda.

He did not think that too much importance ought to be attached to the question of whether the UPA ratio was 43% or 44%. It was much more important, in his opinion, that the JNF which has produced so much enthusiasm for the Zionist movement, should be in a position to enlarge its activities and, therefore, should have its ceiling raised to \$1,500,000. It had already collected \$1,500,000. It was impossible to go to the workers and givers throughout the country who have already raised this money to say to them that \$400,000 should now be turned over to the common pool. The lifting of the ceiling from \$1,100,000 to \$1,500,000 was not everything that the JNF wanted, but it is an improvement in the situation, as is the elimination of the preferential payment of \$600,000 to the JDC from the UJA. X

Mr. Wertheim supported the views of Judge Rothenberg. He felt, however, that if a ceiling was imposed on the JNF, the question of the amount of the ceiling was not too important. His own preference was for a 56-44 ratio. However, since the question had been discussed in the JNF and the JNF Board had decided to accept the formula proposed to it, it would make for bad will within the Zionist movement to upset its decision.

Dr. Shoham expressed regret that the action of the Board of Directors of the JNF should be invoked to prevent action by members of the Board of Directors of the UPA.

Mr. Kaplan gave his impressions of what had been accomplished by the independent campaign of the UPA and expressed appreciation to those who had carried the burden of the campaign. He asked that a special meeting of the Board of the UPA be called at an early opportunity to give him a chance to discuss the question of the form of organization of the UPA and the work of the UPA under the conditions of the reconstitution of the UJA. /



He felt that the present question as to the division of funds should be considered from the point of view of the financial results and what is of greatest benefit to Palestine as a whole. It was his view that a 56-44 formula would probably please friends of the UPA throughout the country more than the increase in the JNF ceiling. He thought that the UPA Board might adopt a position with respect to the formula and enter into negotiations with the JNF asking the latter to reconsider its decision. The opinion of the JNF Board ought not to be ignored, but an opportunity should be sought to bring to the attention of the JNF Board some of the problems that had been discussed at the UPA meeting.

Mr. Weisman agreed with Mr. Kaplan that it was desirable to have an early meeting to discuss the question of the UPA organization.

The immediate question before the UPA Board had two sides: one affects public relations of the UPA and the other touches upon the internal harmony of the Zionist movement. There should be good relations within the UPA as between the Keren Hayesod and the Keren Kayemeth, which are the bodies which established the UPA. The preservation of internal harmony and integrity was in his view the more important question. He supported the 57-43 formula and the increase of the ceiling to \$1,500,000.

Mr. Markewich moved and it was seconded that the UPA Board accept a formula for the distribution of UJA funds on the basis of 57% to the JDC and 43% to the UPA, with a ceiling for the JNF fixed at \$1,500,000.

Mr. Montor said that the Board had freedom of choice as between two formulas; each point of view could represent a sincere conviction. The matter should be discussed purely on its merits. Speaking as one who had some responsibility in connection with the independent campaign and having contact with hundreds of men throughout the country who gave of themselves earnestly and devotedly to the campaign, he felt they deserved the consideration that would be shown by accepting a 56-44 arrangement and a ceiling of \$1,100,000. He also urged the consideration of the proposal made by Mr. Kaplan with respect to coming to an amicable conclusion with the JNF, which is in a very difficult predicament.

Mr. Fisher characterized the formula brought back by the negotiators as very unsatisfactory. He felt that the only redeeming feature of the formula was the raising of the JNF ceiling to \$1,500,000. When the matter was presented to the JNF Board, the members felt that as a matter of loyalty to the UPA they should accept it. He urged the members of the UPA Board to preserve the integrity of the Keren Kayemeth. This could be done by enabling the JNF to operate on the enlarged scale that would be permissible under a \$1,500,000 ceiling.

Rabbi Miller amended Mr. Markewich's motion to the effect that it is the opinion of the UPA Board that it is in the better interests of the UPA that an arrangement be entered into with the JDC for a 56-44 division and a JNF ceiling of \$1,100,000, and to that end a committee of the UPA should meet with the officers of the JNF to secure their consent to this view.

Rabbi Miller's motion was seconded and was placed to a vote. It was lost.



Mr. Markewich's motion which involved (a) the reconstitution of the UJA on the basis of a 57-43 ratio; (b) with a ceiling of \$1,500,000 on the JNF; (c) with the JDC having the right to obtain earmarked contributions from Landsmanschaften in the amount of \$800,000; (d) the sum of \$875,000 to the NRS and other features pertinent to the UJA agreement was submitted to a vote and was passed.

THE MEETING WAS ADJOURNED.

