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Council of Jewish Federations and Welfare Funds,
Inc.

including the Bureau of Jewish Social Research

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September 13, 1940

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

Dear Rabbi Silver:

The enclosed Memorandum to the Committee on the Study of National Budgeting Proposals has been prepared by the office of the Council as the first step in developing the Committee's activities. It is not intended to express the point of view of the Council or of any individual member of the Committee.

It is necessarily a long document since it aims to offer information on various aspects of current practices and outlines some of the problems that would be involved in a theoretical national budgeting process. We might add, however, that the memorandum proper is not as long as first appears, since half of the document consists of attached appendices.

We believe that this memorandum and its appendices (especially, Appendix D) should be studied carefully and that the next step is for each member of the Committee to organize his own opinions on some of the basic questions before the Committee. The important questions are:

1. Do you favor the development of some plan for central national budgeting of agencies that make appeals to welfare funds?
2. Is a national budgeting process feasible at this time?
3. If so, what are some of your detailed suggestions for the kind of national budgeting that you would consider feasible?
4. If not feasible, are there alternate plans you would recommend?

We would like to receive your comments on the memorandum and these questions, and also your suggestions for the further work of the Committee, as soon as possible so that we can plan an agenda for the first meeting of

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COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.


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the Committee. We shall try to arrange for this at the time of the next meeting of the Board of Directors of the Council to be held in the fall.

We feel that the Committee's assignment is one of greatest importance to the present and future functioning of Jewish Welfare Funds and we hope that you will give the other members of the Committee the benefit of your thinking.

With kindest regards, we are,

Very sincerely,


JACOB BLAUSTEIN, Co-chairman
WILLIAM ROSENWALD, Acting Co-chairman

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SUMMARY OF REQUIREMENTS

(The following is a summary of the major costs of supplies and materials that would enable the Jewish community in Palestine to cope with its extraordinary war-time relief and emergency needs. In each instance figures and amounts are approximations, due largely to the difference in exchange rates.)

I.	Evacuation of children: (20,000)	Tents and installations	\$ 300,000
		Six-month feeding program	950,000
II.	General Feeding:	a. Children (18,000)-six months	\$64,000
		b. Adults -- six months	480,000
		c. Refugees: housing and medical costs (11,000) feeding	550,000 529,000
		Clothing, etc. for 3600 internees	180,000
III.	Refugees--Arriving: (2,000)	First aid assistance and maintenance	200,000
IV.	Medical Assistance:	1500 beds	40,000
		Medical Supplies	150,000
V.	Supplies:	Feeds:	
		Meats	
		Condiments	
		Fruit	
		Vegetables	
		Milk	
		Miscellaneous	
		Clothing and Materials	
		Other Materials: e.g.	
		Tents: 5,000	
		Cots: 30,000	
		Mobile canteen units	
		Medical Materials and Supplies: e.g.	
		20 ambulance units	
		25 dressing stations	
		20 trucks	
		2 outfits for brain surgery	
		Outfits for laminectomy	
		chest	
		abdominal	
		bone surgery	

4 M.

(IT WILL BE NOTED THAT THE PROVISION OF SUPPLIES TAKES THE PLACE OF THE FOODS INDICATED AS NEEDED FOR ASSISTANCE.)

IN SOME INSTANCES, FOOD OR SUPPLIES MIGHT BE OBTAINED MORE QUICKLY IN OR NEAR PALESTINE. LARGELY, HOWEVER, THE SUPPLIES COULD BEST BE SHIPPED FROM THE UNITED STATES TO PALESTINE.)

MEMORANDUM

**Detailing the Assistance Required of the American Red Cross
By the Jewish Community of Palestine**

By Whom Submitted:

This memorandum is submitted by Dr. Abba Hillel Silver, National Chairman of the United Palestine Appeal, on behalf of the Jewish Agency for Palestine, the body recognized in the League of Nations Mandate for Palestine --held by Great Britain--as the supreme representative of the Jewish people of Palestine, by the Palestine Emergency Committee, comprising the leading American bodies concerned with the emergency problems of Palestine; the Zionist Organization of America; Hadassah, the Women's Zionist Organization of America; the Hicrachi Organization of America; and the Labor Zionist Organization of America.

The Purpose of the Memorandum:

The American Red Cross is being requested to make available to the Jewish Agency for Palestine, for use by the Jewish community in Palestine, such supplies, in materials and/or cash, as are needed to enable it to deal with the problems caused by war.

The Background:

Insofar as the war is concerned, Palestine is being administered as a part of the British Empire. It is, therefore, subject to attack. Haifa and Tel Aviv, its two great Mediterranean cities, have been bombed. Its

import facilities have been sharply reduced. Its export markets have been drastically curtailed. A small country, in the midst of pioneering growth, its capital resources have been severely affected by the war. Since the rebuilding of the Jewish homeland in Palestine has involved the settlement of hundreds of thousands of men, women and children who escaped from European lands with little or no funds, assistance from outside to deal with war-relief and emergency problems is especially urgent. Some of the supplies and materials needed can be purchased only abroad; others might be available more quickly either in or near Palestine.

THE PROBLEM

1.

Evacuation of Children

The bombing of Tel Aviv and of Haifa emphasizes the need of carrying out a broad evacuation scheme promptly, especially for children. Up to the present, the Palestine Government has insisted that this is a responsibility that must be borne by the Jewish community. But the community does not have the resources to cope with the situation. It is held essential that at least 20,000 children between the ages of six and fifteen be removed from Haifa and Tel Aviv to Jerusalem, Safed, Tiberias and other points. This involves:

- (a) transportation
- (b) shelter
- (c) maintenance

The costs for the evacuation of these twenty thousand children include the following:

- (1) temporary housing, with tents and sanitary installations. A tent costs from \$8 to \$10 in Palestine, into which three and, if necessary, four children can be placed.

For this item alone, therefore, the approximate cost is:

tents:	\$180,000
installations	120,000
	<u>\$300,000</u>

- (2) The feeding and maintenance of these 20,000 children. Children of parents with means could be provided for. But the overwhelming majority of the 20,000 being planned for come from poor homes.

The cost of feeding and maintaining the children has been put per capita at \$2. (\$8. per month). For 20,000 children, this involves \$160,000 a month. For a six-month period, the cost would be \$960,000.

There are the additional costs of transportation for supplies. A great many of the vehicles in Palestine could be mobilized for this purpose. In addition, station wagons that might be made available as auxiliary trucks for the medical service could relieve the pressure in this field, as well.

II.

General Feeding

There are three categories in this division:

(a) In addition to the children who must be evacuated, an urgent relief and feeding problem exists for thousands of other children who will remain in the large centers. War has thrown great numbers of the employed out of work. Since these people have never had any resources on which to fall back, the problem of feeding them is critical. This is particularly true of the children, for whom the dangers of malnutrition should be avoided.

As an indication of the extent of the problem, there are some 10,000 additional children in Tel Aviv alone who must be fed. A survey of the feeding requirements in the larger centers indicates at least 8,000 additional children who must be cared for. At the rate of \$8 per month per capita, this would entail a cost to feed 18,000 children of \$864,000 for six months.

(b) Although the feeding of the children is the greatest necessity, the relief problem also affects thousands of adults. The sharp limitation of traffic on the Mediterranean, with an almost total elimination of con-

mercial shipment, has crippled the citrus industry, a pillar in the economic life of Palestine, and various other enterprises dependent on contact with the outside world for maintenance. Early in September, 1940, there were 25,000 unemployed individuals affecting 100,000 people, for whom relief provision in some form or other had to be made. It has been estimated that this program requires about £30,000 a month (c. \$120,000). The Palestine Government is being pressed to provide £5,000 a month for this purpose. The Jewish community of Palestine, already taxing itself to the limit with its meagre resources, might make another £5,000 a month available. This would require £30,000 a month, or £120,000 (\$480,000) for six months, from outside to maintain this urgent relief program.

Failure to cope with this need must bring the inevitable consequences of malnutrition and epidemics.

(c) The bombing of Tel Aviv creates a feeding problem for a community dependent on outside resources and unable to engage in normal occupations. A survey indicates, for example, that 45,000 people in Tel Aviv alone require assistance with food. The cost of this one item would be \$360,000 a month. The Government and the Jewish community extend themselves toward this responsibility, but if it is to be met, outside assistance will be required.

(d) The group which has been most severely affected by the war comprises some 11,000 people who have escaped from European lands into Palestine since the outbreak of war in September, 1939. The total number of immigrants in this period was 16,000. Completely without resources, these 11,000 have been unable, in the face of the extraordinary conditions of war-time, to adjust themselves to the economy of Palestine which has created severe problems even for those who have been longer in the land. In every sense of the word, these 11,000 people can be described as victims of the war and refugees from the war. For them there are problems not only of feeding, but of housing.

and particularly of medical assistance. The housing and medical costs average \$50 per capita, involving \$550,000. The feeding program involves \$88,000 a month.

III.

Refugees Released from Internment

Since July 1, 1940, the Palestine Government has released from internment camps 3,600 Jewish refugees, men, women and children, on the understanding that their feeding and shelter would not become a Government responsibility. (This group of 3,600 is included in the 11,000 mentioned above.) These refugees, suffering such terrible hardships in Europe that they were prepared to brave the most hazardous forms of transportation because they had no immigration certificates for Palestine, were seized by the Government on their arrival. Traveling for weeks and even months in crowded, unseaworthy boats, all of them came without living facilities, including clothes; many of them were ill and diseased when finally they landed.

Urgently needed facilities have been delayed because of the lack of funds. For them are needed beds and mattresses (estimated at £ 1. per head); shorts and shirts and labor clothes (estimated at £1.25 per head) and similar basic requirements. This involves an additional expenditure of \$180,000.

The provision of hospital beds, medical attention and supplies is particularly urgent for this large group, many of whom will have to be nursed for months before they can be restored to health.

IV.

Refugees Now Arriving in Palestine

For many Jews remaining in Europe is virtual death. Therefore, if valid immigration certificates are available, any failure to utilize

them represents catastrophe for the individuals involved. There are at the present moment 7,500 Jews in various European centers who are on their way to Palestine with immigration certificates made available by the Jewish Agency. These include 2,000 people utterly without means, such as workers, rabbis and children. Their cost of transportation, which is being borne by the Jewish Agency and other bodies, represents a serious problem of financing. As they are arriving, they need first aid assistance and maintenance. This cost has been estimated at \$38 per head, for clothing, housing, etc. Counting only the 2,000 completely helpless people, this involves an expenditure of approximately \$200,000.

V.

Medical Assistance

The bombing of Tel Aviv and Haifa, and the probability of further attacks on these and other Palestine cities, have effects in two directions (a) civilian casualties in need of medical and surgical aid; and (b) destruction of homes and thus involving provision of shelters for air-raid victims. The absence of subterranean passages, such as exist in large European centers in the form of subways and underground basements of great public buildings, makes this problem especially acute.

A survey of the requirements indicates the need for the immediate provision of at least 1,500 beds for first aid for air-raid victims, to be distributed in various parts of the country. This is in addition to the facilities now available in the general hospitals of the country, maintained by the Government, by Jewish municipalities, or by Hadassah, the Women's Zionist Organization of America, whose network of health and medical activities, maintained for a period of some twenty years, has been greatly responsible for the remarkable advances registered in the general health of Palestine.

This particular item of 1,500 beds would involve an initial cost of \$10,000 (\$40,000). In addition, there is required a wide variety of drugs, materials, instruments and mechanical facilities, such as ambulances and mobile dressing stations. The medical supplies appealed for by Palestine total \$150,000.

VI.

Supplies Needed

In the foregoing paragraphs there has been given a description of the general requirements, with an indication of the costs involved, on the basis of the purchase of supplies in or near Palestine.

It is noted that the help that might be contributed by the American Red Cross would come from two sources (1) an appropriation by the Congress of \$50,000,000, whose use is restricted to the purchase of supplies in the United States, and (2) cash funds of the war relief campaign conducted by the Red Cross in addition to the normal resources of the Red Cross.

It is for the Red Cross to determine from which source it is best able to extend the aid so urgently pleaded for in Palestine.

a. Food Products

Meats, etc.

Meat (*)

(*) The nature of the Jewish population in Palestine underlines the necessity of kosher products in any meat supplies sent there.

Salmon

Herring

Kippers

Canned fish
(sardines, tuna, etc.)

Condiments

Cocoa

Tea

Coffee

Baking powder

Vegetable oil

Fruit

Fresh apples (export surplus)

Dried apples

Dried prunes

Dried apricots

Raisins

Preserves

Vegetables

Canned peas

Canned string beans

Canned spinach

Tomato juice

Tomato sauce

Sauerkraut

Potatoes

frozen vegetables

Dairy Products

Milk -- condensed and powdered

Brick cheese

Egg powder

Butter

Butter substitutes (*)

(*) The same necessity for kosher products as is required for meats applies here.

Miscellaneous

Wheat
Wheat flour
Barley
Rye
Rye flour
Cereals
Sugar
Rice

Quantities in each case are determined by the numbers of persons to be fed, as described in the previous sections of this memorandum. For example, powdered, skimmed milk, which at least until recently could be purchased in Palestine, cost ~~165~~ (\$260) per ton. It has been estimated that it would take 8 tons to feed 5,000 children for four months. On that basis, there would be required at least 72 tons to provide for 30,000 children for a six month period, at a cost of \$18,720.

b. Clothing and Materials

Boots and shoes	(30,000 pair for adults and children)
Socks	(60,000)
Stockings	(20,000)
Underwear	(60,000)
Shirts	(60,000)
Shorts	(60,000)
Slickers	(30,000)
Rubbers	(15,000)
Sweaters	(15,000)
Light overcoats	(15,000)
Trousers	(60,000)

Woolen piece goods
 Cotton piece goods
 Cotton blankets (5,000)
 Woolen blankets (10,000)
 Hospital garments (5,000)

c. Other Materials

Tents for shelter (5000 -- of type to house 3 or 4 people)
 Cots and mattresses (30,000)
 Materials for sheeting
 Pillows
 Materials necessary for water supply, toilets, showers, --
 pipes, fixtures, etc.
 Mobile canteen units - for feeding of adults and children.

d. Medical Materials and Supplies

Medical supplies, partial, preliminary needs (a description of
 the items appear in attached lists A, B and C)
 20 complete ambulance units (containing ambulance and operating
 room equipment -- estimated at \$750 (\$2,000) each.
 25 dressing stations (\$150 -- \$600 each) to serve the Jewish
 colonies in the remote northern districts, and the isolated
 southern villages.
 20 trucks to distribute food and medical supplies to the several
 hundred Jewish settlements and colonies.
 Bandages and dressings.
 2 outfits for brain surgery (complete bone and cranial instrument
 outfit, including motors, instruments, saws, etc. (Described in
 List B)
 Outfits for Laminectomy, chest, abdominal and bone surgery.

VII.

Operating Agents in Palestine

The Jewish Agency for Palestine, as the supreme representative
 of the Jewish people in Palestine, is the authorized instrumentality

through which all supervision and administration of assistance would be given. The Jewish Agency is prepared to use the facilities and personnel of bodies affiliated and cooperating with it, and of competent Palestine organizations.

Chief among these for medical purposes is Hadassah, Women's Zionist Organization of America, which has for two decades been responsible for many aspects of health, medical and sanitation work in Palestine, and which introduced modern and advanced methods of medical aid and social work there. Through its subsidiary, Hadassah Medical Organization, and other activities, the Hadassah would be peculiarly qualified to cooperate in this work, especially since it is a completely American organization. The Hadassah has the personnel, apparatus and machinery for large-scale feeding, as well as for all medical services. The Hadassah has 13 emergency and 20 permanent playgrounds in Palestine, which are now functioning as feeding centers for the child population.

The Hadassah has established a Hadassah Emergency Committee in Palestine, which is headed by three American citizens in Palestine, Dr. Judah L. Magnes, President of the Hebrew University of Jerusalem, Julius Simon, President of the Palestine Economic Corporation of New York, and Miss Henrietta Isold, beloved American social worker and founder of Hadassah, who has concerned herself with the reception of refugee children in Palestine.

The Hadassah Emergency Committee has been in communication with the United States Consul in Jerusalem, who has indicated the desirability and necessity of Red Cross support, particularly to help avoid epidemics.

VIII.

Dependence on Red Cross

Moshe Kaplan, Treasurer of the Jewish Agency for Palestine, cabled from Jerusalem: "Help of Red Cross most important, particularly in view of air raids."

Dr. Judah L. Magnes and Julius Simon, after visiting Tel Aviv and reporting on "the pitiful sights, the majority of the casualties being young women and children", cabled to "appeal to Red Cross send moral and material support."

These typical sentiments of leaders of the Palestine Jewish community echo the profound concern of Americans that thousands of innocent men, women and children in Palestine may be saved, in morale and body, through the help offered by the American Red Cross.

IX.

Local Agencies

The nature of the relationship of the Jewish community of Palestine to the Palestine Government, over a period of some twenty years, must be understood in order to appraise the present needs and sources of support. The Palestine Government has placed upon the Jews the burden of responsibility for the maintenance of their social welfare and medical requirements. The Jewish Agency has, ever since the war broke out, urged the Government to assume that share of the burden which it felt justified by the extraordinary emergency needs. The Government has stated that its ability to assist is reduced by the financial burdens incident to the carrying on of the war.

The Jewish community of Palestine has made heroic efforts to maintain and build up an adequate social welfare and health system. But it must be remembered that some 400,000 Jews have come into Palestine since 1920. The great majority were without means, and Palestine has not given them wealth. During the years, therefore, the support of Jewish communities outside, and especially of America, has been counted upon to supply the difference between what the local community could do and what was needed.

The Jews have relied wholly on their own resources up to this time to build up this peaceful and constructive enterprise to provide a refuge for homeless Jews. The war has severely reduced the economic resources of the Palestine Jews. Other Jewish communities, in Europe and elsewhere, have been eliminated by the war and other circumstances, from sharing in the maintenance of the pioneering community in Palestine.

In Palestine, then, are some 500,000 Jews who appeal to America to aid them in the most critical period of their history. The war-time needs are far beyond the capacities of the normal funds to carry on up-building activities in Palestine.

The American Red Cross, great symbol of America's humanitarian impulses, is appealed to on behalf of a great Jewish community in Palestine in dire distress by reason of war.



September 16, 1940

AN INVESTIGATION OF TRANSPORTATION FACILITIES AND INSURANCE RATES
RELATING TO SHIPMENTS OF SUPPLIES TO PALESTINE; AND OF INFORMATION
AVAILABLE IN THE UNITED STATES CONCERNING SUPPLIES NEEDED IN PALESTINE.

By Rehaeloh Levin-Brustein

I. INTRODUCTION.

This report deals with the problems of transportation and insurance rates relating to shipments to Palestine, and with the problems of medical, food, wearing apparel and other supplies needed by the Jewish community in Palestine. All the data required are not available at this time. The information obtained to date is contained in this report. Additional information will be submitted as it is obtained.

II. DATA SECURED TO DATE.

A. Transportation.

To obtain information on transportation facilities directly to Palestine or to the neighboring ports of Haarrah (on the Persian Gulf) and Suez (at the lower end of the Suez Canal), the following eight steamship and forwarding companies were contacted:

American Export Lines, Inc.
Isralian Steamship Lines
Burr Shipping Corporation
Isbrandtsen-Moller Co., Inc.
American President Lines, Ltd.
Kerr Steamship Company
U.S. Navigation Company
American Near East Corporation

Of these companies, two maintain a service to Haarrah; two occasionally place vessels in service to Suez; one company has offered to send a vessel through the Straits of Gibraltar and the Mediterranean to Haifa; another company is planning to charter a small vessel to call to Tel Aviv via the Cape and Suez.

From U.S.A. to Haarrah and Suez.

I. ISRAELIAN STEAMSHIP LINES
26 Broadway, New York City (Room 1426)

This company is said to be a subsidiary of the U.S. Steel Corporation. It

maintains a service of one vessel a month to Basrah and would add more if there was need for additional service. The company states that its ships are in good shape and have a carrying capacity of 7,700 to 8,500 tons each. The vessels fly the American flag. They make several stops at ports in the Persian Gulf. The voyage to Basrah takes about 50 or more days. The ships have no accommodations for passengers. The company operates its own ships.

The next sailing is on or about October 3rd, the SS "ANNISTON CITY", flying the American flag, destination Basrah, sailing time about 50 days.

Freight rates: The company quotes \$27 per ton of 2,240 lbs., by weight or 49 cu.ft. by measurement, at ship's option, for practically all classes of goods. Rates are subject to change. The freight rate on old clothes is about \$19 per ton, weight or measurement. The company may agree to reduce the rate on large shipments or on supplies sent for relief purposes.

The freight rate submitted by this company is higher than the freight rate quoted by the Isbrandtsen-Moller Co., Inc., but it has the advantage of operating American vessels and therefore the possibility of securing lower insurance rates.

The company enjoys a good reputation, and operates about 80 vessels throughout the world.

2. ISBRANDTSEN-MOLLER CO., INC.
26 Broadway, New York City.

This company maintains a service of about one vessel a month to Basrah. It operates vessels flying neutral flags. Its vessels carry cargoes of about 3,000 to 7,000 tons. The ships make stops at Indian ports en route to Basrah. Sailing time is about 55 days. They have no accommodations for passengers. All vessels operated by them are chartered.

The company is trying to maintain a fairly regular service to Suez. One of its ships flying the Panama flag departed on September 14th for Suez. Sailing time is estimated to be about 50 days.

This company offers to move a cargo of goods of not less than 3,000 tons

through the Straits of Gibraltar and the Mediterranean to Haifa at \$50 to \$52.50 per ton. On larger shipments it might agree to reduce the freight rate. Vessels flying the Greek or Yugoslavian flag would be chartered for the direct Mediterranean service.

Sailings during the next month are scheduled as follows:

October 5th, SS "POINT CLEAR", carrying capacity of about 5,900 tons, flying the Greek flag, destination Suez. Sailing time about 50 days.

October 9th, name of vessel unknown, destination Basrah (via India), flying neutral flag-possibly Swedish or Norwegian.

Sailing time about 55 days.

Early in November, another vessel is expected to leave for Basrah.

Freight Rates:

a) To Suez: About \$50 per ton of 2,240 lbs., by weight or 40 cu. ft. by measurement, at ship's option. When itemized by class of goods the rates to Suez are about as follows:

Steel	\$35 per ton
Cereals (dry)	\$30 per ton
Cereals (heavy)	\$50 per ton by measurement
Flour	\$40 per ton by weight
Toilet paper	\$35 per ton by measurement
Medical supplies	\$50 per ton

b) To Basrah: \$22 per ton by weight or measurement, at ship's option, on practically all classes of goods. Old clothes in bales about \$15. per ton.

Freight rates are subject to change.

The company is negotiating to charter either Swedish or Norwegian boats for the Basrah service. It might operate American vessels if it can secure them at reasonable rates.

The company is considered to be rather reliable.

3. AMERICAN EXPORT LINES, INC.
25 Broadway, New York City.

This company operates its own vessels to various parts of the world. Before

The Italian entry into the war it conducted a regular service to Mediterranean ports, including Tel-Aviv and Haifa. At present it does not maintain a service to Basrah. It has a freight service to India and the Far East. The company, however, has plans for a service to Palestine via the Suez Canal under neutral flags, and to Basrah under the American flag. The action taken by the company, as outlined by one of its officers, is as follows:

a) The company has filed an application with the U.S. Government for permission to operate six vessels of about 6,000 tons cargo each to Palestine via the Cape and Suez Canal, to fly the Panamanian flag.

b) Application has been filed with the U.S. Government for permission to conduct a service to Basrah under the American flag with boats of about 6,000 tons cargo. Action on the application has not yet been taken, but the representatives of the company believe that the chances to secure such permission are fairly good.

c) The company is considering the possible continuation of an agency of an Egyptian steamship company to operate vessels to Suez under the Egyptian flag.

The company is acting as loading and booking agent for the SS "SEAN OF MEK", an Egyptian-owned vessel flying the Egyptian flag, with Suez as its destination, to sail on or about September 18th.

Our cause may be well served if the American Export Lines would conduct a service to Basrah or to Palestine through Suez. It is a reliable corporation and is apparently very competent. It is subsidized by the U.S. Government.

Although not pertinent to this report, it may be of interest to know that in the near future this company will conduct an air service, mail and passenger, to Portugal.

4. AMERICAN NEAR EAST CORPORATION
11 West 42nd Street, New York City (and Tel-Aviv, Palestine).

This company has been engaged in the import and export business, with offices in Tel-Aviv and New York. It now is making an effort to charter a vessel to sail to Palestine. Today it expects to conclude negotiations for the chartering of the SS "JORDAN", flying the Panama flag, 2,600 tons, with Tel-Aviv or Haifa as destination, via Cape and Suez. It states that Lloyd's has agreed to insure the vessel against deviation. The prevailing war risk insurance quotation is 10%, plus deviation insurance at 5%. The ship is scheduled to leave during the first week of October and estimates sailing time at 50 to 60 days.

Freight Rates: It quotes the following freight rates per ton by weight or measurement, at ship's option:

Average freight rate,	about	\$47
Steel,	"	\$30
Paper,	"	\$40
General cargo	"	\$60

The vessel may be able to furnish accommodation for one or two passengers. The boat seems to have been chartered from the General Atlantic Steamship Company, 67 Broad Street, New York City.

Mr. Lilienthal, one of the owners of the American Near East Corporation, who is now in New York, has spent several years in Palestine.

5. The other companies mentioned in the list have no service to any port with in economical reach of Palestine.

From Haeroh and Suez to Palestine.

6. Up to this point the report has dealt with transportation facilities to Haeroh and Suez.

The next step is to find transportation from Haeroh and Suez to Palestine. In this country the HARK SHIPPING CORPORATION, 26 Broadway, New York City, acts as Agent for the AMERICAN-PAK SHIPPING CO., LTD., which claims that it can transport goods from Haeroh and Suez to Palestine. The HARK SHIPPING CORPORATION

is a forwarder and has been in business for 25 years. The company is rated by Dun-Bradstreet Co. It is prepared to issue a through bill of lading from any American port to Palestine, or will undertake to issue bills of lading from Basrah or Suaz to Palestine. One of the officers of BAHN SHIPPING CORPORATION stated:

THE AMERICAN-IRAQ SHIPPING CO., LTD. is an Iraqiian corporation with about £10,000 capital, organized in July 1940. It has offices in Basrah and Baghdad, Iraq; and Alexandria, Egypt. It is a subsidiary of the AMERICAN-EASTERN, S.A., Alexandria, Egypt, which is incorporated in Egypt with £1,000,000 or more. It is wholly American-owned. It is in the Steamship Agent business. Information about this company can be secured through the Chase National Bank, New York.

One of the directors of the AMERICAN-IRAQ SHIPPING CO., LTD., is Marcel Wagner, formerly Swiss, now an American citizen. He is Alexandria Agent of the ISTHMIAN STEAMSHIP LINES for the Near East, Agent of AMERICAN PRESIDENT LINES, U.S. STEEL CORPORATION, WESTING HOUSE and other companies. More information about Mr. Wagner can probably be secured from these companies.

There are no Iraqians on the Board of the AMERICAN-IRAQ SHIPPING CO., LTD.

Freight Rates: The freight rates quoted by BAHN SHIPPING CORPORATION on behalf of this company are as follows:

From Basrah to Haifa \$66.60 per ton of 1,000 kilos, by weight
From Basrah to Tel-Aviv,
Jaffa, Jerusalem, \$42.60 per ton of 1,000 kilos, by weight

These rates are on general cargo, consisting of medical supplies, food, clothing, bedding, etc.

From Basrah the goods are moved by water or rail to Baghdad, by rail to Aleppo, and then by lorry to Palestine.

Rates from Suaz to any point in Palestine on general cargo, \$25.40 per ton of 1,000 kilos by weight. The goods are moved by lorry to Palestine.

It is recommended that reports be drawn on the BARR SHIPPING CORPORATION and the AMERICAN EASTERN, S.A., Alexandria, Egypt.

An effort is being made to secure additional information about reliable agencies that transport or would undertake to transport goods from Basrah and Suez to Palestine. Wheels have been set in motion to secure this information. Cable messages have been transmitted to London and Palestine. Since the survey was started only a few days ago, the data are as yet unavailable.

- - - - -

A schedule of early sailings to Basrah and Suez, as of September 16, 1940, is appended to this report as List F.

B. Insurance Rates.

Rates were secured from two sources:

One source submits the following rates, from Atlantic Ports north of Hatteras:

1) War risk rates:

(After September 19, 1940, request for new rates will have to be made.)

<u>To.</u>	<u>Via Mediterranean</u>	<u>Via Cape</u>
Suez	--	10% all flags
Basrah	--	(3% American Flag
		(5% All others
Haifa	15% All Flags	

2) Marine risk rates:

<u>To.</u>	<u>Via Mediterranean</u> <u>per \$100</u>	<u>Via Cape</u> <u>per \$100</u>
Suez	.62½	.75
Basrah	--	1.25
Haifa	1.00	1.125

The second source submits the following rates:

1) War risk rates:

Basrah via Cape: (3% American Flag
(5% All Other Flags

Suez via Cape: 10%

Haifa via Mediterranean: (25% free of British capture*
(15% free of all other capture**

2) Marine risk rates:

Rates on all routes is 7/6^d. with the possibility of securing a reduction to 3/4^d.

All rates submitted by insurance brokers are estimates only and are subject to change dependent upon changing international conditions. To be able to quote an exact rate the brokers must have knowledge of the exact commodities, name of vessel and sailing date.

III. GENERAL COMMENTS.

A. It is believed that the British Control at Gibraltar will require British permission and convoy for vessels undertaking to transport goods from America through the Mediterranean to Palestine. The reason advanced for this is that the British may fear the capture by the enemy of vessels plying through the Mediterranean without convoy.

B. Freight rates on certain classes of goods are charged on the basis of measurement rather than weight, because of their bulk. Sometimes the rate ratio of bulky goods is as much as 2, 3 or 4 to 1 of non-bulky goods.

IV. SUMMARY.

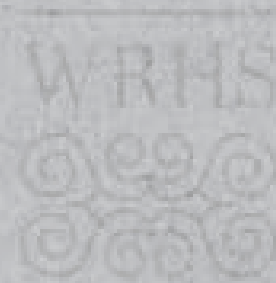
In brief, the information contained in this report points to the following:

- A. Two steamship companies maintain a service of at least one boat a month to Basrah, Iraq.
- B. A third company is planning to enter the same field.
- C. Two or three companies send occasional vessels to Basrah via the Uqayr.
- D. One company offers to transport goods from the United States to Basrah via the Straits of Gibraltar and the Mediterranean.
- E. One company offers to transport goods overland from Basrah and Basrah to Palestine.
- F. Information is expected from Jerusalem and London concerning other organizations able to transport goods from Basrah and Basrah to Palestine at rates more reasonable than those quoted by the American-Iraq Shipping Co. Ltd.

"Free of British capture" means one is covered for the capture of the goods by all countries except G. Britain.

"Free of all capture" means one is not covered for the capture of the goods by any country.

- G. Freight rates on shipments from the United States to Basrah are considerably less than on shipments from the United States to Suez.
- H. Freight rates quoted now are tentative and always subject to change dependent upon the international situation.
- I. Some steamship companies may agree to reduce freight rates on large shipments.



Supplement No. 1
Transportation Facilities

II. A. TRANSPORTATION

Information on transportation from Basrah and Suez to Palestine was received on September 18 by cablegram from one of the Palestinian sources which had been contacted, as follows:

SUEZ TO TEL AVIV (PALESTINE): Transport is well organized for the handling of large shipments, but delivery is subjected to long delays.

Rail Rates (Depending on Classes of Goods and quantities)

Iron bars	LP 1,500 per ton
Iron ware	3,100 " "
Cottons (Manufactured)	5,500 " "
Silk	7,500 " "

BASRAH TO HAIFA (PALESTINE) Basrah is beginning to handle the transport of small quantities of goods, but there is little experience in transport over this route.

Delivery Rates:

Basrah to Baghdad by rail or river	LP 3,000 per ton
Baghdad to Haifa via Transjordan by truck	9,000 per ton
Baghdad to Haifa by rail via Syria	7,000 " "

All quotations and regulations are subject to change.

COMMENT:

If comparison is made between the above-quoted rates for transport from Basrah to Palestine with the rates quoted by the American Iraq Shipping Company, it will be noted that the above-quoted rates are cheaper.

Comparison of rates for transport from Suez to Palestine indicates that the above-quoted rates are cheaper on some classes of goods and a little higher on one class of goods.

Supplement No. 2.
Transportation Facilities

II. A. TRANSPORTATION

From the Pacific Coast, U.S.A., to Basrah: **KIER STEAMSHIP COMPANY, INC.**
17 Battery Place, New York City

This company is said to be wholly American-owned and was incorporated over twenty-five years ago. It maintains a service from the U.S.A. to Asiatic and African ports. The company acts as managing operator for Silver Line, Ltd., London (an English company), and for Leif Hough, Oslo. (a Norwegian company). Occasionally it operates chartered vessels. It works closely with the Java Pacific Line, Inc., 25 Broadway, New York City. The company operates about twenty-five vessels with a cargo capacity of about 9,000 tons each. The vessels are said to be in good condition.

The sailings to Basrah are from San Francisco via India.

Scheduled sailings from San Francisco to Basrah via India during the next few months are as follows:

<u>Sailing Date 1940</u>	<u>Name of Vessel</u>	<u>Flag</u>	<u>Approx. Arrival Date</u>
September 29	Floresfontein	Dutch	November 27
October 16	Kota Baroe	Dutch	December 21
November 16	Hough Silverdam (newest)	Norwegian	January 20, 1941

This schedule will indicate that there is a sailing about once a month, usually about the middle of the month.

Freight Rates: The company quotes \$31.00 per ton of 2,000 lbs., by weight or 40 cubic feet by measurement, at ship's option, on general cargo which includes medical supplies, food, clothing, bedding, etc. Note should be taken that the 2,000 lb. ton is a short ton, in contradistinction to the previous quotations which have been based on the long ton of 2,240 lbs. Attention is directed to the fact that the sailings time of the ships of this company averages a little over two months, which is somewhat longer than trans-Atlantic sailings.

Supplement No. 3
Transportation Facilities

In a cable dated September 22, 1940, the following
shipping information is given:

BOARDING-SHIPPIING BOTH BASRAH AND SUKZ OPEN TO
TRANSPORTATION. COST BAGHDAD TO PALESTINE LP 12
PER TON: FROM PORT SAID LP 3 to 4.



PARTIAL LIST A

1. Acetone	in 1 Kilo bottles
2. Acid Acetyl Salicyl. Pulv.	in 1 Kilo boxes
3. " Boric Crist.	in 1 Barrel
4. " " Pulv.	in 1 pkdgs.
5. " Hydrochlor. C. Pur.	in 6-lb. bottles
6. " Picric	in 250 gram bottles each
7. " Tannic Pulv.	in 2½ Kilo pkdgs.
8. Adips Lanas Anhydrous	in 5 Kilo tins
9. Aether Sulfuric	in 50 lb drums
10. Alcohol Absolut	in 1 Kilo bottles
11. " Methyl	in 1 Kilo bottles
12. " Pur 95°	in 300 Kilo drums
13. Atropin Sulph.	in 10 gram bottles
14. Bismuth S. Gallate	in 1 Kilo boxes
15. Benzol	in 1 Kilo bottles
16. Carbo Animal P. Use Interno	in 1 Kilo pkgs.
17. Chloroform Pur.	in 1 Kilo bottles
18. " Fro Narcose	in 100 gram bottles
19. Copper Sulfate	in 1 Kilo pkgs.
20. Dextrimaltose Heade No.2 Salt Fred	in 5 lb tins
21. Eucrin. Salicyl.	the gram
22. Ferrum Reductum	in 1 Kilo bottles
23. Flores Chamomil. Valg.	in 2½ kilo pkges.
24. Formaldehyd. Solut. 40%	in 25 Kilo Carboys
25. Gelatin Pulv.	in 1 Kilo pkges.
26. Glycerin. Pur. 30 BeSp. Gr. 1250	in 2 Kilo tins
27. Glucose A anhydr. C.P.	in 2½ Kilo bottles
28. Hydrarg. Ammoniated Pulv.	in 500 gram bottles

29. Hydrarg. Cyanid	in 500 gram bottles
30. Iodum Pur.	in 2½ Kilo bottles
31. Lead Acetate	in 5 Kilo pkgs.
32. Liq. Cresol Saponat	in 250 Kilo drums
33. Mastix	in 1 Kilo pkgs
34. Methyl Green	in 1 bottle
35. Procaine	in 1 lb bottles
36. Oleum Ricini Extra Flour	in 25 Kilo tins
37. " Theobromat	in 2½ Kilo tins
38. Papaverin. Hydrochlor.	in one bottle
39. Paraffin Solid 63°	in 1 Kilo pkgs.
40. " Liquid for Internal Use	in 30 Kilo tins
41. Pepsin Pur.	in 1 Kilo bottles
42. Pilocarpin. hydrochlor	in 5 gram "
43. Potass Bromide	in 1 Kilo bottles
44. " Hydroxyd. Pellets	in 1 Kilo "
45. " Iodide	in 1 Kilo "
46. Pyrazidon (Amidopyrin)	in 1 Kilo pkg.
47. Pantocaine (3-Dimethylaminoethyl Ester of 4-Diethylamino- benzoic Acid	in 25 gram bottles
47a. Rivanol (3-Ethoxy-6:9-Diaminocoridine Lactate	in 25 gram bottles
48. Scarlet Red	in 25 " "
49. Serum Anti-Diphtheria - 6000 Units per ampoul	
50. " " " - 5000 " " "	
51. " " " - 10000 " " "	
52. Serum Anti-Streptococcus	10 cc. each
53. " Polyvalent Anti-Peritonitis	10 " "
54. " Anti-Gas-Gangrene (Polyvalent)	
55. " Anti-Dysentery (Shiga)	

56.	Serum Antitetanus 3000 Units	
57.	" " 20000 "	
58.	Sod Bicarbonate	in 50 Kilo barrels
59.	" Carbonate sic (photo)	in 5 Kilo bottles
60.	" Chlorid G.P.	in 2 kilo bottles
61.	" Citrate A.R.	in 1 kilo bottles
62.	" Hydrex. Pallets	in 1 kilo bottles
63.	" Iodide	in 250 gram bottles
64.	Spirit. Nitroglycerin 1½	in 1 bottle
65.	Solut. Adrenalin 1½	in 250 gram bottles
66.	Sulf. Sublimat.	in 1 Kilo pkg.
67.	Theochromine Pur.	in 100 gram pkgs.
68.	Xylol	in 1 Kilo bottles
69.	Calc. Bromidi Pulv.	in 500 gram "
70.	Extr. Belladonnae Spiss	in 2 jars
71.	" " Siccum Pulv.	
72.	Orobilopos Kaurice (instead of Iodo-Tetragonate)	4 gram each bottle
73.	Insulin	100 units each box.
74.	Amp. Tuberculin Old (Human & Bovin)	
75.	Amp. Neocarphenamin 015	Clinic Pkgs.
76.	" " 030	" "
77.	" " 045	" "
78.	" Desoxy ¹ . or Protonil-4 (Sulphonamido-2' : 4' diamino azobenzene Hydrochloride)	" "
79.	Amp. Gynargen	" "
80.	" Lipiodol Soc Oil Poppyseed Iodised "	" "
81.	" Lobelin 0.003	" "
82.	" Sernal 020	" "

83. Asp. Pitocin	Clinical Pkgs.
84. " Pituitrin 05cc	" "
85. Ammon. Chloride	in 1 Kilo bottle
86. Homatropin Hydrobrom	in 1 gram bot.
87. Gentian Violet	100 gram each bottle
88. Sod. Tourocholal	in 1 bottle
89. Zinc Cement, Powder & Liquid Obtainable firm of Stratford & Cookson	
90. Barium Sulph. for I-ray use	5 Kilo pkgs.



PARTIAL LIST B

1. Haemocytometer a/Thoma
2. " Pipets No. 825 Red
3. " " No. 826 White
4. Pipets Measuring a/Mohr 1cc 372030K
5. " " " 2cc " "
6. " " " 5cc " "
7. " " " 10cc " "
8. Cover Glasses Microscopical 18 mm 2980(Square
9. Cover Glasses Microscopical 20 mm 2980 (Square
10. Cover Glasses for Haemocytometer 0.4 mm thick 22 x 22 mm
11. Eye Rods - ball bottom spatula top 4" long
12. Glass Connectors Sims Nozzles 5"
13. Funnels Chemical Short Stem 2" No. 2230
14. Funnels Chemical Short Stem 4" No. 2230
15. Alcohol Lamps 2 oz. capacity No. 2790
16. Alcohol Lamps 2 oz. capacity No. 2790
17. Litmus Paper Blue No. 2860
18. " " Red " "
19. Spatulas "Glasco" 5" No. 3450
20. " " 6" "
21. " " 8" "
22. Applicators 20 cm (Wooden)
23. Tooth Picks
24. Aseptic Thermo Indic.
25. Safety Razors
26. Steel Wool 1 lb. pkgs.
27. Oil Cloth White 131 cm. wide
28. Sewing Thread White Strong
29. " " Black "

30. White Tape Wide ($\frac{1}{2}$ ") 100 Metres each
31. White Tape Narrow ($\frac{1}{4}$ ") 12 hanks of 2 yds. each per pkg.
32. Filter Paper (Good quality) 40 mm. x 40 mm.
33. Toilet Paper Weighing approx. 200 gram
34. Hand Soap (White) (Odorless) Weighing 50 gr each
35. Tongue Blades (Wooden)
36. Dappen Dishes
37. Water Syringes



<u>ITEM</u>	<u>CAPACITY</u>	<u>DIA. TOP</u>	<u>DIA. BOT.</u>	<u>DEPTH INSIDE</u>
<u>Water Pitchers</u>	1½ qts.			
¢ 954	1½ "			
¢ 955	2½ "			
<u>Solution Sumps</u>				
¢ A - 344	1/16 Ft.	3-1/10 3	1-15/16"	2-3/32"
<u>Solution Bows</u>				
¢ B-130		6" (Dia. Inside)		2 3/4"
<u>Bowls</u>				
¢336	1 Ft.	5-11/16"	3"	3"
<u>Basin Basing</u>				
¢A-744		3-5/8 x 6"	2-1/8 x 6½	1 3/4"
¢A-745		3-5/8 x 9-25/16"	3 x 8-3/8"	1-7/8"
<u>Bushings</u>				
¢A-213½	5/8 Pts.	2-7/8"	2-9/16"	3½"
<u>Trays</u>				
¢A-345		12½ x 9-5/8"	3/4"	3/4"
¢A-346		15 3/4 x 9-5/8"		3/4"
¢A-347	16-5/8 x 12"			7/8"
¢A-348		17-13/16 x 13-13/16"		7/8"
¢A-349		22½ x 16-9/16"		1"
		8 x 6½"		3/4"
<u>Solution Basins</u>				
¢A3-160		14½"	4-5/8"	
<u>Dressing Pails</u>				
¢A-1010	10 qts.	10½"	8-1/16"	9½"
		9"	6½"	8"
¢ 9112	12 "	11-5/16" (inside)	8½" (inside)	9-1/8"
<u>Sterilizer Trays</u>				
		18½ x 14½"	17 x 12½"	2½"
		12 x 9½"	10½ x 7½"	2½"
<u>Instrument Sterilizer</u>				
¢ A - 1120				

To our regret we do not have many American catalogues to which we can refer for this type of outfit. The one we have on hand is Catalogue No. 165 of Sharp and Smith (Hospital Division A.S. Aloe Co.) St. Louis, Mo. On the basis of this catalogue, p. 165, we can give you the following specifications:

1. Electro Operative Bone Surgery Motor of the latest design; for cranial, mastoid, nasal, plastic and general bone surgery. The motor should be concealed, eliminating the danger of sparking. There should be a foot switch and a flexible shaft. The metal parts should be chromium plated. As you know, the voltage in Palestine is 220 Alternating Current. The shaft should be detachable for autoclaving.

2. Set of Cranial instruments:

- | | | |
|----------------------|--------------------|---------|
| a) Universal Chuck |) | HB 1563 |
| b) Trepine for skull |) As per Cat. Nos. | HB 1564 |
| c) Spiral Osteotome |) | HB 1566 |

3. Forward Cutting Counter Rotary Saw with easy spacing of blades, as per Cat. No. HB 1561, with four reserve blades.

4. Twin blade circular saw and handle, with 4-6 separators and 6 reserve blades, as per cat. No. HB 1524.

5. Single blade circular saw, as per Cat. No. HB 1528.

CAMPAIGN AIDS

Attention: CAMPAIGN CHAIRMAN

PUBLICITY CHAIRMAN

Not for Publication

BULLETIN

For Member Agencies

October 1940

THE OVERSEAS AGENCIES AND THE WAR

Things have been moving so quickly in Europe and the picture has been changing so rapidly that it has become difficult for even the best informed persons to keep track of the swift and momentous developments in all parts of the globe. It has been especially hard for those who wish to keep abreast of the current activities of American organizations engaged in overseas and refugee aid. These agencies have had to adjust their programs from day to day to meet sudden, cataclysmic changes in many countries, and it is almost impossible to obtain a comprehensive view of the overseas relief situation which would hold good for any length of time.

To answer some of the questions which local community leaders have been asking about current developments overseas, the Council recently asked executives of four leading non-sectarian organizations and seven Jewish agencies providing overseas and refugee aid to describe what they were doing, where they were operating and how they were carrying on their work. All the agencies sent detailed replies.

This is the story these letters tell:

Relief work in most European countries has been continuing despite difficulties and restrictions imposed by the war. American relief dollars are not going into German occupied territory, and all of the agencies questioned are con-

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

forming to the policies imposed by the British blockade. Tremendous opportunities exist in most European countries for assistance to thousands of individuals requiring food, clothing, shelter, medical aid, retraining and emigration aid, all without violating American exchange regulations or the British blockade restrictions. The need for aid far outstrips the capacity of any or all the agencies concerned. Immigration, land purchase and reconstructive work continue in Palestine despite the conflict in the Mediterranean. Refugees continue to come to the United States from many points over long, round-about routes.

That is the general picture. The following excerpts from the letters received by the Council in September fill in the details. They were not intended to cover the full scope of the work of the agencies but reply to specific questions which the Council asked to clear up in the minds of local leaders, particular points on which information was felt to be needed. To save time and space, brief paragraph headings are substituted in this bulletin for the full questions.

WORK IN EUROPE

AMERICAN RED CROSS

From Ernest J. Swift, vice-chairman of the American Red Cross, on September 20:

Current Operations

"American Red Cross relief operations are now being carried on in Great Britain; arrangements are nearing completion for the extension of considerable help to both Finland and China; and distribution is rapidly being completed in France of supplies sent to that country in June, 1940... We have made no shipments to France since the sending of the American Red Cross ship, the McKeesport, which landed in Marseille on July 15th. No further shipments are possible except with the approval of the British blockading authorities. The supplies carried on the McKeesport have been distributed for the most part in unoccupied France under the direct supervision of American Red Cross personnel. The distribution has been effected by an organization established for this purpose, known as the Séours Américain aux Victimes de la Guerre (SAVG)."

At one time or another, "since the outbreak of hostilities, American Red Cross assistance has been made available to the sick and wounded of the armed forces and to the civilian population of Great Britain, France, Finland, Poland, Belgium, the Netherlands, Norway and China. The relief extended has consisted of cash grants, food, clothing, and hospital supplies and equipment, as well as chapter produced bandages, surgical dressings and clothing."

Precautions Against Discrimination

"American Red Cross relief operations are carried on through the national Red Cross societies of the war-affected countries and through agencies affiliated with or closely cooperating with these Red Cross societies. The distribution of relief has been observed by American Red Cross personnel, and one of the primary requisites of such distribution is that it be made without discrimination as to race, religion or political opinion."

Occupied Countries

"The guiding policy of the American Red Cross is to extend relief to the sick and wounded of the armed forces and to the civilian population affected by war, wherever the need for such help exists. Under the present circumstances, however, the question of whether or not the Red Cross shall supply relief to the countries occupied or dominated by Germany is an academic one. It is not possible for us to make any shipments to these occupied nations without the approval of the blockading authorities. If this approval is given, then the American public may be sure that the relief extended is regarded by the blockading authorities as providing no advantage to the enemy. The relief extended in Poland was made possible with the approval of the blockade. The distribution was supervised by American Red Cross personnel and in this distribution all of our agreements with the German officials were scrupulously fulfilled. Our operations in France since the capitulation of that country have been confined to the unoccupied area with the exception of limited assistance to prisoners of war and to children in the Paris area immediately following the fall of France."

American Dollars

"... No American dollars can be transmitted to the occupied countries without the approval of the Treasury Department. Such small amounts of cash as have been transmitted to our representatives in the occupied or dominated countries have been used almost entirely for the maintenance of services in those countries such as assistance to the American Hospital in Paris, the maintenance of our own staff, etc. It is not possible under the present conditions to make any large purchases of relief supplies in these countries, and therefore the transmission of any large sums in American dollars is not necessary. The American Red Cross is not in a position to send money to particular individuals in the various European countries."

Fund-Raising Plans

"The American Red Cross has recently completed a national non-sectarian drive for European war relief and has been successful in raising over twenty million dollars for this purpose. It does not appear that it will be necessary to arrange for a similar drive, at least not for some considerable time. It would be desirable, of course, if all of the appeals for European war relief could be coordinated, and we have, wherever possible, attempted to bring about such coordination. The needs in the various European countries are, however, extremely great, and we do not claim that we can meet all of these needs. We cannot force organizations to limit their drives for funds nor to coordinate them in one national appeal, even if we were in a position to guarantee that we would meet every need for relief in the European nations."

Expenditures

The statement of receipts and expenditures for foreign war relief of the American Red Cross for the period of September 1, 1939, to August 31, 1940, showed expenditures of \$5,089,204 and an unexpended balance of \$13,142,612. The former figure included \$946,995 for general war relief operations, and funds allocated for war relief operations in specific countries as follows: British, \$2,075,838 (Between August 31 and September 16, additional commitments to the value of \$2,051,614 had been made); Chinese, \$10,000; Finnish, \$390,639; French, \$938,312; Polish, \$529,393; Belgian, \$50,000; Canadian, \$67,527; Netherlands, \$25,000; Norwegian, \$45,500; and Syrian, \$10,000.

AMERICAN FRIENDS SERVICE COMMITTEE

From John F. Rich, associate secretary of the Committee, on September 17:

Current Operations

"The American Friends Service Committee is operating in France, Germany, Italy, several other European countries, Cuba, Mexico and the United States in the interest of refugees. In France, the Committee carries on large-scale relief for destitute civilians. In the other countries, it specializes in individual case work involving migration, retraining, and the resettlement of families."

Precautions Against Discrimination

"A basic principle in Quaker relief work is that food and supplies shall be distributed impartially to all needy persons regardless of race or creed. This principle was acknowledged by the German Government in the Quaker administration of relief supplies in German-occupied Poland which reached Poles and Jews without any diversion or interference from German authorities. At the present moment the Quaker relief work in Europe is practically confined to unoccupied France. The distribution of food is under the care of a full-time staff of 40 trained people. The work is done in cordial cooperation with the French authorities and without any interference from German authorities who are not involved in civilian matters in the unoccupied zone. No obstacles are being placed in the way of aiding refugees of various races and religions in France. The understanding that the Quakers have with governments is that the relief work will continue so long as there is no interference or seizure of materials."

American Dollars

"Insofar as possible, the Committee avoids sending American dollars into the countries in which they are engaged in relief. The more important contribution is to send any food which is lacking. However, at the moment the British blockade forbids entrance of American food ships to France. Thus, the Quaker relief work is handicapped, except as it can buy foods in Switzerland, Portugal and other neutral countries in Europe. For the time being, it is necessary to send American dollar credits into unoccupied France. This is done under permit of the United States Treasury. The Treasury permits do not allow the transfer of American dollars to occupied countries. Thus, it is impossible to develop relief work in these areas."

Occupied Countries

"The American Friends Service Committee attempts to relieve human suffering with complete impartiality and without reference to its political, economic, or military significance. It is a Quaker conviction that where there is hunger, there is a moral obligation to assuage. This issue thus becomes a religious concern."

Fund Raising Plans

"The Committee does not plan to launch a national campaign for European relief, neither has it any clear judgment as to how independent appeals for European relief can be coordinated. The Committee welcomes the support of all organizations seeking to aid distressed people. Insofar as it is possible the Committee is glad to act as an administrative agency for funds raised for relief purposes. The Committee also welcomes direct contributions. As a practical procedure, the Committee does not distinguish sharply between refugees of one nationality or another, nor between the suffering of vast numbers of people in war-ruined countries and that of racial and political refugees scattered as individuals throughout the world. Nevertheless, it is a fixed policy of the Committee to administer all funds in accordance with the desires of the donors. Thus, it accepts allocated funds for specific purposes."

COMMISSION FOR POLISH RELIEF

From J. W. Krueger of the Commission for Polish Relief, on September 18:

Current Operations

"At the present time the Commission is still conducting relief work through its American representative in Wilno, Lithuania, for the purpose of aiding many thousand Polish refugees who are being fed by local Polish committees. These refugees are still suffering great distress and are now dependent mostly on our help, which is far from adequate. Former donations from the Polish Relief Fund in London and other sources have recently been discontinued.

"In addition, we are purchasing and shipping into Poland quantities of foodstuffs for the feeding of children in the Government General. We have also been supplying cod-liver oil and salted herrings purchased in Norway..."

Precautions Against Discrimination

"Food in Poland is allocated by a Control Committee under our direction and then distributed to Polish and Jewish children's homes and orphanages, hospitals, schools, and through feeding-kitchens which are operated by Polish and Jewish residents.

"We have two men in Berlin working in cooperation with the German Government in connection with the shipping and warehousing of our foodstuffs, who make trips into Poland as the shipments are received to check the actual distribution thereof among the institutions and feeding kitchens on the basis of the original allocations made by the Control Committees. We have reports that thus far the results of their supervision have been very satisfactory and that there have been no losses, or misappropriations of food by the German authorities."

American Dollars

"It has not been necessary for us to send American dollars into Poland as all of our purchases have been made here, and in European countries adjacent to Poland."

JOINT DISTRIBUTION COMMITTEE

Current Operations

According to recent reports by Merriis C. Troper, chairman of the European Executive Council of the JDC, relief is being provided by the JDC, to needy and dispossessed Jews in most European countries and many are being helped to emigrate, without sending American funds or commodities to Germany or German-occupied territory and without breaking the blockade.

Nearly 100,000 Jews in Germany and Austria and many thousands more in Bohemia-Moravia and Slovakia depend on JDC support for their daily bread. They are helped through clearance arrangements whereby the JDC pays dollars to American or neutral steamship companies for transportation, while inside German areas the prospective emigrants turn over local currency to the Jewish welfare committees through which the JDC operates. This process is continuing. The number of persons who have visas for the United States and other countries, and can leave Europe via the Trans-Siberian or Lisbon route, but who are unable to buy transportation far exceeds the capacity of the JDC to provide for them. Even those who have an adequate supply of Reichsmarks must be helped by the JDC because steamship transportation today can be paid in American dollars only.

JDC feeding stations for adults in German-occupied Poland, where 1,250,000 Jews are in dire need have been closed for lack of funds, but the children's kitchens are operating. The clearance arrangement described above pertains to Poland as well. No relief work has been conducted by any American organization in Soviet Poland. The JDC program for Lithuanian Jews and for the Polish refugees in Lithuania is still functioning, however.

JDC funds supplied to French committees both before the armistice and subsequently have been providing relief for 12,000 refugees in internment camps in unoccupied France and at least 20,000 outside the camps, for 2,300 refugee children under the care of the Ose and for large numbers of Polish and Russian Jewish residents of France who have been dislocated economically because of the war. Five relief kitchens in Paris are operating on balances from JDC grants. No new funds will be sent to occupied France, Belgium or Holland, until some clearance arrangement is worked out similar to that in use for Germany and Poland. In Holland and Belgium, relief work is presently being financed by local resources against eventual repayment by JDC. Funds are being sent into unoccupied France with the permission of the U.S. Treasury Department in an arrangement whereby francs are paid out in France but the corresponding dollars are kept in blocked accounts in the United States.

The JDC has had to meet increasing needs of refugees in Portugal, Italy (through a blocked Lira arrangement), Yugoslavia and Switzerland and of course, the hundreds of thousands of Jews in Hungary and Rumania who have been deprived of their occupations by recent racial legislation. Its refugee aid programs in Central and South America, Shanghai and the Philippines are unaffected by the war.

In answer to a series of specific questions on various phases of the JDC's operations, Joseph C. Hyman, executive vice-chairman of the JDC, wrote in part on September 20:

Emigration Work

There has been no interruption of the clearance "arrangements" whereby J.D.C. pays its dollars outside Germany or German-occupied areas, to steamship companies for transportation, while inside Germany and the German-occupied areas, corresponding local currency - marks, shillings, etc. - are made available by the prospective emigrant to the Jewish welfare committees through which J.D.C. operates in those areas... True, emigration has been rendered more difficult by reason of Italy's entering the war, thus cutting off transportation on Italian boats and from Italian ports. Nevertheless, the stream of emigration from Central and Eastern Europe, proceeds by a longer route across Russia and Siberia to Japan, and then across the Pacific to this country and South America. Similarly, people have found it possible to leave for Palestine by longer and more circuitous routes.....

"Here is a partial sampling of the number of emigrants who are at this moment in possession of visas and prepared to emigrate to North and South America and the Far East, but who lack transportation, and depend on the J.D.C. for it: Germany, 1,500; Austria, 1,850; France, 1,200; Poland, 500; Lithuania 1,200; Sweden, 290; and Denmark, 26. In Italy, Portugal, Spain, Turkey, Greece, Roumania, Slovakia, Bohemia-Moravia, there are several thousand others. On the basis of an average cost of \$250 per person, the requirements for emigration at the present moment would run into well over \$2,000,000.....

"... We can use for relief purposes in Germany, Austria, Poland and the other sections in local currency only an amount equivalent to the dollars that we have available for outside transportation. If we could afford to appropriate \$1,000,000 for relief in Germany, Austria, Bohemia-Moravia and Poland, we would have no difficulty, so far as shipping, transportation, etc. is concerned. But here we must reckon with the fact that by September 30th, the J.D.C. will have already committed and spent all of the fixed amount of \$5,250,000 which the United Jewish Appeal is presumed to give it out of its initial proceeds..... We can very definitely state that there is no prospect that the income of the J.D.C. this year will be enough to make possible a \$1,000,000 grant for emigration, or a sum anywhere near that amount.

"... In every field, the J.D.C. is obliged to cut and grant smaller amounts. The J.D.C. is not able to save from an emigration clearance budget to help other countries. It does not have enough for its emigration nor any of its other programs..... As to how much additional emigration would could be done if funds were available, I can say that the number of requests coming to the J.D.C. from special groups - rabbis and Yeshivah students in Lithuania and Soviet-occupied Poland, Jewish labor leaders, intellectuals in occupied and unoccupied France, etc. - involve 13,000 to 14,000 persons at the present moment. The sums requested would run into \$4,000,000 to \$6,000,000 for emigration alone."

Occupied Areas

"I know of no opposition by any responsible person to assisting the victims of Nazi oppression, whether in Germany or in German-occupied territory, provided that assistance does not lend itself to helping the German economy. I have yet to meet a person who objects to the J.D.C.'s helping the Jews of Germany who are persecuted by Hitler. The objection is to helping the Hitler way of life. That is precisely the J.D.C. position... For seven years and more, we have been helping Jews in Germany and in the sections occupied by the Germans, without physically remitting American funds, American commodities, American food or American anything else into Germany or German-occupied territory.....

"... Since the seizure of Eastern Poland by the Soviet government, save for some initial sums which the J.D.C. made available through its long-existing loan masses and committees in that area, no relief work has been conducted by the J.D.C. in Soviet Poland. Nor has any other foreign organization - sectarian or non-sectarian - been admitted into Russia for purposes of relief. On the other hand, in Lithuania the J.D.C. was spending substantial sums until mid-year when, in accordance with the enforced reductions in all of its appropriations, its grants in Lithuania had to be cut down. At the present time, owing to the blocking of Baltic currencies by the U. S. Treasury, the J.D.C. can continue to render only a more limited measure of service to the Polish war refugees in Lithuania and to the native Jewish population, contingent upon the amount of local Lithuanian currency which can be secured by our office and by the Jewish committees there, or dependent on our borrowing or by securing blocked Lithuanian currency. We are trying to work out a regular emigration clearance for that country....."

Relation to Other Agencies

"... As individuals and as citizens of the American community, we have a moral, humanitarian obligation in common with all our fellow-citizens to give support to agencies like the American Red Cross. It should be borne in mind, however, that the American Red Cross does not operate in countries where over 90 percent of the Jewish population of Central and Eastern Europe live under conditions of terrible suffering, special anti-Jewish discrimination and threat of physical violence and expulsion. The Red Cross has nothing to do with emigration, the schooling of children, training or retraining people, or the maintenance of Jewish institutions of welfare, culture and religion. Save for the first-aid rendered for a short period, particularly to war wounded and war prisoners, the Red Cross program does not embrace any of the objectives which the J.D.C. is called upon to serve. Fundamentally, the J.D.C. is in existence because of the special suffering, destitution and needs of the Jews as Jews, and not as individuals sharing the common lot of misfortune with their neighbors. Certainly the Red Cross does not pretend in any degree to alleviate the special problem of the Jews in this world. Nevertheless, J.D.C. has consistently collaborated with the American Red Cross, has made it a grant, has worked closely with the American Friends Service Committee, the Commission for Polish Relief, and other bodies, with a view to coordination of effort and mutual helpfulness."

AMERICAN ORT FEDERATION

From Aron B. Tart, campaign director of the ORT, on September 25:

Current Operations

"ORT institutions, including trade schools for adults and children, cooperative workshops, farm schools and colonies, are still in operation in Bulgaria, England, France, Germany, German-Poland, Hungary, Latvia, Lithuania, Rumania and Switzerland. 12,426 people have received ORT training and ORT constructive aid in the period from January 1 to August 15, 1940.

"In unoccupied France, ... training courses, workshops and agricultural projects are being set up in Toulouse, Limoges, Lyons, Clermont-Ferrand and Charbanne, in addition to those that already exist in La Roche, Villeneuve and Nice.

"Further extensions in ORT work are being made in Hungary, where a new vocational school for girls is being opened in Budapest; in Zurich, Switzerland, where a locksmith and mechanic school for refugees and native Jews is

being installed; and in England where plans are being made for the increase of facilities in the Leeds School and for the setting up of training courses in internment camps."

Occupied Countries

"The Berlin School of the ORT in Germany has been functioning continually since 1934. Two new departments were added to the school this summer and the enrollment increased from 200 to 250 students. The program of trade training is aimed at giving the students a useful skill in the country to which they will emigrate.

"The ORT workshops in Warsaw and Stawki of German-occupied Poland have been functioning since the time of the German occupation. Clothing, under-clothing, shoes and metal bedsteads are manufactured for distribution among the needy. These workshops also serve as centers for the distribution of machinery and material to artisans who lost their workshops during the time of the invasion. The Berlin ORT School recently received permission to send textiles and machinery, duty free, to the Polish ORT and these are being distributed.

"In Paris, two ORT schools are in operation. The program is based on providing industrial training for refugees who are prospective emigres."

"The ORT institutions in Russian-Poland, Bessarabia and Northern Bukovina are still serving the needs of the Jewish population, although no longer under ORT supervision or with ORT financial support, since they have been taken over by the Soviet Government. In Lithuania and Latvia, however, the ORT institutions continue their work of training under ORT supervision and administration."

"Their program consists of industrial training courses and agricultural training both for Polish refugees and the native Jewish population. The program is now directed toward helping the thousands of declassified Jews learn a productive skill so that they may become part of the new economic structure."

JEWISH TELEGRAPHIC AGENCY

From Mrs. Ida Landau, manager of the JTA, on September 30:

Effects of War

"The war has imposed special obligations upon the Jewish Telegraphic Agency, especially with regard to securing news from the Nazi-held territories, ... (particularly) Poland and the Protectorate..... The JTA has been able to secure authentic Jewish news from these territories for the use of other Jewish organizations and also, among other things, attracting the attention of the non-Jewish press to the anti-Jewish terror and legislation in Poland and Czechoslovakia....."

"While the task of collection and dissemination of European news has involved increased expenditures, the income from abroad has been practically eliminated."

Correspondents

"To function effectively and to overcome the difficulties which face Jewish newspapermen in the various European countries, the J.T.A. has embarked on a policy of stationing non-Jewish journalists, American citizens, at strategic points. This has been made possible by establishment of the Overseas News Agency - a non-sectarian organization - operating parallel with the JTA. The non-Jewish correspondents act as representatives of the Overseas News Agency. At present ONA correspondents are stationed in Hungary, Rumania, London, Vichy, Rome, Lisbon and Berne. Arrangements are being made to send a non-Jewish American correspondent to Switzerland."

Censorship

"German occupation compelled the JTA to close its offices in Warsaw, Prague, and more recently in Paris. But developments in France are now being covered by JTA correspondents from Vichy, Marseille and Lisbon; and developments in Poland are being covered by ONA correspondents in Wilno and in Hungary and Rumania. The JTA London office is operating without any interruption despite the bombardment, transmitting 2,000 words daily by wireless. Prevailing censorship, ... especially in the Balkan countries, has made it necessary for our correspondents there to go at intervals to a neighboring country to report the news which censors will not pass in the countries of origin."

I M M I G R A T I O N W O R K

NATIONAL REFUGEE SERVICE

From Dr. William Haber, executive director of the NRS, on September 24:

Immigration

"... Careful estimates place the number of refugees reaching United States ports at 2,000 to 3,000 monthly..... Some who make their way to Portugal are able to sail for New York and Boston on American Export Liners leaving Lisbon. Cunard and other English lines are still able to bring refugees from the British Isles. Refugees in Germany and Central Europe who have made the necessary arrangements are now taking the trans-Siberian train route to Yokohama and are proceeding via Japanese and President liners to Los Angeles, Seattle and San Francisco. A small number of refugees who had been waiting in Cuba and whose quota numbers have been called are entering through Miami.

"It would appear from present indications that there will be a narrowing of emigration opportunities for persons trying to leave Central Europe in the coming months. It seems likely, however, that quota numbers will be transferred to points in the Western Hemisphere, to Lisbon, Shanghai and other places where there are refugees who must enter under the quotas of Central European countries and who are able to arrange passage to the United States..... It is known that the United States State Department hopes to fill the German quota through a process of careful selection of applicants to insure the immigration to this country of friendly aliens."

Resettlement

"During the first eight months of 1940, a total of 2,100 family units comprising 3,771 individuals were resettled by the NRS. The monthly average of 262 units consisting of 471 individuals compares favorably with the monthly average of 173 units comprising 295 individuals resettled during 1939. The

number of family units resettled during the first eight months of this year equals the total number resettled in 1939.

"Refugees arriving at West Coast ports, in Miami and in Boston have been resettled from these points by the NRS working in cooperation with the local refugee committees... The majority of refugees are resettled through the central distributing points located in 25 metropolitan communities. We estimate that the number of communities cooperating in the Resettlement program has ranged from 750 to 1,000.

"... Although there is no lack of refugees willing to resettle from New York City, the restrictions imposed by communities as to age, size of family, Sabbath observance, etc. have barred many of these families from the opportunity of resettling. Communities throughout the country are now being approached with a view to effect a modification in this type of restriction....."

Employment

"The limited information at our disposal indicates that improved conditions in certain spheres of economic activity in the United States have not as yet had any direct or significant effect on employment of refugees. These improvements have taken place in industries for which very few refugees have had the necessary vocational experience. However, it is reasonable to expect that the general improvement in employment opportunities will eventually benefit the refugee group. Places vacated by Americans who leave to take jobs in defense industries may very likely be filled, to some extent, by refugees having the necessary qualifications.

"There has been an increase in the number of job placements made by the NRS in the past few months over last year's figures, possibly due to intensified activity in the employment work of the NRS. The increase, in fact, has taken place despite a rise in the average age of applicants and in the face of apprehension on the part of some employers who see possible public relations difficulties in hiring non-citizens.

"Increased efforts in employment work have been made necessary by still another difficulty created by the arrival of refugees whose skills have stagnated for more than a year. Emigres who reached America in recent years came, in many cases, soon after they had been cut off from their work. Today refugees arrive after months of idleness during which they have been allowed to do little more than wait for the calling of their quota number."

Current Needs

"... Some of the areas of service in which an extension of our program is needed are:

1. Change of status of about 10,000 aliens now in the United States on temporary visas who may become permanent residents by re-entry through Mexico, Cuba, Ecuador and other "third countries". (They will then be eligible for resettlement and employment.)
2. An expansion in the vocational training program in order to prepare a larger number of refugees without vocational skills for resettlement.
3. Assistance to several hundred physicians and dentists now licensed, but in need of financial aid to set up practice in local communities.

4. An extension in the program of the Capital Loan Committee which cooperates with communities throughout the country in the establishment of small business enterprises through loans."

(Trends in the direct relief work and other phases of the NRS program are available in the quarterly reports of the NRS)

HEBREW SHELTERING AND IMMIGRANT AID SOCIETY (HIAS)

From Isaac L. Asofsky, secretary of HIAS, on September 26:

Immigration and Emigration

Material on immigration to the United States supplied by Mr. Asofsky was similar to the information given by Dr. Haber on that subject in the section above. In addition Mr. Asofsky wrote:

"As nearly as we can make out at this time, emigration from various European countries is dependent entirely upon issuance of visas by the various Consulates. The issuance of visas is generally dependent upon the ability of the immigrant to show that he is able to obtain transportation. Since there is a limitation of transportation facilities, it is likely that the individual who might otherwise obtain a visa because of his position on the list in the Consular Office, may be prevented from leaving the country because of his lack of transportation. At the present time, the American Export Lines maintain a weekly service from Lisbon and the Greek Lines one ship per month from that port. The President Lines and the Japanese Lines operating out of Japan... are booked for weeks ahead. HICEM is operating in Portugal, Marseille and the Baltic States, performing the same service as in the past, which consists of helping the individual client with respect to all problems incident to his travel needs."

Requests for Service

"Recent developments of the war have affected the flow of inquiries and requests for service on affidavits and immigration problems tremendously.... A conservative estimate would indicate that our correspondence and requests for service have doubled during the past six months."

Communication With Europe

"Mail continues to be sent to all countries in Europe by Clipper, followed up by letters via steamer. In occupied territory such as Belgium, France, Holland, Denmark and so forth, mail is routed through Germany and is necessarily delayed.

"Because of the further changes in Europe, it was necessary for HIAS to discontinue for the present the acceptance of funds and food package orders from American residents for their relatives abroad. It became impossible to render the same service as in the past. Commercial banks accept remittances with the understanding that payments will not be effected in U.S. dollars but at the official rate of exchange."

Alien Registration

"The Alien Registration Act had a very serious effect on our offices. The information necessary to the registrants is difficult for them to obtain. They apply to us for assistance to determine ports of arrival, dates of entry,

names of steamships, etc. ... Most of these people are now applying for citizenship and consequently our Naturalization Department as well as English classes have been stepped up considerably."

UNITED STATES COMMITTEE FOR THE CARE OF EUROPEAN CHILDREN

Statement provided by the Committee on October 4:

By October 4, when the overseas evacuation of British children was temporarily suspended, the Committee had brought to the United States about 1,000 children on visitors' visas. Since the war started, more than 2,200 children have come here independently of the Committee's efforts. Ten thousand homes have thus far been offered for the care of the child evacuees. About 175 local committees are cooperating with the U.S. Committee, which is assuming responsibility for the care of the children already here and is keeping alive its machinery for the resumption of evacuation work when conditions permit.

P A L E S T I N E

UNITED PALESTINE APPEAL

From Harry Montor, executive director of the UPA, on September 18:

Immigration

"The official records indicate that between October 1, 1939, and September 1, 1940, some 16,000 Jews entered Palestine. Information not normally available through regular channels indicates that the actual number is probably 18,000. Of this number over 12,000 arrived since January 1, 1940.

"A statement of the number likely to continue to arrive was made in Jerusalem on September 18th by Eliahu Dobkin, assistant immigration director of the Jewish Agency, who said that 9,000 Jews entered Palestine during the period from April 1, through September 30 on the immigration certificates issued for the current schedule, and that 5,500 additional immigrants were on their way to Palestine, travelling along the overland routes. This number includes, among others, 1,550 persons coming from the Baltic States, 1,000 from Rumania and 550 from Sweden.

"Jews going to Palestine use the following routes: (a) Those in Western Europe travel via Lisbon to the Cape of Good Hope, to Bombay, Basra and Palestine; (b) For those in Sweden and the Baltic countries, the path to Palestine is through Russia. (The Jewish Agency has made arrangements with the Soviet Government whereby the latter permits transit visas through Odessa); (c) Refugees in Yugoslavia or Greece can take the land route of Turkey and Syria; (d) Immigrants in Rumania or the neighboring countries can use the route through Bulgaria, Yugoslavia, Greece, Turkey and Syria. (To assist immigrants using the route through the Balkan countries, the Jewish Agency has opened a special Palestine Office in Athens, Greece.)"

Land Purchase

"The land-buying program of the Jewish National Fund has in no way been affected by the war and the land regulations. The budget of the Jewish National Fund for the period beginning October 1, 1940, provides for the acquisition of 70,000 dunams of land. In the period from October 1, 1939, through June 30, 1940, the Jewish National Fund acquired 56,000 dunams of land. The

Jewish National Fund today purchases 90 percent of all the land acquired by Jews...

"The land-buying program of the Jewish National Fund has been accelerated by the increased needs for refugee settlement, by necessities of strategic security and by the drop in land prices."

Industry and Agriculture

"Industry in Palestine has been affected by the war. The citrus industry, one of the pillars of Palestine's economic life, has suffered sharp reverses leading to widespread unemployment and distress. But several other industries, especially those related to military needs, have been accelerated in their growth by wartime requirements. Efforts are being made to provide in Palestine a great many of the articles needed by the military in Egypt in addition to provisioning some 80,000 British soldiers stationed in Palestine itself.

"In the first six months of 1940 some 60 new enterprises, affording employment to hundreds, were launched, largely through financial assistance and guarantees by the Jewish Agency.

"For the coming months the Jewish Agency program includes provision for 15 new settlements in various sections of Palestine (and for settling 400 families in them), which will involve an ultimate cost of £250,000 of which £125,000 must be expended during the coming year. This is in addition to £150,000 which the Jewish National Fund is setting aside for the acquisition of the land. Provision is being made in the agricultural settlement program for the consolidation of the 60 settlements (with 1,400 families) started since 1936, and for the extension of 44 older settlements (in which 14,640 people live)..."

Effects of War

"Italy's entrance into the war and the closing of the Mediterranean have caused serious hardships both for immigration and for industry. In the field of immigration the routes now taken are longer and more expensive..... The cutting off of the most accessible paths of transportation has increased the costs of import and hurt the country's export possibilities except, of course, in relation to countries immediately adjacent to Palestine.

"It is estimated that in the early part of September 1940 there were 25,000 unemployed individuals in Palestine. They affect a total of 100,000 persons. In June 1940 the Jewish Agency provided funds to the Vaad Leumi to assist 70,000 persons affected by the unemployment situation; and in July 1940 the number was 75,000. In addition to relief for regular residents, there is the problem of refugee relief -- certificated and non-certificated. This responsibility is also assumed by the Jewish Agency."

Transmission of Funds

"There is no difficulty in the transmission of funds to Palestine. The agencies of the United Palestine Appeal continue, as always, to cable their funds directly to their beneficiaries. Those who have mail communications to send to Palestine may accelerate the receipt of such messages by using air mail service across the Pacific."

HADASSAH

From Miss Jeannette N. Leibel, executive secretary of Hadassah, on September 29:

Youth Aliyah

"Since September 1, 1939, 1197 children have entered Palestine. In addition, we received cabled word from Palestine on August 26, 1940, from Miss Henrietta Szold, indicating that all the necessary visas had been secured assuring the arrival of 733 youth and children in Palestine. These 733 children are coming from the following countries: Denmark, 270; Sweden, 147; Lithuania, 205; and Yugoslavia, 111. These children are traveling via Russia, Turkey and Syria. The same cable informed us that the third instalment of certificates on the current schedule has been granted for 300 youths and 100 children now in Roumania and Hungary. Where the transportation of certificated children has been impeded, the British Government has extended the expiration date of the current schedule from October to December, 1940. Currently Hadassah is cooperating with all agencies seeking new transit countries and routes to Palestine for Youth Aliyah children."

Health and Child Welfare Work in the War

"Prior to Italy's entry into the war, and in anticipation of the war emergency situation in Palestine, the National Board of Hadassah created an Emergency Committee in Palestine to safeguard its institutions, to insure the continuation of its normal services, and to provide additional services for emergency situations...

"... The Emergency Committee has adapted Hadassah's normal medical and child welfare programs to meet possible emergencies. It has divided the entire country into five medical sections, each of which is a more or less complete medical unit supervised by the Hadassah Medical Organization in Jerusalem. Emergency clinics have been set up in each section, and provision has been made for ambulatory service. Thus, the normal rural preventive and curative medical work of the Hadassah Medical Organization has been extended to outlying communities in such a fashion that it can continue to function even should help from central points be cut off. Further, in cooperation with the civil authorities, the Emergency Committee has made arrangements for increased services for refugees, and has made provision for the evacuation of the sick should this become necessary.

"In the Medical Center on Mount Scopus, structural changes have been made to provide for 200 additional hospital beds, making a total of 505, which are already functioning to full capacity. The Hadassah Medical Organization has also instituted a series of special courses for the training of doctors and nurses for war services. The hospital is working in cooperation with the military authorities, and many of the military physicians and surgeons have been receiving special training at the Medical Center.

"As a result of this emergency setup, the Hadassah Medical Organization was prepared to render immediate medical assistance in both Haifa and Tel Aviv at the time of the bombing of these two cities.

"Hadassah's Child Welfare activity, which includes the support, administration and supervision of a school luncheons program, infant welfare stations and recreation centers, has ... expanded so that today it reaches out to the needy of practically the entire school group as well as to many of the unschooled children in Palestine. It has increased the number of infant welfare stations from 28 to 36; the number of schools in which the school luncheons

program operates from 88 to 154; and the number of children fed from 10,000 to 20,000. It has in the past several months opened 13 additional recreation centers which seek to normalize the life of native Palestinian and refugee children evacuated from Haifa and Tel Aviv."



ABSTRACT OF MINUTES

of Meetings

ALLOTMENT COMMITTEE OF THE UNITED JEWISH APPEAL

December 6 and 7, 1940

WITH TWO SUPPLEMENTS

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VERBATIM
Completed Dec. 13th, 1940

ABSTRACT
Dictated Dec. 15th, 1940

ABSTRACT OF MINUTES OF MEETING
ALLOTMENT COMMITTEE OF UNITED JEWISH APPEAL FOR 1940

Section I, Friday, December 6, 1940 (9:45 A.M. to 5:00 P.M.)
at offices of United Jewish Appeal, 342 Madison Ave., N.Y.C.

Section II, Saturday, December 7, 1940 (5:00 P.M. to 11:30 P.M.)
at the Harmonie Club, 14 East 60th St., N.Y.C.

Present: Mr. Harris Perlstein, in the Chair
Mr. James H. Becker
Mr. Fred M. Butzel*
Dr. Solomon Lowenstein
Rabbi Abba Hillel Silver
Mr. David M. Watchmaker
Rabbi Stephen S. Wise**

Mr. Elisha M. Friedman, Director

*alternate for Mr. Henry Wineman

**Mr. Louis Lipsky acted as alternate on Saturday night

I. CONCERNING ALLOTMENT RECOMMENDATIONS

The meeting opened with a discussion of whether the Inquiry should recommend specific allotments or confine itself to statements of facts or findings. On motion of Dr. Lowenstein, seconded by Dr. Wise, the Committee voted to reconsider the question, "Shall the Inquiry recommend specific allotments?" (p. 1)*

Dr. Lowenstein (p. 1) believed the Inquiry should make recommendations, because it had examined the material and discussed it among the members. The Inquiry conclusions would not necessarily bind the Allotment Committee. However, on the basis of many years of experience, not only in Federation, but in other organizations, public and private, Dr. Lowenstein suggested there would be a much better basis for discussion if the Committee knew what conclusions were reached after so much reflection by the Inquiry. Furthermore, to sample opinion at a meeting of a group of representatives of the Council of Jewish Federations and Welfare Funds, Dr. Lowenstein put the question unofficially and the vote was unanimous in favor of recommendations by the Inquiry Staff.

(*The page numbers refer to the original verbatim minutes, numbering 130 pages.)

Mr. Watchmaker (p. 2) restated his position at the meeting of September 6th; namely, if the Committee agreed with the recommendations of the Inquiry, it would be branded as a rubber stamp of the Inquiry. If it disagreed with the Inquiry, it might be criticized by the dissatisfied agency. Mr. Watchmaker felt that the Allotment Committee had more significance than merely allotting the remaining funds for this year. A larger function of the Committee was to lay a proper foundation for action by the Welfare Funds of the communities next year.

The Director (p. 3) stated that it was not the intention at any time to recommend a precise percentage, but merely to block out the major area between maximum and minimum limits and to furnish a guide to the Allotment Committee. If the Inquiry did not have enough knowledge or judgment to block out the large areas, it was not competent to undertake the task at all. A variation of 8% between upper and lower limit would allow for evaluation for the Committee of the isponderables of the several organizations.

Dr. Silver (p. 4) agreed with Mr. Watchmaker that there was enough data available so that the members of the Committee could frame these large brackets themselves. To leave an area of 8% to the Committee would definitely limit the authority and scope of the Committee. Dr. Wise (p. 4) felt that an actual recommendation by the Inquiry would take from the Allotment Committee the initiative in the consideration and in the evaluation of the allotment problem as a totality.

Mr. Becker (p. 5) stated that the Staff was competent and that the large volume of figures thus assembled need interpretation. This should come from the Inquiry. But the Allotment Committee need not be bound. Certainly, the Committee would not be hurt, but rather it would get the benefit of the opinions of the staff who have worked and studied the problem for a long time.

Mr. Butzel (p. 5) thought it would be best not to ask the Inquiry for the recommendations now. The Committee (p. 6) then voted that it was the consensus of opinion not to receive any formal recommendation of the Inquiry at that time, and if the Committee decided to have such recommendations, it could ask for them.

II. DIRECTOR'S STATEMENT

The Director (p. 6) then requested to have the technical staff present. Dr. Wise (p. 6) also felt that the operating executives of the three organizations should be present. However, both these groups were to be invited for the afternoon. (p. 11) The Director (p. 13) was asked to summarize the report. The Director pointed out that the Inquiry report was based on the memorandum entitled "Memorandum on Aim and Scope of the Inquiry" and outlined the highlights of the report.

III. COMMITTEE COMMENT

Comments on the Director's report and verbal statement then followed. Mr. Butzel (p. 30) stated that if the refugees were not adequately cared for, the local communities would be so demoralized that both the U.P.A. and J.D.C. would suffer. The minimum needs of N.R.S. should therefore have a definite priority, in his opinion. The U.P.A. is a long-term project filled with idealism. However, nothing should condone poor business methods or poor bookkeeping, if there is any. The J.D.C. is, in a sense, more important, as a "terrifically climactic project". J.N.F. land purchases should not stop even under worse conditions, but now is the worst time to accelerate them. In making allotments, consideration should be given to the collection of funds outside the U.J.A. as: Foundation gifts to the N.R.S.; and J.N.F. traditional collections for the U.P.A.

Dr. Silver's reply (p. 31) was that the refugees in the United States have received almost \$6,000,000, close to the total figures spent by the J.D.C., if one includes local contributions as well as national organizations serving the refugees. As for the J.D.C., he differed with Mr. Butzel, that the J.D.C. work

is short-term and the U.P.A. work is long-term, and that therefore the U.P.A. should take a secondary position. Dr. Silver felt that possibly the J.D.C. may continue to operate for many years and to rebuild destroyed communities. Therefore, the U.P.A., concerned with developing Palestine, would have to wait or perhaps even retire. As a place of refuge, Palestine looms up larger continuously. There is no such sharp line of distinction between building a homeland with U.P.A. funds and having lives with J.D.C. funds. Palestine absorbed 250,000 refugees in five years, half the Jewish refugees in the world. Land buying has been slightly stimulated because land may not be available after the White Paper is implemented. The Jews own 6% of the land, though they constitute 40% of the population. Therefore, the U.P.A. has slightly accelerated the tempo of buying. To offset starving Jews versus building a homeland may mean that the U.P.A. representative and the others are talking different languages and may thus present a united effort.

Mr. Watchmaker (p. 24) stated that we are living from day to day. We may even wish to be bold and to look forward. But there are limits. Palestine has great possibilities which weigh heavily in favor of Palestine concerning relief. However, Mr. Watchmaker did not agree concerning accelerated land buying, no matter how dangerous it may be to stop because of the White Paper. Because we are living from day to day, the question of accumulated deficits cannot be considered except for the most urgent or compelling reasons. Current needs come first.

Dr. Lowenstein (p. 35) maintained that the fact that local communities made deductions to handle local refugee problems indicates how important the local communities regard it. A local community dare not permit its refugees to be put on public relief. The Allotment Committee must not be too legalistic as to its powers ⁱⁿ considering the serious cash deficit position of the M.R.S. Again, in allotting funds, the organizations cannot be restricted as to purpose, particularly

in Palestine where an international organization must shape its program to the needs of Palestine as it sees them. To pay past deficits when current funds are so small compared to tremendous requirements, seems unwise. As for land buying, the outlook is so uncertain as to make the matter problematic. On the other hand, no matter which way the war ends, the work of the J.D.C. will become increasingly important. On the whole, the country as represented by its contributions, believes at the moment J.D.C. represents a major activity as compared with Palestine. As for the request that the U.F.A. now contribute 80% instead of 61% for Palestine, it is proper for the U.F.A. to make the request, but it is not a compelling argument for the Allotment Committee to approve it. Besides, the J.D.C. also has the problem of collapsed areas. Mr. Watchmaker thought that both the U.F.A. and J.D.C. would show increased needs as a result of collapsed areas.

Dr. Wise (p. 39) continued. Concerning the N.R.S., the communities' Welfare Funds have withheld from \$1,250,000 up to \$3,000,000 for refugee purposes. New York does not assume its due share of the burden. It makes a national problem of the New York part. New York generally is a laggard. (Mr. Butzel: "You can lose yourself easier in a crowd than in a foursome".) As for Palestine, even if the extreme pessimistic view that Italy should go into Palestine should prove true, this will not be the end of Jewish life in Palestine. A change of rule will not mean the exodus of 500,000 Jews. The Jews will carry on. Strengthening Palestine strengthens the British prospects of a victory. American Jewry would be tremendously pleased by such support for Great Britain. Land should be bought now, for it may not be available in the future. Palestine with its 500,000 Jews is raising locally \$1,200,000 a year through the emergency tax. Shall we not help them? As for the N.R.S., right now, this must be left out of account. Dr. Wise then queried the need for any funds for change of status. He stated that there is no

major or minor in the relation of the J.D.C. and the U.P.A. We must accommodate ourselves to each other. We must be fair. We must sit down together and find out how much is absolutely needed so as to make the burden as light as possible in each case.

Mr. Becker (p. 43) then picked up the discussion. The N.R.S., the youngest organization, has a problem in financing itself, which neither the U.P.A. nor the J.D.C. has. Again, the J.D.C. also has important refugee problems, as in South America. There, the local Jewish population as in Bolivia, is very small and the influx of refugees imposes a burden beyond the capacity of the local population.

IV. ORGANIZATIONS PRESENT THEIR CASE

At 2:30 P.M., the representatives of the three organizations appeared: for the J.D.C., Messrs. Baerwald, Hyman and Leavitt; for the U.P.A., Messrs. Lipaky, Rothenberg and Montor; for the N.R.S., Messrs. Rosenwald, Sulzberger and Haber; for the Inquiry, Messrs. Reis, Kalafa, Backman, Abrahamson, Revusky, Bein, Phiebig and Grubel.

Each organization was granted a half hour. Mr. Rosenwald (p. 44) said that despite a budgetary surplus, there was a cash deficit of almost \$1,000,000 now. The present trend of demand is likely to hold and not decline further. The N.R.S. would prefer to show "foundation income" separate from the regular income. This was understood with the foundations and with the officers of the U.J.A. Repayments by refugees, so-called "refunds", really constitute an income item and should not be used to reduce expenditures, thus reducing requirements as presented by the Inquiry.

Dr. Haber (p. 47) pointed out that about 3,000 refugees are here under temporary visas. It would require \$100 per person to effect a change of status through re-entry from Cuba, Canada or Mexico. The amount raised locally for N.R.S.

purposes is about \$1,300,000. Including all organization efforts for Jewish refugees, the total would be about \$5,000,000. Concerning change of status, Mr. Butzel (p. 50) felt that our government's policy might be changed. If, as Dr. Haber says, 300 persons are on the relief rolls whose status might be changed, it would require \$30,000 and not \$300,000, according to Mr. Butzel.

Mr. Montor (p. 54) presented no verbal statement. He read a mimeographed statement, copy of which was not shown to the Inquiry, nor was a copy left with the Secretary, as is the rule in parliamentary and court procedure. Mr. Montor charged the Inquiry with bias. The Director thereupon asked that the statement be left. Mr. Montor refused but the next morning handed the Director a mutilated statement with three sections cut out completely and with some of the rest blacked out. A subsequent statement, not entirely as read to the Committee, was then filed with the Inquiry, and is attached as a supplement to the minutes. The Committee allowed no time for a verbal reply by the Inquiry after Mr. Montor's written statement. A written reply by the Inquiry is also attached. (To Follow)

Dr. Lowenstein requested Messrs. Montor, Haber and Hymen to be available for questioning on Saturday night, as they had been notified on November 28th.

Mr. Baerwald (p. 55) said that the situation is changing continuously. The several J.D.C. applications for funds therefore also differ. The appropriations for 1940 were made in the early part of the year. By the end of the year they had to be drastically curtailed, despite increased needs. Nevertheless, the J.D.C. already spent \$1,000,000 above the allotment of \$5,250,000.

Mr. Leavitt (p. 56) presented detailed figures to support Mr. Baerwald's statement and pointed out that if the projected basis used for the U.P.A. had been applied to the J.D.C., the J.D.C. requirements would have been \$40,000 greater.

In November, the J.D.C. did not meet even the minimum needs as presented to the Allotment Committee. On questioning by Dr. Silver, Mr. Leavitt stated that repayment of debts are not included in the budget, for if it were, it would be counting the same items a second time. Nor does the J.D.C. budget include repayments on any loans, but only payments against budget activities.

Mr. Ryman (p. 61) then continued. To have considered adequately the needs of the impoverished Jews of Europe even before the blitzkrieg would have required \$28,000,000 to \$30,000,000 of the J.D.C. The budget and commitments of the J.D.C. are conservative and prudent. The monthly commitments (authorizations to foreign local committees to spend) declined from \$950,000 in January to \$250,000 in October. The funds for work in South America are particularly inadequate. Approximately 88,000 Jews there came from Germany, Poland, Roumania and Eastern Europe. The small Jewish communities in Peru, Chile, Bolivia and Uruguay have had great burdens imposed upon them and upon the J.D.C.

The representatives of the three organizations who had been called in then retired.

V. METHOD OF ALLOTMENT

Then began a discussion of methods of allotment. Dr. Lowenstein (p. 64) was opposed to the bargaining procedure. Mr. Butzel (p. 64) said that rough justice would be the only procedure.

Then followed a discussion on the N.R.S. Mr. Perlstein (p. 65) stated that the problem of cash priority must be met. Three months of expenditures have not been provided for. We could deal more equitably with the allotments to J.D.C. and the U.P.A. if the N.R.S., having no allotment, had an acceleration of payments. Mr. Butzel agreed (p. 65). If the Committee could settle the matter by recommendation, it would not have to then consider an additional allotment. A motion was made by Dr. Wise that the Allotment Committee recommend to the U.J.A. an acceleration of

payments to the N.R.S. so that there should be no gap between income and expenditures during the first quarter of the year.

Mr. Perlstein (p. 66) stated that instead of receiving as at present, about 25% on the allotments made, the N.R.S. should receive 50% until the original allotment is fully paid. As for the J.D.C., it is pulling people out of a burning house, as it were. As for the U.F.A. and land buying, the White Paper will go into the discard, along with other Chamberlain policies, regardless of whether the Germans or the British win. The White Paper is as meaningless on land buying as on the limitation on immigration into Palestine. As for the N.R.S., and the change of status, no one will put out any immigrants that are here on visitors' visas. Land buying should not necessarily cease but it does not have to be accelerated. We have got to rise above partisan considerations. We must seek a square deal for all.

Dr. Wise (p. 68) stated that there should be \$5,000,000 instead of \$1,000,000 to allot. It is our duty to make a powerful statement to American Jewry of our meager resources and of our great needs, so that there shall be a strong campaign in 1941. That is the biggest thing we can do. Mr. Perlstein agreed fully.

Dr. Silver (p. 68) said that in dealing with the two organizations, there is no scientific gauge. One must use common sense and apportion fairly and have in mind the effect of such decision on the work next year. The work of the Inquiry should continue and therefore he was ready to come to an understanding on allotments now.

Dr. Silver thought that the real value of the work which was done carefully and with a great deal of devotion by the Inquiry lies largely in the outline for the future, in accounting and in giving a clear picture of what should be raised and how the money can best be spent. Even if there should be no united campaign in 1941, the work of the Inquiry should continue.

VI. TENTATIVE PROPOSALS

Dr. Lowenstein then stated (p. 70) that the major portion should go to the J.D.C.

Dr. Silver (p. 70) asked, "What figure do you have in mind?" Dr. Lowenstein replied, "70-30". Dr. Silver countered that the U.P.A. was going to ask on the basis of 50-50 as they did when they began negotiating for 1941. However, in order to come to an amicable agreement, not to prejudice the position of the U.P.A. and not to handicap the work for the future, he was ready to offer a compromise of 60-40 without any allotment to the N.R.S., but hoping to get the U.P.A. to agree to such an acceleration for the N.R.S. as to enable it to carry on its work without difficulty.

Mr. Watchmaker (p. 70) felt that a decision could be reached on the basis of the proposals of Dr. Lowenstein and of Dr. Silver not as a compromise but as an expression of the Committee's own conclusion. The N.R.S. ought to be eliminated from the allotment, but "we ought to go no further for the U.P.A. and the J.D.C. unless we have assurances that there is no question about this acceleration, and put it into the form that whatever conclusion we arrive at is based on the assumption that they (J.D.C. and U.P.A.) will do as outlined".

Thereupon, Mr. Watchmaker (p. 72) recommended \$800,000 to the J.D.C. and \$420,000 to the U.P.A. Mr. Becker protested that this was haggling, while the J.D.C. was actually in the hole \$1,000,000 by the end of the year. Mr. Butzel (p. 73) stated that allotments could not be scientific by the widest stretch of imagination. The question is, he stated, what is a fair reflection, not only of the needs which we cannot begin to appraise, but of the numerous other factors? The approach cannot be too theoretical or too fine.

VII. UNITED CAMPAIGN WANTED

For the benefit of everybody concerned, Mr. Ditzel stated (p. 74) "the country is perfectly desperately anxious for a united campaign next year".

VIII. CRITICISM OF ALLOTMENT PROCEDURE

The meeting continued Saturday night, 6:00 P.M., at the Harmonie Club, 4 East 60th Street, New York City.

Mr. Becker read a prepared statement suggesting that the allotment be based on data in the Inquiry Report. An abstract follows: "The more I think of the procedure which we adopted, the more I become convinced that the method pursued in our discussions last evening was faulty, and does not furnish a sound basis on which to go before the country. We cannot claim that we have attempted to study the budget problems of the three organizations from any sort of scientific approach. Regardless of our decisions, it is impossible for us to look at the distribution of the remaining funds merely from an arbitrary percentage basis. We have before us a carefully prepared report by the Director of the Inquiry."

He and his associates have done a fine piece of careful work, involving tremendous time and effort. They ought to be congratulated heartily on the splendid report which they rendered. I think that the future probably will show that this is the start of the type of Inquiry which will be very helpful for all the organizations concerned and for the general public. It may set the pattern in the following years for improved methods and a more scientific approach to the problem.

"I am perfectly prepared to accept the figures as presented in the Report. The only basis which we can use in forming a judgment is the material which the Inquiry has assembled. The Allotment Committee will be subject to great criticism by the country at large and most thinking people will be greatly disappointed in the results of our efforts, if we fall back on a percentage basis which smacks of the much-despised "horse trading" method and which, most important, is not in conformity with the findings indicated in the report.

"If the method that we started to adopt last night is carried on, there isn't any need for the Inquiry. The study was not used as a basis for determination. On pure examination of the figures, we did not follow them in our procedure. On the basis of the figures presented and studies made, the tack that we followed last night is not a solution of the problem." (p. 75)

Mr. Butzel (p.76) said he also would like a scientific approach. But that is impossible not only now - it will always be impossible. Yet, he does not believe that the Inquiry is useless. He agrees with Mr. Becker that the Inquiry furnished an excellent background and a fine statement of the position of each of the organizations. Without it, we couldn't even do proper "horse trading". In his own experience in budgeting community funds for years, he has never been able to get far away from "horse trading". A "deal" has to be made because there is nothing else to be done.

Dr. Lowenstein (p. 77). Even if the Committee does not arrive at a different Allotment, it should have a basis other than the method pursued so hastily yesterday.

(Dr. Lowenstein cont'd.) The country will say, "You made a great fuss. You engaged people of repute. You spent much money and much time and gathered much information. Then you throw everything out of the window and say, we will dicker on the basis of percentages." He believed that there was a basis for discussion in the figures presented by the Inquiry. The least we can do is to show that we have given consideration to the work of the Inquiry.

Dr. Silver (p. 79) defended his approach. The suggestions for the allotments were not based on a "horse trade". The needs of both organizations are large. It was impossible to refine them to a degree of accuracy of a percent or two. We must arrive at a rough estimate that would approximate what we should receive, basing it all on the actual requirements.

Mr. Lipsky (p. 79) then stated: Behind the figures presented, there is not a mere supposition or a partisan report, as has often been the case, but the actual investigation of our own Inquiry, which has gone into all these figures and has verified them. The Inquiry has been of great value. By putting down the actual position at the end of the year for the JDC, the UPA and the HNS, and not taking prospects into account, we would know that there are certain needs to be considered and certain equitable evaluations of these needs. We are not in a position to go into a qualitative study of the requirements. Quality is excluded by the terms of reference of the Inquiry.

Mr. Perlstein (p. 80) outlined the problem so as to lead to a result. He stated that a percentage formula must be arrived at. The amount of money to be allotted is not known. Percentages would furnish the answer. If the money is allotted on the basis of meeting the excess of regular requirements over the first allotment, you simplify the problem. Then the difference can be ironed out. Then you apply the formula to the "deficit" and you have gone a long distance away from the "horse trading" basis.

There then ensued a detailed discussion of the cash vs. accrual basis accounts in the three organizations

IX. REVISING THE FIGURES - ESTABLISHING A RATIO 2:1

Mr. Perlstein (p. 100) then quizzed Mr. Reis as to the effect on the figures of the following changes: The UPA excess of regular requirements is \$237,000. If the JNF income is excluded, that would add to the requirements another \$366,000. Then the additions in the cable of December 5 would add another \$200,000, which would bring the revised excess of regular requirements to about \$800,000, at the maximum. This does not involve any opinion as to whether these figures should be accepted. However, if the \$800,000 is accepted, the ratio is roughly 2-to-1. Therefore, if the two organizations are willing to settle on that basis, it would be as close to a scientifically correct basis as the Inquiry would be able to establish.

Mr. Becker (p. 101) objected saying that to add these two further amounts to the total that the UPA spends in Palestine and conclude that 100% of these additional sums must be raised in the U. S. is unfair. That other committees could be organized to raise money for Palestine, like the JNF traditional collections.

I. REVISING UPA SHARE "XX - JNF"

Mr. Perlstein (p. 104) in reply thereupon, raised the question of revision of the percentage of JNF-PFF funds raised in the U. S. If the UPA raised 61% of the total by including the JNF traditional collections, then by excluding the JNF traditional collections - as Dr. Silver insisted - then the UPA raised only about 55% of the total PFF-JNF funds.

If instead of taking 61%, you take 56% (Mr. Perlstein, p. 107) of the PFF-JNF requirements and of JNF collections of \$366,000, and if you add a due percentage of the additions in the official cable of December 5, you get a new total of \$866,000. Mr. Perlstein (p. 108) admitted that the discussion was weighted a little bit in favor of the UPA, but as a practical matter, if anybody would be willing to make a motion, he thought that it ought to have serious consideration.

II. SEEKING NEW RATIOS

The Allotment Committee thereupon went into executive session on retirement of the experts. Mr. Perlstein then continued: On the basis of ^{4/4}revisions, the \$800,000 for the UPA was adjusted down to about \$550,000, or \$600,000. As a practical solution, it is up to Mr. Becker and Dr. Lowenstein to say whether they would object to a basis which is weighted a little against them. Mr. Becker (p. 108) objected to the fact that the adjustment on the cables, in the opinion of the accountant, could not be checked.

Mr. Perlstein (p. 108) then asked for opinions from Mr. Putzel and from Mr. Watchmaker. Mr. Watchmaker then stated (p. 109) that in view of the new figures he would offer a suggestion that the ratio be \$800,000 : \$400,000.

Dr. Lowenstein (p. 109) felt that the figure of 70:30 would be fairer, in the light of the new figures that were developed.

Mr. Perlstein (p. 110) stated that considering the little time that we have had to study the statistical tables and figures, and the fact that we are projecting the fourth quarter and estimating other figures, it would seem to be entirely defensible and good sense to divide the money in the ratio of \$800,000 : \$400,000, despite the fact that Dr. Lowenstein has a definite basis on which to divide it, 70:30.

The figures, \$800,000 and \$400,000, were based on the following revision of Table J I in the report. The actual deficit of the JDC [Perlstein, p. 113] on an accrual basis, not on a cash basis, was only about \$1,000,000. Admittedly, the JDC curtailed expenditures drastically, thus making the figure as low as they show. As for the UPA, even the JDC would accept the rise from \$236,000 to \$336,000, in the excess of regular requirements. Adding a correction in the cable of about \$200,000, makes the figure \$536,000.

Mr. Watchmaker (p. 114) stated he accepted the cable figures.

Mr. Reis (p. 114) upon re-examination stated that this difference was the very maximum of any adjustment that could be made and it gives the UPA the benefit of

every doubt. Mr. Reis (p. 115) continued that the cable doesn't answer anything because it is on a cash basis, as against the accrual basis for the rest of the UPA books, and for the previously furnished information. We can't accept the one, any more than we can accept the other, as an absolute figure.

Mr. Perlstein (p. 116). If you accept the new UPA revision on the basis of the cable, the ratio is 2-to-1.

Mr. Becker stated (p. 116) that if the cable were not accepted, the ratio would be 3-to-1. Besides, the cable was submitted at the last minute and could not be checked so quickly. Furthermore, you cannot within any one year mix a cash basis and an accrual basis.

Mr. Reis (p. 118) said that on the most favorable basis, the ratio would be about \$1,050,000 to \$536,000. (Ratio 66:34%) It could possibly vary as low as \$836,000. (Ratio 76:24%).

Mr. Watchmaker (p. 118) then asked what, in the situation, would lead Mr. Reis to reject the figure of \$200,000 added by the cable of December 5.

Mr. Reis (p. 118) replied, it is a question of reconciling the figures.

Mr. Becker (p. 119) thereupon protested that unless you have some basis for reconciliation you cannot express any judgment.

Mr. Reis (p. 119) agreed that that was correct.

Mr. Becker (p. 119) then suggested averaging the maximum derived figure of \$536,000 and the minimum derived figure of \$336,000.

Mr. Lipsky (p. 119) objected that this was exactly the thing that Mr. Becker condemned at the beginning of the meeting.

After much debate, Mr. Perlstein stated (p. 120), we must either take a tremendous amount of time to work this out, and it would not be justified, or else we must make a choice of allotting on the basis of \$800,000 to \$400,000 (66:33), or Mr. Becker's suggestion of \$840,000 to \$360,000 (70:30). Dr. Silver (p. 120) thereupon moved for a ratio of 60:40. Mr. Becker (p. 121) moved for a compromise; namely,

70:29. between a ratio of 2-to-1 (66:33) and a ratio of 3-to-1 (75:25), seconded by Dr. Lowenstein (p. 121). Both motions were defeated. (p. 122)

XII. ALLOTMENT DECISION AND NRS ACCELERATION

Mr. Watchmaker (p. 122) moved that the division be on the basis of \$800,000 to J.D.C., and \$400,000 to U.P.A. Mr. Butzel (p. 122) seconded the motion.

Mr. Perlstein (p. 122) asked if there were any discussion. He then summarized the above motion that such monies as are available for division from the 1940 campaign be divided on the basis of \$800,000 to J.D.C. and \$400,000 to U.P.A., or in like ratios, as funds are made available in an amount more or less than \$1,200,000.

The motion was carried.

(p. 122)

Mr. Watchmaker (p. 123) stated that he had listened to Mr. Rosenwald and he thought that he understood their position, and he thought that it dealt with a position which will begin to become aggravated in the latter part of March and the beginning of April, especially if there should happen not to be a united campaign. He believed that there was one situation which wasn't called to the attention of the Committee before, which is now clearer and that is, that any monies to be accelerated should be sufficient at least for the month of December to give them a total of \$600,000. An acceleration to the point of the NRS receiving 50% of the receipts of the UJA until such time as the balance due on their allotment was paid, might amount to \$600,000 in December, or not. The JDC and UPA ought to be ready to help NRS so far as acceleration is concerned, even further, if necessary, than discussed on the first day of the meeting. Subject to that understanding, Mr. Watchmaker moved that there should be no allotment to the N.R.S.

Dr. Silver (p. 123) seconded the motion. He continued saying that as far as the acceleration of money to the NRS is concerned, that the UPA would be very sympathetic to any consideration that would help the NRS meet its obligations, as it has always been.

Mr. Watchmaker (p. 123) said that if, as he personally hopes, there is a U.JA campaign that there will be no practical difficulty because ^{if} by March or April, 1941, it is necessary for both JDC and UPA to make a loan of a couple of hundred thousand, they would do so.....

Mr. Watchmaker (p. 124) continued that if NRS used \$300,000 for the month of December and receive an extra \$300,000 on the acceleration - a total of \$600,000 this month - it would enable NRS to pay off the bank loan of \$300,000 and leave such receivables still due of \$500,000. NRS will start off January 1 with no ~~cash~~ money, and a cash deficit of \$800,000. If the NRS would again borrow \$300,000, their arrears would amount to \$800,000. These monies would help NRS up to the latter part of March, and from that time on they are "busted".

Mr. Watchmaker (p. 125) then added that the Committee apparently has the assurances of both Dr. Silver and Dr. Lowenstein that when, if in March, the NRS is in a hole, they will be helped.

Mr. Perlstein (p. 125) stressed that by about March the NRS won't have any more coming in from the 1940 campaign. They must depend on 1941, which will yield little so early.

Dr. Silver (p. 125) added that the JDC and the UPA will still be drawing on 1940 money, even if there would be separate campaigns.

Mr. Watchmaker (p. 125) said that then UPA and JDC would be in a position to help them.

Dr. Lowenstein (p. 125) said that Mr. Becker would agree with him, that even if there is a separate campaign, JDC would undertake to make arrangements with the UPA whereby both organizations would make this loan to the NRS of \$250,000 when necessary; namely, either in March or April, to tide them over.

Mr. Perlstein (p. 125) then summarized Mr. Watchmaker's motion that on the condition that the UJA elects to pay to the NRS the balance of the original allotment at the rate of 50% of the total disbursements of the UJA to its beneficiary

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organizations, until its allotment is completely paid, and that with the specification that payment during the month of December shall be not less than \$600,000, the Committee will vote no allotment for the NRS. We shall leave it to the UJA to carry out.

Mr. Becker (p. 126) said that NRS will reach a point in March or April where they will strain a lot and may not be able to get credit at the bank. Therefore, if JDC and UJA make them a loan and subordinate this loan to a bank loan, the NRS could get the money from the bank without any difficulty.

Dr. Lowenstein (p. 126) replied that JDC would give them priority, saying to the bank, by a formal resolution, that JDC would give priority for repayment of loans to the bank, rather than to JDC.

Mr. Watchmaker (p. 126) said that it was a legal point. All it meant, in effect, was that NRS assigns to the bank its anticipated income.

Dr. Lowenstein (p. 126) said, to use Mr. Becker's technical term, JDC will subordinate its loan to the advances made by the bank. The bank will then recognize that they have a first claim, and that if JDC collects only \$350,000, the ^{bank} _A would get it all.

Mr. Watchmaker (p. 126) continued that the bank will have a right to collect the money first, before the JDC and UJA have a right to collect it, which condition JDC and UJA would wish anyway.

XIII. WELFARE FUNDS AND THE INQUIRY

There was then presented a letter from Jacob Blaustein, Chairman of the Committee to study National Budgeting Proposals of the Council of G.J.F.W.F. to Mr. Harris Perlstein, Chairman of the Allotment Committee.

"The next job we have set for ourselves is to review and analyze the processes of study that have been undertaken in your Inquiry and the procedures that have been established by your Allotment Committee. We believe that your experience, both in the study and in your other functions, is very important to any consideration to be given to the subject of national budgeting itself."

"I am therefore writing to you to ask that there be made available to my Committee the reports and materials prepared by your Inquiry on the constituent agencies of the United Jewish Appeal and on the other agencies. We would also like the privilege of conferring with members of your Committee and your staff with reference to problems of procedure that may be relevant to the general subject in which we are interested."

"We shall be very grateful for the co-operation of your Allotment Committee in assisting us in our tasks".

XIV. FUTURE OF INQUIRY

Mr. Perlstein (p. 127) said concerning the Inquiry, the short-term aspects are practically completed. This was accomplished within the limits of the \$35,000 appropriation. The long-term program could be delayed until a decision has been reached on a 1941 UJA. Dr. Silver (p. 127) then stated that the recommendations contained in the report touching upon the continuation of this short-term Inquiry are very valid, and even if the UJA does not continue in 1941, that the Council of Federations be asked to take over the Inquiry. In other words, the idea of the Inquiry is a sound one, whether there is a single united campaign, or two independent campaigns.

Dr. Lowenstein (p. 127) replied that he was very glad to hear Dr. Silver say that he believes that under any circumstances, whether united or separate, the JDC and the UJA should continue this seeking of information and fact-finding and setting up data, as in the Inquiry. Therefore, he proposed that the matter be left open to further discussion at the subsequent meeting.

Mr. Butzel (p. 128) asked since Dr. Lowenstein prefers some body other than the Council, what other possibilities there are. Dr. Lowenstein (p. 128) answered that the UJA and the JDC, with possibly, the NRS, might themselves set up a committee like the present one, perhaps composed of the same membership. That

would be the only alternative he had in mind. He would prefer the second method - the continuation of this or a similar committee.

The Director then offered his resignation, but was willing to come in a few hours a week, as a volunteer to help finish off the work.

XV. APPRAISAL OF INQUIRY

Mr. Perlstein (p. 128) said then that the Director had said to him that afternoon - and he feels it was a generous thing - and he wanted the Committee to know - that the Director would be quite willing to continue to give it his general supervision on a voluntary basis.

Mr. Watchmaker (p. 128) concluded that the report was a remarkable piece of work, involving a great deal of effort and sacrifice and offered a motion of thanks of the Committee to the Director for his zealous efforts and the appreciation of all the members of the Committee. Mr. Batsel (p. 129) added a motion to include the Staff because of the devotion up and down the line. He had never seen anything quite like it.

Dr. Lovenstein continued that he thinks every member indicated by his confidence in ^{the Director's} statement. The Committee thinks the Director has done a "swell" job.

Mr. Lipsky (p. 129) summarized that it might be said that the work of the Committee, in a certain way, represents historic progress in Jewish affairs. Hitherto, all Jewish affairs have been conducted on the theory of the sovereignty of the particular institution. There had never been any attempt to reconcile and to bring about an understanding and completion of the picture which was presented in a variety of details, one group not knowing of the other. This is the first attempt, he knew of, in which an effort was made to bring about a common basis of operation in the method and in the perspective. In that respect, it is certainly deserving of a great deal of praise to all of those who have had anything to do with it.

Respectfully submitted,

Elisha M. Friedman

, Secretary

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VERBATIM QUOTATIONS FROM MINUTES OF MEETING OF ALLOTMENT COMMITTEE

HARMONIE CLUB, SATURDAY NIGHT, DECEMBER 7, 1940

SUBJECT: Motion on Allotment Decision and Cash Priority for the N.R.S.

MR. WATCHMAKER: Mr. Chairman, I move that the division be on the basis of \$800,000 to J.D.C. and \$400,000 to U.P.A.

MR. BUTZEL: Seconded.

MR. FREILSTEIN: Is there any discussion? It has been moved by Mr. Watchmaker and seconded by Mr. Butzel that such monies as are available for division from the 1940 campaign, as between the J.D.C. and the U.P.A., be divided on the basis of \$800,000 to J.D.C. and \$400,000 to U.P.A., or in like ratio as funds are made available in an amount more or less than \$1,200,000.

.....

The motion is carried.

(p. 122)

MR. WATCHMAKER: Mr. Chairman, I listened to Mr. Rosenwald and I think I understand their position, and I think that it deals with a position which will begin to aggravate itself in the latter part of March and the beginning of April, especially if there should happen not to be a united campaign. I believe that there is one situation which wasn't called to our attention before, which is now clearer and that is, that any monies that should be accelerated should be sufficient at least for the month of December to give them a total of \$600,000. In other words, we talked yesterday of acceleration to the point of their receiving 50% of the receipts until such time as the balance due on their allotment was paid. It is possible that that figure of \$600,000 might be reached under that formula. Maybe it won't. Maybe it will be somewhat shy. I think that the J.D.C. and U.P.A. ought to be ready to help them so far as acceleration is concerned, even further if necessary, than we talked about

yesterday.

Subject to that understanding, I move that there should be no allotment to the N.R.S.

DR. SILVER: I second the motion. I'd like to say that as far as the acceleration of money to the N.R.S. is concerned, that the U.P.A. would be very sympathetic to any consideration that would help the N.R.S. meet its obligations as it always has been. (p. 123)

MR. WATCHMAKER: I think that if there is a U.J.A. campaign, which I personally hope there will be, I think there will be no practical difficulty because I think that both J.D.C. and the U.P.A. so far as when it comes to March or April of 1941, if it is necessary to make a loan of a couple of hundred thousand, would do so (p. 123)

MR. WATCHMAKER: No, if they used \$300,000 for their month of December, and receive an extra \$300,000 on the acceleration - in other words, if they receive \$600,000 this month, it will enable them to pay off the bank loan of \$300,000 so they will then start off January 1st with no money and a cash deficit of \$550,000, and with cash receivables still due them of \$500,000. Now then, they go and borrow again for \$300,000. That makes them \$800,000 in the hole, which takes them up to the end of March, the latter part of March, and from that time on they are "busted".

(p. 124)

(whole matter of leaving it to discretion U.P.A. + J.D.C. omitted (p. 2))

MR. WATCHMAKER: we have apparently the assurances of both Dr. Silver and Dr. Lovenstein that when it comes to March and the N.R.S. is in a hole, they will be helped (p. 125)

.....

MR. PERLSTEIN: Here is where the difficulty comes in. By that time, the N.R.S. won't have any more coming in. They must depend on 1941.

DR. SILVER: But the J.D.C. and the U.P.A. will still be drawing on 1949 money, even if we have separate campaigns.

MR. WATCHMAKER: Then you'll be in a position to help them.

DR. LOVENSTEIN: Mr. Becker will agree with me, that even if there is a separate campaign we will undertake to make arrangements with the U.P.A. whereby we would make this loan to the N.R.S. as of the time it is needed; namely, either March or April, to tide them over, of \$250,000.

DR. SILVER: I don't think there will be any difficulty.

MR. PERLSTEIN: As I understand it, you have moved, Mr. Watchmaker, that on the condition that the U.J.A. elects to pay to the N.R.S. the balance of the original allotment at the rate of 50% of the total disbursements of the U.J.A. to its beneficiary organizations until that is completed, and that with the specification that that payment during the month of December shall be not less than \$600,000 - we are not laying this down. We are saying that if that is done, we will vote no allotment. We will leave it to the UJA to do. (p. 125)

Mr. Becker: They will reach a point in March or April where they will strain a lot and may not be able to get the bank credit. Therefore, if we make them a loan and say we will subordinate our loan to a bank loan, they could get the money from a bank without any difficulty.

Dr. Lowenstein: JDC gives them priority. We say to the bank, by a formal resolution, that we will give priority for repayment of loans to the bank rather than to us.

Mr. Watchmaker: It is a legal point. All it means, in effect, is that NRS assigns to the bank its anticipated income. (p. 126)

Dr. Lowenstein:To use Mr. Becker's technical term, we will subordinate our loan to the advances made by the bank. The bank will then recognize that they have a first claim, and that if we only collect \$250,000, they will get it all. (p. 126)

Mr. Watchmaker: The bank will have a right to collect the money first, before you people have a right to collect it, which you would want to exist anyway. (p. 126)

MEMORANDUM

December 16, 1940

To : Dr. Abba Hillel Silver
Dr. Johah B. Wise - Co-Chairmen of the U. J. A.

From: Elisha M. Friedman

Subject: N.R.S. Acceleration

As Secretary of the Allotment Committee, may I advise you that the following motion was passed by the Allotment Committee at its meeting on December 7, 1940:

"On the condition that the U.J.A. elects to pay to the N.R.S. the balance of the original allotment at the rate of 50% of the total disbursements of the U.J.A. for its beneficiary organizations until that is completed, and with the specification that that payment during the month of December shall be not less than \$600,000, we will vote no allotment (to the N.R.S.). We will leave it to the U.J.A. to carry out."

The cash position for the month of December as reported by the Chief Accountant of the U.J.A. is as follows:

Cash on hand	\$150,000
Cash expected.	300,000
Total	<u>\$450,000</u>
Cash distributed	<u>\$205,000</u>
J.D.C. -	\$105,000
U.P.A. -	50,000
N.R.S. -	<u>50,000</u>
Cash on hand and expectable.	\$450,000
Paid to the N.R.S.	50,000
Total	<u>\$500,000</u>
Total acceleration agreed upon	\$600,000
Balance.	\$100,000

Under the terms of the motion as passed, (the payment to the N.R.S. shall be not less than \$600,000 in December) it seems that by the end of December, the two parties to the U.J.A. agreement should refund to the U.J.A. such sums as will bring the total cash priority up to \$600,000. On the present estimate, these refunds would be as follows:

U.P.A. - about \$33,000
J.D.C. - about \$67,000
\$100,000

Should the cash expected fall to \$230,000, an additional \$85,000 out of the total of \$70,000 would still be available to the N.R.S. from cash already advanced to the other two agencies.

Upon the ratification by your board of the commitment entered into by your representative on the Allotment Committee, will you kindly instruct your Treasurer to give effect to the above understanding through the U.J.A. Accounting Department.

The resolution passed would also require that the N.R.S. receive during January, February and March the balance of its original allotment, after deducting the \$600,000 at the rate of 50% of the total disbursements from U.J.A. to its beneficiary organizations. Beyond March, there may be a stringency in the N.R.S. During subsequent discussion, it was stated by Dr. Silver:

"We want to help out the N.R.S. so that it doesn't get into financial difficulties and this Allotment Committee should make the unanimous recommendation to their respective bodies that the necessary financial arrangements be made."

It was formally restated for the minutes by Mr. Watchmaker:

"We spread on our records the fact that the representatives of the J.D.C. and U.P.A. unanimously agree that they would recommend to their respective bodies this procedure which you have now outlined."

It was then agreed, subject to ratification by the boards of J.D.C. and U.P.A. that the advances to the N.R.S. be subordinated to a bank loan if the N.R.S. cannot borrow enough money to tide them over.

END:BJ

E.M.F.

MINUTES

MEETING OF THE BOARD OF DIRECTORS

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS

HOTEL BILTMORE, ATLANTA - FEBRUARY 1, 1941

Present: William J. Shroder, Cincinnati, presiding

Irvin Bettmann, St. Louis
Jacob Blaustein, Baltimore
Arthur Brin, Minneapolis
Fred M. Butzel, Detroit
Mrs. Siegmund Herzog, Cleveland
Sidney Hollander, Baltimore
Donald Kaffenburgh, Hartford
Dr. Louis Levy, Memphis
Joseph P. Loeb, Los Angeles
Dr. Solomon Lowenstein, New York
Herbert Mallinson, Dallas
Mrs. Irving Metzler, Los Angeles

Henry Monsky, Omaha
Charles J. Rosenbloom, Pittsburgh
William Rosenwald, Greenwich
Edwin J. Schanfarber, Columbus
Dr. Abba Hillel Silver, Cleveland
Edward M. M. Warburg, New York
Eugene Warner, Buffalo
James L. White, Salt Lake City
Joseph Willen, New York
Henry Wineman, Detroit
Ira M. Younker, New York

Ex-Officio: Dr. William Haber,
Joseph C. Hyman,

Regional Chairmen: Amos S. Deinard, Minneapolis
Dr. E. J. Gordon, Columbus

Guest: Albert H. Lieberman, Philadelphia

Staff: H. L. Lurie
G. W. Rabinoff
H. M. Propper

Committee reports and staff memoranda were presented on each item discussed. Folders containing these reports and memoranda were distributed to all board members present and to absentee board members by mail.

The chairman called the meeting to order at 1:00 P.M.

1. MINUTES OF PREVIOUS MEETING

One correction was made in the minutes of the previous session of the Board, held in New York City on October 26, 1940. MR. ROSENWALD said that the reference on page 5 of the minutes to the "American Philanthropic Foundation" should be corrected to read "American Philanthropic Fund, Inc."

2. COUNCIL ACTIVITIES

The report of the Executive Director was APPROVED for presentation to the Assembly.

3. COUNCIL FINANCES

The Board was informed that because the estimated budget of the Council for 1940 of \$116,260 was not met, planned extensions of field service to undeveloped regions had been eliminated and cuts made in the research program of the Council. As a result, actual expenditures for 1940 amounted to \$99,960 and total income from member agencies, foundations and other sources totalled \$97,805, leaving a deficit of \$2,155. For 1941, a tentative budget calling for expenditures of \$110,000 was presented. Since the total estimated income from member agencies for 1941 was placed at \$85,000, the Council faced a deficit of \$25,000.

DR. LEVY asked why the Council accepted contributions from any agencies other than its own organizations. He felt that it was unwise for the Council to accept contributions from the JDC, UPA and NRS. MR. HOLLANDER explained that the Council had received \$5,000 from the JDC, \$2,500 from the UPA and \$2,500 from the NRS not as gifts from these national agencies, but in lieu of a contribution to the Council from the New York United Jewish Appeal. Since New York had no Welfare Fund, the only sources of income were the New York Federation - the Council's only member agency in the City - some individuals and foundations. When the Council applied for a contribution from the Greater New York Campaign of the United Jewish Appeal, MR. HOLLANDER said, the Council was informed that the New York UJA was not able to contribute funds to any agency other than its own constituents. The UJA leaders suggested, therefore, that the Council apply to each of the constituent agencies of the UJA for contributions intended to cover New York's obligations to the Council. DR. LEVY asserted that the receipt of contributions by the Council from national agencies raises questions of the impartiality of the Council in the eyes of local leaders.

MR. SIRODER called for suggestions on meeting the expected deficit. MR. LURIE pointed out that the level of contributions to the Council from various cities differed greatly. Some cities, he said, were paying their proper share of the Council's costs, while others were not. MR. LOEB asked whether the Council might accept membership of individuals on a subscription basis, aside from welfare fund contributions. MR. LURIE asserted that individual contributions were obtained from some people in New York City. MR. BETTMANN felt that the emphasis should be on raising the level of contributions from those cities which were not meeting their obligations to the Council. He suggested that Board members appear before budget committees of neighboring communities to urge them to make adequate subscriptions to the Council. MR. MALLINSON seconded the suggestion.

MR. BETTMANN MOVED that an effort be made to raise the level of contributions to the Council of member agencies whose past subscriptions have not been deemed adequate, through personal appearance of Council Board members before the budget committees of the member agencies in question.

The MOTION was seconded and carried.

MR. MONSKY felt that the Council, which strives to centralize fund raising in each community, ought not to set an example of permitting uncoordinated fund raising for itself. He felt that a campaign for individual gifts by the Council would not be appropriate. MR. LURIE asserted that in a number of instances the Council had provided informational services to individuals, and that many individuals had been contributors to the Bureau of Social Research before it was incorporated in the Council.

Jewish

MR. YOUNKER MOVED that a finance committee be appointed to take such steps as it deemed advisable, in consultation with the President, to improve the financial situation of the Council and to report on its efforts, and make recommendations, to the next meeting of the Board. The MOTION was seconded and carried.

MR. WINEMAN MOVED that the estimated 1941 budget of the Council be accepted.

The MOTION was seconded and carried.

4. TUBERCULOSIS INSTITUTIONS

MR. RABINOFF reviewed the discussions at the previous Board meeting on the contemplated merger of the National Jewish Hospital and the Jewish Consumptive Relief Society of Denver. At the October meeting, representatives of the Denver institutions had told the Board that a coordination of the two institutions was possible but might result in an additional annual deficit of about \$100,000. The Board had agreed that the Council staff should meet with the agencies' representatives to study the facts and figures upon which their estimate was based and to report to the present Board meeting. Members of the Council staff had met and discussed the points with the Denver representatives, but no written material on the subject had yet been submitted for review. The Council's special Committee on National Tuberculosis Agencies met on December 10, 1940, in New York and considered next steps. Following the meeting, Dr. Harold G. Trimble of Oakland, Chairman of the Committee, wrote to the two hospitals that the Committee agreed in principle with the decision of the Boards of the two sanatoria, that amalgamation would benefit the institutions, but noted that no detailed plan for the amalgamation had been submitted to the Council as the Board had requested. Dr. Trimble suggested that some person, ^{experienced} in the administration of tuberculosis hospitals, be requested to work out such a detailed plan. This person, Dr. Trimble wrote, should visit Denver to study the existing facilities, the sources of patients, the character of treatment, past performance of the institutions and the contemplated future tasks; and on the basis of such information, should present a suitable and practical plan of amalgamation.

In reply to Dr. Trimble's letter, Dr. Lewis I. Miller of the Jewish Consumptive Relief Society and Samuel Schaefer of the National Jewish Hospital replied in a telegram as follows:

"Original motion both board still in effect and special committee meeting regularly with end in view of developing programs of coordination to be made effective if when and as national economic condition and other attendant factors make such step practicable. We have nothing to report at this time beyond the details given you at your board meeting in October. These should be available to you from the transcript of the stenographer present at meeting. Your statement that we promised you a plan before February first not accurate. You surely must realize by this time that both boards are sincere and that a project of this magnitude cannot be rushed into without complete study and evaluation of all aspects of a very complicated situation. Joint Committee prepared to act advice from authorities in similar field when and as such advice deemed necessary by it."

MR. BUTZEL remarked that the situation reminded him of a social work conference in 1905, and that the discussion had been going on ever since. MR. RABINOFF reported that when the Memphis Welfare Fund cut down its 1941 appropriation to the National Jewish Hospital, the Hospital had written a strong letter of protest to the Memphis Welfare Fund and asked the Council to join in his position. The Council office replied that since the hospital continued to procrastinate in carrying out the recommendations of the Klein Study, it was to be expected that welfare funds would cut down appropriations. MR. LURIE remarked that the tuberculosis field was one in which the Council had already embarked on a process of advisory budgeting on a national scale, and an evaluation of programs and needs. The recommendations to the communities with reference to support, in this case, he said, are that each community should determine its allocations to the tuberculosis institutions primarily on the basis of the services which these institutions perform for the particular community, plus a small stand-by charge to cover the needs of unorganized communities, etc.

MR. HOLLANDER asserted that one of the problems was the practice of the hospitals in accepting patients from local communities without previously checking with the local welfare agencies as to the need for transporting patients from their homes to Denver for treatment. After some discussion on this point, with DR. LEVY, and MESSRS BUTZEL, SCHANFARBER, MONSKY and WARNER participating, MR. LURIE pointed out that the situation varied from one community to another; that in some communities there was clearance through the local welfare agencies, that in others the relationship was with the local B'nai B'rith or some other volunteer body, and that in many cities there was no clearance at all. He said the institutions were getting only about 20% of their money from welfare funds. At the same time, he asserted, local communities have been utilizing and developing their own resources for the care of the tuberculous. Although the welfare funds have not reached their objective in making the national tuberculosis hospitals follow the program outlined in the Klein Study, he said, they have recommendations available on how to work out their financial relationships with the institutions.

MR. SHRODER felt that though financial relationships were being cleared, the communities had an interest in improving the functional relationships of the institutions and in their operation on an effective basis. MR. WHITE asserted that the Denver agencies were giving more attention to the possibilities of consolidation than they would have if the Council had not continued to prod. He felt the Council should continue along the same lines.

MR. BUTZEL MOVED that a message be sent to the Denver agencies that the Council approves of the progress they have made thus far and inform them that the Council is impatiently waiting to hear of further progress before reporting the status of the negotiations to the member agencies of the Council.

MR. RABINOFF asserted that the Klein Study indicated that the organizations are still doing necessary work, inasmuch as the number of beds in the New York City hospitals, for instance, was still insufficient to care for the number of patients in the area requiring treatment. The main complaint against the institutions, he said, was their procrastination in putting into effect specific recommendations to coordinate their work, to develop cooperative relationships with local communities and to improve their operations. MR. HOLLANDER expressed the feeling that amalgamation of the Denver agencies would help the situation in terms of greater economy and improved efficiency.

MR. MONSKY seconded Mr. Butzel's MOTION. The MOTION was carried.

5. UNITED JEWISH APPEAL

MR. WARNER MOVED the following resolution:

RESOLVED that the Board of the Council ratify and confirm the acts of the President, Sidney Hollander, the Chairman of the Board, William J. Shroder, the Vice-President, Ira Younker, and such other officers who aided in bringing the United Jewish Appeal for 1940 into being;

BE IT FURTHER RESOLVED that the Board of the Council ratify and confirm the acts of the aforementioned officers of the Council in their effort to prevent the dissolution of the United Jewish Appeal and each and all of the acts, by all or by any one of them, in their effort to re-establish the United Jewish Appeal;

BE IT FURTHER RESOLVED that the Board extend thanks to the officers mentioned and any or all others who have given of their time and effort to bring into being the United Jewish Appeal and their further efforts to prevent its dissolution.

MR. BETTMANN seconded the MOTION.

MR. LOEB asked whether the motion was not similar to one which Dr. Silver had been assured (in an open meeting of the Board on January 31) would not be considered until there had been another open discussion of related problems.

MR. SHRODER said that although the resolution did not relate to the proposal for the establishment of a national advisory service, the UJA situation was so bound up with it that the passage of a resolution on the UJA might be considered a breach of faith. He said a promise was made to those opposing the budgeting proposal that no action on the subject would be taken at the Board meeting, until there was another meeting of the Board later in the day.

MR. LOEB MOVED that the resolution be deferred until the evening session of the Board. The MOTION was seconded and carried.

6. CREDENTIALS COMMITTEE REPORT; BUDGETING REFERENDUM

MR. LOEB presented the following report for the Credentials Committee, consisting of Messrs. Loeb, Shetzer and Reuben B. Resnick of Dallas:

The Committee on Credentials respectfully reports as follows:

1) That it accepts as correct the list of member agencies and the list showing the number of delegates to which each is entitled as sent by the staff to the member agencies in letters dated respectively December 20, 1940, and January 14, 1941.

2) The Committee does not accept as correct the list of delegates as certified and prepared by the Staff as of January 31: therefore the Committee is not able to pass on the credentials of delegates, except to the following extent:

- a - Delegates named on the list who have registered and are present at the General Assembly and who were certified by the President, Secretary or other appropriate officer of the agency appointing them should be accepted as duly certified.

- b - Persons present and registered but not heretofore certified, if appointed as delegates or certified to be such by the President, Secretary or other appropriate executive of a member organization, either himself present at the Assembly or by mail or telegram before any vote is taken, should be accepted as duly certified.
- c - Persons present but not certified as aforesaid, including persons from cities in which there are located agencies entitled to appoint delegates but which failed to do so, should not be regarded as delegates.

The Committee recommends that no vote taken at this General Assembly shall be binding on the Council unless ratified by the member agencies, voting in the manner provided in the By-Laws with respect to the voting by member agencies at the General Assembly.

The Committee recommends that the By-Laws relating to the appointment, certification and manner of voting of delegates and member agencies be examined carefully and revised. There are ambiguous provisions, for example, with respect to -

- a - The manner in which delegates are to be certified;
- b - The number of delegates which organizations located in communities of various sizes have a right to appoint;
- c - The manner in which votes of delegates and votes of member agencies are to be cast at the General Assembly.

MESSRS. BETTMANN, BUTZEL and SCHANFARBER and DR. LEVY asked for clarification of various points in the report and MR. LOEB explained them. MR. LIEBERMAN asked what effort the Council had made to see that official delegates were appointed by local communities. MR. LURIE replied that 40 days before the Assembly member agencies were informed of the number of delegates to which they were entitled, were requested to appoint delegates and to inform the Council of their names. Subsequently, two additional notices were sent to the communities urging that they take these steps. In answer to a question from MR. MONSKY, MR. SHRODER asserted that at least half the communities did not respond to these letters. MR. RABINOFF pointed out that the Credentials Committee report suggested that any action taken be submitted to member agencies of the Council for ratification, in view of the ambiguity of the By-Laws. He added that no action taken by the Council was binding on member agencies, since that was a basic principle of Council organization and policy.

MR. MONSKY asserted that if a vote were taken at this Assembly and the rules for the certification of delegates were rigidly applied for the first time in the Council's history, the Assembly would meet a good deal of criticism from local communities. MR. LOEB suggested that because of the unclear provisions in the By-Laws regarding certification of delegates and manner of voting it would be wiser not to take a vote at the Assembly. MR. BUTZEL suggested that the Credentials Committee certify delegates to the best of its ability. MRS. HERZOG suggested that presidents of member agencies at the Assembly be asked to certify the delegates from their communities. MR. SHRODER pointed out that in any case whatever action the Assembly might take was binding only on the Board of the Council, but not on the member agencies. He felt that whether or not any votes were taken at the Assembly, all matters on which there was not substantial agreement at the Assembly should be referred to the constituent agencies of the Council by letter ballot. MR. MONSKY agreed with the suggestion, except that he disapproved taking a vote on the matter

at the Assembly, although he said he would have no objection to the Board taking a vote. He thought that there should be a full discussion of the issues, that the Board should take any action it deemed desirable and that it should then submit the matter to local constituents of the Council for their action or ratification.

The formal session of the Board adjourned at 3:20 P.M. for an open Board discussion on the report of the Committee on the Study of National Budgeting Proposals. The Board resumed its session in the evening, at 10:30 P.M., following the open session of the General Assembly, with all those present at the afternoon meeting in attendance and the following additional persons present:

Ex-Officio: Judge Louis Levinthal

Guests: Philip Bernstein, Cleveland
Samuel A. Goldsmith, Chicago
Harry Greenstein, Baltimore
George Levison, San Francisco
Simon Shetzer, Detroit

There was extended discussion as to which persons present at the General Assembly might be entitled to vote. MR. LOEB pointed out that one of the most troublesome points in the By-Laws was whether or not individual representatives from communities were entitled to vote as they pleased or whether they had to be bound by a caucus of the delegates from their community and to cast all the votes of their community in accordance with the views of the majority of the delegates from that community. There was further discussion as to the methods by which delegates might be duly accredited in accordance with the By-Laws with MESSRS. BETTMANN, ROSENWALD, YOUNKER, LOEB, LURIE, SHRODER, HOLLANDER, MONSKY, WARNER, DEINARD, WARBURG, LIEBERMAN, LEVINTHAL, HYMAN and DR. LOWENSTEIN participating.

MR. MONSKY repeated the suggestion that no vote be taken on controversial questions by the General Assembly but that the Board, if it wished, might express its views and then submit the matter to the member agencies of the Council for endorsement or rejection. In this way, he said, the question of the legality of the voting at the General Assembly would not be made an issue and the controversial problem could be discussed in each community purely on its merits. MESSRS. BLAUSTEIN and LOEB agreed with Mr. Monsky's suggestion. MR. LOEB added that he had expressed this view to the two other members of the Credentials Committee but they had disagreed with him. MR. DEINARD asked what would happen if the Board took some action, reported it to the Assembly and the Assembly rejected it. MR. MONSKY said he did not think the Board would make a report that would bring such action by the Assembly. If, however, the Assembly insisted on voting, he said, a credentials committee might have to be named to face the problems again. MR. SHRODER explained that the Board could decide whether or not it wanted to submit anything to the Assembly for a vote, but it could not prevent the Assembly from bringing up the same question for a vote itself.

DR. SILVER felt that, since the By-Laws were so obscure, a committee ought to be named to revise them and present recommendations to the next meeting of the Board or the next General Assembly. He felt that the particular matter of the budgeting proposal should be submitted to member agencies of the Council without

any action being taken upon it either by the Board or the Assembly. DR. LOWENSTEIN agreed that the matter should be submitted to the communities for referendum and that the Assembly should not vote on the matter, but felt that the Board itself should take action on the report and inform the communities of its decision.

DR. LOWENSTEIN MOVED that the Board approve the report of the Committee on the Study of National Budgeting Proposals and that it submit the report to member agencies of the Council in a referendum, the details of which would be worked out by a special committee.

DR. SILVER felt that the minority report should be presented to the communities as well. DR. LOWENSTEIN agreed. MR. SHRODER felt that the statement delivered in opposition to the Committee report at the open Board meeting was not the type of minority report which should be sent to local communities. DR. SILVER said he was sure it would be revised.

DR. LOWENSTEIN revised his MOTION as follows:

That the Board approve the report of the Committee on the Study of National Budgeting proposals; that it report that decision to the Assembly the following day; that the Assembly be informed that both the Majority and Minority Reports would be submitted to the member agencies of the Council for a referendum vote through an appropriately constituted questionnaire with a deadline for votes not later than April 1, 1941.

MR. BRIN felt that the deadline suggested might not give member agencies enough time to consider the matter and meet to take action on it.

MR. HOLLANDER seconded Dr. Lowenstein's MOTION .

MR. HOLLANDER asked what the procedure would be for getting the proposed service started if the member agencies approved of the Committee report. MR. ROSENBLUM asked what the expense would be for carrying through the service. MR. BLAUSTEIN said it would be between \$15,000 and \$20,500 a year. MR. ROSENBLUM said that the Inquiry of the UJA cost \$25,000; that if the Council were to study 50 or 60 agencies, the cost would be much more. He wondered whether communities knew that this was going to cost so much money. He asked where the Council would get the additional funds.

DR. SILVER expressed the view that the Board was trying to do two things: one that had to be done in a hurry and the other that did not. One, he said, was what should be done about a UJA in 1941, and the other was the problem of setting up a permanent institution for American Jewish communities, which was a radical departure in the field of budgeting. This latter problem, he said, did not call for hurried action, but should be approached much more deliberately, since it was a major long-time issue. He felt the Majority Report should be revised in such a way that it presented communities with a clear-cut single problem - whether or not they favored a national budgeting committee, and not what they wanted done about a UJA in 1941.

MR. BLAUSTEIN, replying to Mr. Rosenblum, said that the figures he gave on possible costs for the budgeting service covered only the three agencies in the UJA, and that the fact-finding for other agencies, as is stated in the Majority Report, would be undertaken as soon as facilities, including the financial resources for such fact-finding programs, became available. In reply to Rabbi Silver, he said that the Majority Report was being presented now, not because

of developments regarding the 1941 UJA, but because the Committee on the Study of National Budgeting Proposals, after studying the matter since last May, was now ready to report and there was no reason to delay action on the report. He felt that communities should be asked to take action in any referendum on the subject by March 1 rather than April 1.

MR. MONSKY MOVED a substitute motion that the majority and minority reports of the Committee on the Study of National Budgeting Proposals be submitted to the member agencies of the Council in a referendum, with the request that they express their views on the matter before April 1.

The MOTION was seconded by Mr. Wineman.

MR. WINEMAN asserted that he had been interested in national budgeting for the past 18 or 20 years and that he thought the Board would be mistaken to take action on the matter in the heat of controversy. He felt it should be submitted to the communities for their approval or disapproval. MR. LIEBERMAN said that the Board should state its convictions and inform the communities what its views were, on the basis of its mature and deliberate judgment after considering the problem for almost a year. MR. ROSENWALD agreed with Mr. Lieberman's position. He said that the Council had been set up to carry through the desires of local communities. If the Council could serve those of its member agencies which wanted a national advisory budget service and were pressing for such a service, he said, then the Council should act as quickly as possible in meeting these desires.

MR. HOLLANDER reviewed the background of the budgeting proposal and pointed out that for years local communities had been requesting the Council to establish some sort of advisory budget service. The Committee, he said, had brought in a carefully considered report which was intended to meet the needs of those agencies which had asked for the service. He felt the Board should accept the report and send out the referendum to the member agencies pointing out that the Council was prepared to establish services that might or might not be helpful to each of the communities. If a sufficient number of member agencies indicated that these services would be helpful to them, he felt the Council should institute these services. It would not provide the services to those agencies that did not want them. He felt the Council should always act with one idea in mind - that of serving its local constituents and giving them whatever assistance they requested and needed. Local communities, he said, had learned the need for centralized activities, for relating needs and programs to each other, for achieving community harmony. In the national field, he said, chaos still existed. He thought that a process of careful objective evaluation of the needs of all the agencies would serve as a first step "to put our house in order" on a national scale and bring the harmony achieved in local communities into the national picture.

DR. LEVY felt the Council was a fact-finding organization and that this proposal was changing the character of the organization. He said it would be trying to dictate in the matter of budgeting and that communities might, as a result, leave the Council.

The substitute MOTION was then called for, and defeated.

MR. BLAUSTEIN proposed that the Board approve the majority report and advise local agencies that the Council was ready to provide the national advisory budget service and that, if a sufficient number of member agencies wanted it, the Council would establish the service. MR. ROSENWALD approved of this suggestion. MR. WARNER felt that it was important to ascertain what the Board wanted, and what

the member agencies wanted - and not to consider what some member agencies of the Council wanted. MR. LURIE asserted it would be very undesirable to extend any service to a number of member agencies if a majority of the constituents of the Council were opposed to the establishment of such a service.

DR. LOWENSTEIN asserted that after the long and earnest discussion of the matter at the open Board meeting earlier in the day, nothing of substance could be added by further discussion before the full General Assembly the following day. The Board, he said, had a right to act on the matter, to inform the Assembly of the action taken, and to say the subject was closed for further discussion, but that each community would have a right to indicate whether it approved or disapproved of the proposal.

The question was called on Dr. Lowenstein's MOTION. The MOTION was carried with the votes cast as follows: 17 in favor, 5 opposed.

MESSRS. ROSENBLOOM, MONSKY and DR. LEVY asked to have their votes in opposition to the MOTION recorded. MR. SHRODER noted that Rabbi Silver had left the meeting before the vote and that Mr. Butzel did not vote.

After further discussion, DR. LOWENSTEIN MOVED that the President be authorized to appoint a committee to draw up an appropriate questionnaire for the referendum on the establishment of a national advisory budget service and that it be distributed as quickly as possible; that as soon after April 1 as possible a special Board meeting be called to consider the replies received.

The MOTION was seconded and carried.

There was some discussion as to how the action of the Board was to be reported to the Assembly. MR. GREENSTEIN suggested that in view of the importance of the matter the action be reported by the Chairman of the Board. MR. ROSENBLOOM said that Mr. Greenstein should present the report of the Board discussions and action, as he was originally scheduled to do. MR. GREENSTEIN agreed to make the report.

MR. SCHANFARBER asked whether it would be wise to reopen the controversy on the floor of the Assembly. DR. LOWENSTEIN agreed that a controversy as to who was entitled to vote should be kept from the floor. MR. MONSKY urged that the Assembly be invited to question and discuss the report, but that no vote be taken. MR. SHRODER said that the reporters would summarize the discussion and the action taken, and that the Chairman would advise the Assembly that the matter was open for discussion but that no vote would be taken.

7. GENERAL JEWISH COUNCIL

MR. WHITE felt the Board should consider the resolution that had been passed by the Central Conference of American Rabbis and distributed to local welfare funds, - urging that no allocations be made to the individual national organizations in the General Jewish Council, but that contributions be made to the GJC for distribution among its constituents - as a step toward promoting greater coordination of the activities of the national bodies in the civic-protective field.

MR. WHITE asserted that he had written to the Central Conference that such a move was impracticable now, since the General Jewish Council was not prepared to allocate funds among its four constituents and that any action taken by welfare funds in accordance with the recommendations of the Central Conference would merely hamper the work of the four agencies. MR. WHITE suggested that the Council advise

its member agencies that the civic-protective organizations in the GJC had not arrived at a joint fund-raising agreement for 1941; that the GJC was in no position either to use or allot funds for civic-protective activities; and that any funds allocated but not remitted, or any further allocations made, to civic-protective agencies, should be sent directly to the agencies themselves.

MR. LURIE asserted that only two member agencies had withheld funds from the individual civic-protective organizations as a result of the Central Conference resolution. MR. ROSENWALD suggested that a letter be sent to those communities withholding funds.

MR. ROSENWALD MOVED that the Executive Director be requested to take care of this situation along the lines indicated.

The MOTION was seconded and carried.

MR. DEINARD, who was named as one of the reporters on the civic-protective situation to the General Assembly, asked whether the Board or the Assembly were expected to take any action on the matter. MR. SHRODER said that the only action contemplated was a report on the discussions at the open Board meeting the previous day devoted to the civic-protective situation. Any action to be taken, he said, would depend on whether some delegate might wish to make a motion following the presentation of the reports.

5. UNITED JEWISH APPEAL (contd.)

MR. WARNER re-introduced the resolution which he had presented earlier, action on which had been postponed until after the open Board discussion on the establishment of a national advisory budget service. MR. MONSKY suggested that the details of the steps taken to bring about a United Jewish Appeal be omitted but some general phrase, such as "efforts to bring about a UJA for 1941," be substituted. MR. WARNER agreed to the change.

Mr. Warner's MOTION was seconded and carried.

MR. LURIE and DR. LOWENSTEIN discussed the nature of the report that should be made to the Assembly on the further steps which had been taken at Atlanta to reconstitute the UJA for 1941.

MR. HOLLANDER and MR. YOUNKER discussed the recommendations that might be made to communities on preliminary allotments to the agencies in the 1940 UJA, pending either reestablishment of a 1941 UJA or the suggestions of a national advisory budget committee. MR. SHRODER proposed that the problem be left for the first meeting of the 1941 Board of Directors, to be held the following day.

The meeting adjourned at 1:30 A.M.

(signed)

H. L. LURIE
Acting Secretary

THE FACTS

A Manual for Discussion

In Connection With the Referendum on the Establishment
of a National Advisory Budget Service

Conducted by the

Council of Jewish Federations and Welfare Funds

March 1941

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Appendix - The Ballot

T H E F A C T S

A MANUAL FOR DISCUSSION IN CONNECTION WITH THE REFERENDUM ON THE ESTABLISHMENT OF A NATIONAL ADVISORY BUDGET SERVICE

Conducted by the
Council of Jewish Federations and Welfare Funds
March 1941

I. THE ISSUE

Boards of Directors of 203 federations, welfare funds and community councils affiliated with the Council of Jewish Federations and Welfare Funds in 167 cities throughout the country are taking action during March 1941 on two proposals:

1. That the Council establish a national advisory budget service for national and overseas agencies appealing to local communities for support;

2. That, as an initial step, a special commission be set up to formulate advisory recommendations on the needs of the Joint Distribution Committee, United Palestine Appeal and the National Refugee Service in 1941.

By approving these projects, member agencies of the Council will not, in any sense, commit themselves to utilize the services or findings of any committees set up to administer the proposed national advisory budget service.

II. NEED FOR A NATIONAL ADVISORY BUDGET SERVICE

One of the greatest problems faced by each welfare fund raising money for regional, national and overseas causes is how to allocate its funds among the many worthy causes appealing for support and do the job to the satisfaction of the local contributors.

Since their establishment, welfare funds have been struggling with this problem. In the past few years, with the increasing experience of local budget committees, the welfare fund budgeting process has greatly improved but it is still far from satisfactory.

The Local Budgeting Job

Each local budget committee is faced with a tremendous task:

1. It must determine the total responsibility of the community for the support of all Jewish causes.

2. It must decide what agencies to support.

3. It must decide how much to give each of the agencies supported.

And, in general, it must decide all these questions to meet, as nearly as possible:

1. What it believes to be the needs of the Jewish group - local, regional and overseas.

2. The specific demands made upon the community by the non-local agencies.

3. The interests and wishes of the various elements of the local contributing public.

Specifically, here are the outstanding difficulties:

1. Rapidly Changing Needs.

The Nazi persecutions, the War, the tremendous dislocations within the past few years have made Jewish needs for relief in Europe, Palestinian reconstruction and refugee adjustment everywhere, virtually limitless. Agencies working in these fields have been asking - and getting - vastly increased sums from local welfare funds, and the number of agencies appealing for support has grown steadily. Local budget committees have to cope with these ever increasing needs and demands.

2. Lack of Research Facilities.

Few, if any, American communities have facilities to study Jewish needs in all countries, to relate them to each other and to determine their relative requirements. To be valid in these times, such research would have to be an all-year round process because the needs of March may differ radically from those of November. It would be impossible for each local community, and certainly for the many smaller ones, to undertake any such task. That is why they have been looking to the Council to do this job for them. Among other things, they have no way of telling what each of several agencies operating in the same field of service may be doing or how effectively each agency is carrying on its work.

3. National and Overseas Agency Budgets.

There are great differences among national agencies in their budgeting practices. Some national agencies have expenditures which remain at about the same level each year. These are able to prepare a fairly accurate budget

of the year's operations in advance. Others deal with rapidly changing needs and emergency situations; generally, the amount of work to be done greatly exceeds their available resources; their budgeting consists of making commitments on expenditures in accordance with the income of the moment and anticipated income for the coming year.

Some agencies set campaign goals roughly approximating the amount of money they expect to raise. Others set goals far above what they expect, in order to emphasize their needs in the minds of budget committees and contributors.

Some agencies carry on their work in this country and are able to judge their requirements fairly accurately. Others are fund-raising bodies for groups overseas who do the actual spending, so that the budgets here are based on the requests made by the groups on the other side.

4. Local Budgeting Methods.

Some national agencies ask for specific amounts from local welfare funds, others ask for "the largest possible amount". When quotas are set by national agencies, they are based on the population of the community, the estimated wealth, the previous level of contributions, etc.

Most welfare funds have budget committees which take up each request for support, ask the national agency for additional information, study the relevant data from the Council of Jewish Federations and Welfare Funds, and make allocations on the basis of such factors as these:

- 1) Amounts raised by the agency in the community in previous years. (This factor measures how effectively the agency formerly raised its funds in the community and may have no relation to the comparative needs of the agency and the importance of its cause.)
- 2) Relation of the percentage of the country's Jewish population in the community to the national goal set by the agency. In other words, if city A has 1 percent of the Jewish population of the U. S. A., it might provide 1 percent of the national goal set by the beneficiary agency. (This method ignores the variety of practices of national agencies in setting goals, the relative wealth of the local Jewish group, the sources of income which the national agency may have outside of welfare funds, etc.)
- 3) Allocations made by other cities of similar size. (Reliance upon this factor may result merely in an averaging of previous errors, since there is no guarantee that the other communities budgeted intelligently or equitably.)
- 4) Expenditures of national agency in previous year. (This does not take into account continually changing needs.)
- 5) Previous income of national agency from all welfare funds. (This may erroneously assume that welfare fund support of the agency in the past has been at a fair level.)
- 6) Pressure of interested local contributors.

Well organized and methodical budget committees have been giving consideration to many of these factors and have been doing their best to avoid the

limitations involved in each of them. None of them, however, feels that it is doing as good a job as must and could be done if it had much more information upon which to act. Many of them repeatedly urged that the Council provide much more information and guidance in this field.

III. HISTORY OF PROPOSAL FOR NATIONAL ADVISORY BUDGET SERVICE

1. Early Demands

Proposals for the establishment of some service to deal with the financing of non-local activities by local communities have been made at various conferences of community leaders, social workers, national agency officials, etc., as far back as 1921.

In that year, Eugene Warner of the Buffalo Federation proposed, before the meeting of the National Conference of Jewish Social Service in Milwaukee, that the Conference establish a "Board of Estimate and Apportionment", to pass upon budgets of national agencies and to allocate quotas to individual communities.

In 1924 Dr. Charles Spivak of Denver proposed that kindred groups of national agencies undertake joint fund-raising efforts and call upon the Conference to assist in allocating the funds.

In 1925 the Conference resolved, with the concurrence of the national agencies involved, that "a council of national Jewish social agencies" be established to advise on joint fund-raising and to include leaders in American Jewry, delegates from the National Conference and representatives of the three tuberculosis institutions, the HIAS and the National Desertion Bureau.

In 1926 several more proposals in this direction were made, including one by Louis Marshall that three types of federations be set up for budgeting and financing three types of organizations:

- 1) Palestine and Overseas
- 2) Educational and Cultural National Agencies
- 3) Charitable and Philanthropic National Agencies

In 1927, forty-three federations organized a National Appeals Information Service to study organizations making appeals nationally in the United States. This service operated for four years.

In 1932 the National Council of Jewish Federations and Welfare Funds was organized and at once set up a Committee on the Financing of National and International Jewish Social Work. In consultation with the national agencies, this Committee proposed that the national agencies set up a Council of National Jewish Agencies which, together with the CJFWF, would create the machinery to determine the needs of the national agencies and establish equitable quotas

for the federated communities. The plan was not accepted by the Executive Committee of the CJFWF, because of opposition to the provision that the national agencies participate in the process.

Since then, the Council's Committee on National Jewish Agencies has confined itself to (1) issuing reports on the activities and finances of agencies appealing to welfare funds, based entirely on material obtained from these agencies, and (2) conducting negotiations with the agencies in the interests of better working relationships with the welfare funds.

2. Recent Demands

Since the establishment of the Council, welfare funds, individually and through Regional Conference resolutions, have been asking for three things:

- a] Joint Budgeting. That the agencies seeking welfare fund support should group themselves according to function, and devise some process for determining the total needs for each of the respective fields, and for dividing the funds secured for each field between the agencies in that field.
- b] Evaluation. That the Council develop a process for evaluating the quality of work done by the individual agencies.
- c] Guidance. That national budgets be reviewed and formulae developed to guide local communities in allocating their funds to the non-local agencies.

Regional Expressions

Regional conferences of the Council have, in recent years, made these requests time and time again.

For instance, the Executive Committee of the New England Region of the Council, meeting in Hartford on September 10, 1939, passed this resolution:

Whereas: There appears a definite need for qualitative studies of the work and function of national and overseas agencies receiving funds from welfare fund organizations;

Be it therefore resolved: That it is the sense of this meeting that the Council of Jewish Federations and Welfare Funds be requested to furnish such qualitative reports to its constituent agencies.

The Up-state New York Conference, meeting at Niagara Falls in October 1939, resolved that:

"The Council's studies of national and overseas agencies go beyond the areas of scope, volume, cost; these studies to include appraisals of the effectiveness of the work of the agencies studied."

The Western States Region of the Council in April 1939 resolved:

"that the directors of the Council be, and they hereby are, urged to continue their efforts to persuade all overseas agencies and, to the fullest extent possible, all national agencies, to develop a joint system of budgeting and distributing funds among themselves which will permit all such distribution to be done by a single centralized committee or other agency."

The East Central States Region of the Council, meeting in October 1939, passed this resolution:

Whereas the Council of Jewish Federations and Welfare Funds has recently completed a study of the functions of the various national Jewish tuberculous agencies and their relationship to the other organizations in the field, thus serving to focus attention on their programs and relationship and also making possible a more adequate understanding of their financial problems and degree of support necessary; and

Whereas similar studies and information are desirable with regard to the work and functions of the national agencies in other fields which are generally included in welfare funds:

THEREFORE BE IT RESOLVED that the Council of Jewish Federations and Welfare Funds be urged to stimulate and conduct similar studies and evaluations in these other fields.

The Western States Region, meeting in Salt Lake City in April 1940, resolved after an all-day budget clinic, during which the budgets of leading national and overseas agencies were considered with their representatives:

"that the Council of Jewish Federations and Welfare Funds be requested to set up a national budget committee to study national and overseas agencies and consult with their representatives with a view to:

1. Determining upon a proper allocation of services as between agencies, and
2. Surveying and developing approved budgets for such agencies."

Besides formal resolutions, speakers at regional conferences have consistently urged greater Council assistance in local budgeting. For instance, referring to the increased number of agencies appealing to welfare funds for

support, Rabbi Leon Feuer, president of the Jewish Community Council of Toledo, said at the Akron Conference in 1939:

"Perhaps the time has come for a rigid and scientific re-examination of all these smaller agencies and institutions. This is a task, and I think an important immediate task, for our national organization, the Council of Jewish Federations and Welfare Funds."

Action on Demands

Thus far, the three demands of local communities in the budgeting field have resulted in these developments:

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

Specifically:

The Council of National Jewish Agencies receives funds from local communities and allocates them among its four affiliated institutions. It divides the money, however, almost entirely on the basis of the previous allotments made to the individual hospitals by the communities in previous years.

The General Jewish Council has not yet worked out any formula, either for the coordination of activities or the raising and distribution of funds among its four constituent civic-protective organizations.

The United Jewish Appeal in 1939 raised funds for the JDC, UPA and NRS and divided the money according to a formula arranged in advance. The local communities did not have any opportunity to influence the decisions made by the officers of the national agencies. The question of community autonomy was not even considered, except insofar as communities had been urging the development of a UJA. Communities allocated funds to the UJA and the funds were divided according to the nationally-adopted formula.

The 1940 UJA raised funds for its three constituents and divided the bulk of the money by advance agreement, leaving a sizeable sum to be distributed by an Allotment Committee composed of two representatives of the JDC, two of the UPA and three named by the Council to represent the welfare funds. For the first time, the communities did have some voice in that their representatives were given the power to allocate \$1,200,000 between the JDC and the UPA.

The general plan for a Council of National Jewish Agencies has been revived periodically, on the theory that such an alliance between the whole group of national agencies is a necessary preliminary to any relationship that will assure equity, stability and planning between the welfare funds and the services they have undertaken to finance.

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

c) Guidance. On the third proposal - budget reviews - this past year has seen evidence of a rising tide of feeling, expressed (1) in resolutions by individual welfare funds on the whole subject or special phases of it, (2) in general resolutions developed at Regional Conferences, and (3) in such Regional activity as the Budget Clinic at the Western States Conference in Salt Lake City, the Budgetary Review Committee set up in the East Central Region, and the special Budget Conference for the Southeastern Region held at Atlanta in November 1940.

3. The Council Board Acts

Heeding the demand of its local constituents, the Board of the Council, meeting in Pittsburgh on May 18, 1940, took up the specific request of the Western States Region for the establishment of a national advisory budget service and appointed a committee to study the problem. The resolution adopted by the Board follows:

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

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

4. The Committee Reports

The President of the Council appointed the following individuals as members of the Committee:

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

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

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

During the summer the staff of the Council prepared a memorandum, outlining the general problem of budgeting by national and overseas agencies and by local welfare funds, and analyzing the objectives, the possible advantages and the disadvantages of a national advisory budget process. The Committee studied this material and most of its members submitted comments on the memorandum.

The Committee met formally on October 25 to prepare its preliminary report for the Board of the Council. In its report the Committee agreed (with one dissenting vote) that

1) Budgeting of national and overseas agencies should be considered as one aspect of the program of local communities for meeting their total responsibilities, both of a general nature and those of special interest to Jews.

2) A national budgeting process, in principle, is desirable and necessary.

3) The functions of a National Budgeting Committee should be to obtain complete data from all agencies, to evaluate the work of each agency and to recommend to the communities comparative allocations to the different agencies.

4) The Committee should ultimately consider the programs and expenditures of all national and overseas agencies applying to welfare fund communities for support.

5) as a first step, the Committee might review the work of the Allotment Committee of the 1940 United Jewish Appeal and, on the basis of this experience, might consider extending similar studies to agencies operating in similar or related fields. This should be done in consultation with the agencies being studied.

6) The Committee should consider the staff and costs necessary for such studies, and how they might be obtained.

The Board accepted this interim report and requested the committee studying the proposals to continue its work and report the results of its subsequent efforts to the Board and to the 1941 General Assembly in Atlanta.

5. Dissolution of the United Jewish Appeal

While the Committee was studying the possibilities of setting up a national advisory budget service, negotiations were proceeding for the continuation of the United Jewish Appeal of the JDC, UPA and NRS for 1941. Early in December 1940, it became clear that the negotiations had reached an impasse.

The Council immediately arranged a meeting of the agencies in an effort to obtain an agreement for a 1941 UJA. The efforts failed and separate campaigns were announced.

On December 31, 1940, Sidney Hollander, president of the Council, wrote to member agencies summarizing the developments of the UJA negotiations. He stated that the Council would continue to strive for a joint appeal and asked the advice of member agencies on the steps to be taken in case the UJA were not reconstituted. Specifically, he requested comments on his suggestion that, "to avoid the friction and chaos of competitive appeals," the Council should "set up its own fact-finding and budgeting body to provide information and serve as a guide to member agencies in making their 1941 commitments." He said he would recommend this proposal to the General Assembly of the Council in Atlanta on February 1, 2 and 3, 1941, and suggested that welfare funds await the recommendations of an advisory budgeting service, which might be set up as a result of General Assembly action, "before completing their local budgeting."

6. Community Reaction

In reply to Mr. Hollander's letter, the communities, as with one voice, deplored the dissolution of the UJA and urged that every effort be made to reconstitute it for 1941.

Regarding his proposal that the Council "set up its own fact-finding and budgeting body" the replies of the officials of the member agencies were overwhelmingly favorable. Replies came from the boards or officers of member agencies in 71 cities, of which nine concerned themselves exclusively with the need for reconstituting the UJA. Of the 62 cities which did comment on the proposal, here is an analysis of the replies:

1] Leadership in 48 cities endorsed the proposal. (In 13 of these cities, including two of the largest communities in the country, the Boards of the member agencies took official action endorsing the proposal. In three, the executives approved the proposal and asserted that their communities would postpone any action on allocations until after the General Assembly. Letters from presidents or executives of member agencies in the other 32 communities endorsed the proposal.)

2) Member agency officials in five other communities agreed that the Council should provide more information regarding the needs and finances of the national agencies, without mentioning their views on an advisory service.

3) The presidents of five member agencies stressed the difficulties involved or opposed the setting of ratios even on an advisory basis.

4) The boards of four other member agencies took action along various lines: One urged "that intensive studies of the overseas and refugee agencies be continued and that a national committee be established to conduct this fact-finding." A second decided not to instruct its delegates to the General Assembly to agree to the formation of a budgeting service unless the three UJA agencies agreed to the proposal. The third urged increased fact-finding by the Council, but opposed the setting of ratios. And the fourth objected to the proposal on the ground that the Council might lose its non-partisan status.

In addition, two Regional Executive Committees of the Council - New England and East Central States - officially endorsed the proposal.

7. The Committee's Final Report

A final report on the studies and recommendations of the Committee on the Study of National Budgeting Proposals was planned for the General Assembly of the Council at Atlanta. Because of the urgency of the issue and the insistent demands from a large proportion of the Council's member agencies for some other mechanism to assist them in their budgeting for overseas and refugee agencies following the dissolution of the UJA, Mr. Hollander requested the Committee on the Study of National Budgeting Proposals to make recommendations to the Board of the Council at Atlanta, not only on a national advisory budget service generally, but on possible steps to be taken to meet the immediate needs of the communities in their budgeting for the field covered by the UJA.

The Committee met in Atlanta on January 30, 1941. It adopted a final report recommending the immediate establishment of a national advisory budget service.

IV. THE PROPOSALS

The report of the Committee outlined the work it had done since its appointment, appraised the procedures and results of the Allotment Committee of the 1940 UJA and the Inquiry conducted by it, and made a series of final

recommendations which appear on the official ballot of the referendum as two distinct proposals:

1. That the Council establish a national advisory budgeting service which would carry on an intensive fact-finding program on the activities and finances of national and overseas agencies appealing to local communities for support and help local communities evaluate the relative needs of the separate agency appeals. The national advisory budgeting committee would be provided with proper facilities for the evaluation of agencies. As opportunity allowed and fact-finding facilities were made available, sub-committees would be appointed to specialize in the study of each different field of service.

2. That as an initial step, a special commission of 5 to 9 members be set up to formulate advisory recommendations on the 1941 needs of the JDC, the UPA and the NRS. The members of the commission would be named by the President of the Council, the Chairman of the Board and the Chairman of the Committee on the Study of National Budgeting Proposals and would be approved by the Board of the Council. The laymen appointed to the Commission would sever whatever connections they might have on the boards of any of the agencies being reviewed. The recommendations made by this commission would be transmitted to member agencies through the Council office, without any change by the Council.

Recommendations made by these committees would be purely advisory and, in no case, mandatory on the Council member agencies.

V. THE REFERENDUM

Minority Report

In addition to the report of the Committee, a minority report was prepared by Henry Montor of New York. Like the Committee report, the minority statement urged that every effort be made to achieve a reconstitution of the UJA in 1941 and urged the continuation and enlargement of the fact-finding activities of the Council. It objected, however, to the evaluative aspects of the proposal, on the ground that the different ideologies involved in the causes appealing for welfare fund support could not be fairly evaluated by any small national group, but should be left for each local community to decide for itself. The minority report contended that although the service would be advisory, the recommendations would become mandatory in effect "because of the tremendous pressure" which such authoritative recommendations would exercise on local communities.

Board Action

After thorough discussion of both the Committee report and the minority report at an open Board meeting in which non-Board members from communities throughout the country participated, the Board approved the Committee report by a vote of 17 to 5.

The Credentials Committee of the Assembly, composed of Joseph P. Loeb of Los Angeles, Simon Shetzer of Detroit and Reuben B. Resnik of Dallas, informed the Board that the status of official delegates to the Assembly was unclear. Henry Monsky of Omaha thereupon moved that, in view of the importance of the issue and in order not to becloud it with questions of legality, the Board submit the proposals to a mail referendum of member agencies of the Council instead of submitting the matter to an immediate vote of the delegates at the General Assembly. Mr. Monsky's motion was adopted by the Board.

On Sunday, February 2, the action of the Board in approving the report and authorizing a referendum of member agencies on the proposals was reported to the General Assembly.

Member Agencies' Action

The referendum of member agencies of the Council on these proposals is now in process. Each member agency of the Council has received a ballot (see Appendix A), a copy of the Committee report, a copy of the minority report, a list of the votes allowed to each member agency according to the Council's present By-Laws, and a covering letter from H. L. Lurie, executive director of the Council, informing the member agencies that the ballots must be returned by April 1.

Early in April the Board of the Council will meet to discuss next steps on the basis of the results of the referendum.

VI. WHAT A NATIONAL ADVISORY BUDGET SERVICE WOULD DO

In the words of William J. Shroder, chairman of the Board of the Council, the proposed "services would help communities to deal with their varied

responsibilities with a broad perspective and to relate the many insistent demands upon them to the sum total of Jewish needs. They should be of great aid in organizing our total resources to meet the overwhelming requirements of the Jewish group here and overseas, and to the realization of the aims of all of us as Jews and as Americans."

The National Advisory Budget Service, Mr. Shroder said, will do several specific things:

"1. It will strengthen community organization in this country - by developing improved relationships between the national agencies themselves, and between the national agencies and the local communities; by promoting a greater degree of efficiency and harmony in the conduct of community affairs; and by broadening the knowledge of divergent elements of each community of, and their interest in, all legitimate Jewish causes.

"2. It will provide local communities with a broader picture and more complete understanding of the needs and aspirations of the Jewish groups both at home and abroad than has ever been available to them in the past. It will offer communities a reasonable gauge of their own responsibilities for meeting the vast needs.

"3. It will lay a firm foundation for improved fund-raising programs in each community by basing appeals on authoritative and unquestioned facts and figures, objectively and fairly interpreted, rather than on competitive and often conflicting pressures.

"4. It will encourage the development of more specific and realistic budgets by each of the national and overseas agencies, budgets embodying the recognition of the relationships of their own programs and expenditures to total needs and to the funds available at the moment or in the predictable future.

"5. It will stimulate greater cooperation between the national agencies, especially those operating in the same fields, in regard to their functional programs, and might help eliminate any possible unnecessary duplication among them. This tends to improve the quality of work and possibly to permit savings which could be used for the extension of services or for other approved purposes."

Finally, in the words of the Committee report:

"It would give to the many thousands of local contributors who represent every existing community interest and whose broad base of support makes possible the national and overseas programs, the specific answers to the many questions constantly being asked by them with respect to the operations and functions of these agencies."

VII. WHAT A NATIONAL ADVISORY BUDGETING WOULD NOT DO

There are a number of things which a national advisory budget service will not do. Again, to quote Mr. Shroder:

"1. It will not in any way affect the freedom of action of any member organization. It will not relieve the welfare funds from the task of making allocations to the causes appealing for support. Each community, as in the past, will decide how it wishes to dispose of its funds and to discharge its responsibilities, after studying, or ignoring, the material provided by the national advisory budgeting service.

"2. It will not, and should not, seek to eliminate contacts between national organizations and their sympathizers in each community. It would, on the other hand, promote wider understanding of all causes among all elements in the community.

"3. It will not place responsibility, even to make recommendations, in the hands of individuals who might be considered opposed to any important Jewish cause. In order to be of any use whatsoever, the national advisory budgeting committee would have to be composed of fair-minded individuals commanding the respect of all elements in the Jewish community and known for their broad attitude toward all legitimate Jewish causes. They would have to be of the same type as the individuals who composed the neutral group which the Council named to represent the welfare funds in the 1940 UJA Allotment Committee, which distributed the funds entrusted to it to the satisfaction of all the agencies involved.

"4. It would not reduce the responsiveness of any local budget committee to the interests and sympathies of local contributors. A national advisory budget service would have to take into account the degree of interest which contributors throughout the country manifest in the different causes and would have to carry on its work in collaboration with the national and overseas agencies being studied. It could not function otherwise."

VIII. OBJECTIONS TO THE PROPOSALS ANSWERED

A number of objections have been made by opponents of the national advisory budget service. They are listed here, along with the answers to them:

1. Local Autonomy

Objection: The recommendations made by the National Committee, although termed advisory, will, in practice, take away from local communities their power to make allocations as they see fit.

Answer: That is simply not true. Neither the Council, nor any of its committees, has ever attempted to impose its will on any local community. By its very nature, it cannot possibly do so. It is the creature of the local organizations who compose it and it is subject to their will. This service is

being proposed entirely to meet the insistent demand of a large portion of the Council's constituency. Even some of the communities that have been most vigorous in their pressure for this service have indicated time and again that they will under no circumstances follow the national recommendations blindly, but that they urgently need this fact-finding and advisory service on a national scale as an additional and highly valuable guide to their local judgments. Communities, as always, will be completely free to follow, modify or ignore the suggestions offered by the national advisory service.

Moreover, the UJA in 1939 and 1940, for which communities had pleaded, and in which the major overseas agencies participated, actually did deprive the communities of any opportunity to make their own decisions on allocations. But neither the communities nor the national agencies complained on that score. Instead all sides agreed that a UJA in 1941 would be highly desirable.

2. Contact Between National Agencies and Local Supporters

Objection: The national advisory budget service would eliminate the contact between national causes and their local sympathizers.

Answer: This contention is unfounded. Not only will the service not interfere in any way with this contact, but it will give each legitimate Jewish cause a wider audience in each community by stressing to all elements in the community the important place of each cause in the total Jewish community picture.

3. Composition of National Advisory Budget Committee

Objection: The persons named to the national advisory budget committee may be of a single point of view or unsympathetic to some particular cause.

Answer: This fear is wholly groundless. A national advisory committee, even more than a local allocations committee, must of necessity be composed of individuals sympathetic to all legitimate Jewish causes and commanding the respect of all elements of the contributing group--men from welfare funds who have had the experience of working with these same questions on their local

budget committees. It could not function otherwise. The men chosen would have to be, as Mr. Shroder has said, of the same calibre as those named by the Council to represent the welfare funds on the Allotment Committee of the 1940 UJA, which was able, with the aid of a professionally conducted fact-finding Inquiry, to distribute--not merely advise, but actually distribute--more than \$1,200,000 to the constituent agencies of the UJA.

4. Judgments on Ideologies

Objection: Recommendations as to the relative requirements of various Jewish causes involve judgments of ideologies which cannot be properly made by persons not imbued with those particular objectives.

Answer: The ideological differences between the supporters of various Jewish causes have been one of the main reasons why local budget committees, subjected as they are to pressures from various sources, have been so eager to obtain the advice of a balanced group of reasonable, fair-minded, sympathetic men, with well-equipped fact-finding machinery at their disposal. With the material prepared by such a group before them, local communities will be better able to determine the obligations of their localities to the causes which they support, many of them thousands of miles away. Instead of blindly yielding to one pressure or another, communities will be able to see the complete picture of Jewish needs and see it as a whole.

The argument that no impartial group can make allocations to agencies with different ideologies is proven wrong by the experience of the 1940 UJA Allotment Committee. Furthermore, negotiations for a 1941 UJA have been proceeding on the assumption, accepted by all parties, that a large sum would again be distributed by an Allotment Committee including several impartial members.

5. Domination of Community Policy

Objections: The proposals are a new scheme of a small group to obtain domination or control of community funds and therefore of community policy.

Answer: In the first place, these proposals are not new but have been urged by many local communities over a long period and are a natural

outgrowth of the progress made in recent years in local community organization. Secondly, the notion that these proposals are an effort by one group to dominate community funds is, on the face of it, absurd. This is immediately evident to anyone who knows how local welfare funds operate and how the Council itself functions. But for those who are not intimately bound up with the welfare fund movement, it may be useful to point out that no welfare fund locally, and no similar advisory body nationally, could continue to exist for a moment if any one group obtained domination of its machinery. The welfare fund is a practical device by which various groups are able to do together what they could not do alone. It is specifically a method of raising more funds, and distributing them more efficiently to all the causes appealing for support, than would be possible without coordinated effort. If any one group took over "control", the welfare fund would automatically break up, since it would lose the support of the group which felt that it was being dominated. Similarly, no one group could "control" a national advisory budgeting service if its work is to have any meaning for the local constituents it is striving to serve. In a system of voluntary giving, no welfare fund could exist, and no national advisory body could operate effectively, if it were "captured", let us say, by fanatical Zionists or by bitter anti-Zionists.

6. Who Wants a National Advisory Budget Service?

Objection: Only persons of one particular ideological group favor the establishment of an advisory budget service in order to obtain control of community funds.

Answer: Until the 1941 General Assembly, community leaders of all shades of opinion urged the establishment of such a service as a useful form of assistance to local communities in discharging their obligations to the many causes appealing to them for support.

Resolutions at regional conferences urging more evaluative reports

by the Council and a national advisory budgeting service were adopted by delegates representing ideological cross-sections of their communities. On the other hand, criticism of such service has in the past come from many national agencies of differing and even conflicting ideological views. The pressure for the advisory service has come exclusively from local community leaders, regardless of their ideological views and because of their eagerness to do the best job possible in the fair and equitable allocation of their community's funds.

7. Who controls the Council?

Objection: The Council is the tool of the leaders of one group of national agencies seeking to control another group and to dominate American Jewish affairs by control of the purse.

Answer: The Council Board, like the leadership of any local welfare fund, includes a representative cross-section of the contributing public. The large majority of the members of the Council Board, as in most welfare fund boards, is made up of individuals who are not emotionally identified with any one cause to the total exclusion of others. They are, on the whole, sympathetic to all worthy Jewish causes and eager to do justice to the needs of them all. The Council was established by the communities to serve them as a clearing house, to negotiate in their behalf with the national agencies, and to provide the communities with authoritative information on the work of the many groups appealing to them. These functions the Council has done to the limit of its finances and facilities. The forces stimulating the development of local community organizations in recent years and leading to their association in a national Council of their own is best described in the following excerpt from an article by Louis Lipsky of the American Jewish Congress and the United Palestine Appeal, appearing in November 1940 in the Jewish Day, New York City, the Pittsburgh American Jewish Outlook and other Anglo-Jewish papers.

"The building up of local communal unity was made almost impossible by the national agencies that invaded the communities from time to time, regarding them as the objects of their propaganda....There were the Zionist organizations with their districts and chapters

and groups. There were all kinds of movements making direct appeals to certain elements in every community and who were utterly indifferent to the effect of their invasions upon the solidarity of the community. The national pressure aided in fractionalizing the communities. They were regarded merely as the clientele from whom financial or moral support was to be gotten. They existed for the sake of the national programs, and not for the sake of the community itself. The community had no rights that had to be respected. They were incidents in a nation-wide activity. The communities were thus torn asunder by diversified appeals; their divisions accentuated; and unable to exercise any influence as a community upon national policy....What comes first is organizational selfishness, organizational pride, organizational income, organizational leadership. There is no agreement possible because of the conflict of interests and personalities.

"There are indications, however, of a growing revolt among the communities. The communities are not so easy-going any more, not so reverential or respectful toward national leaders as they used to be in the olden days. Orders coming from above do not meet with the unanimous unquestioning response that was once typical of the relation of the 'provinces' and the 'city'. The Welfare Chests have succeeded in establishing a form of communal unity which few of the national collecting agencies are able to break through; they run their own campaigns and make their own allocations; the National Council is their own creation and not the servant of the agencies centered in New York."

8. The Appeal to Self Interest.

Objection: Regardless of whether or not the national advisory budget service was originally planned that way, it might ultimately serve the interest of one partisan Jewish group as against another.

Answer: In the first place, the service is designed to promote the interests of all worth while Jewish causes. Secondly, as has already been pointed out, the national advisory service, just as a local budget committee, cannot be successfully captured by any one group disregarding the views and interests of any other substantial section of the contributing public without destroying itself - for the group which feels itself dominated will withdraw its support. Thirdly, it is to the self interest of all Jewish causes to encourage the development of a national fact-finding service and an advisory budgeting body composed of sympathetic fair-minded individuals commanding the respect of all elements in the community, for these reasons:

(1) It would lead to increased fund raising programs generally and therefore toward more money for each of the causes participating in welfare funds.

(2) It would provide a national instrument concerned with all causes of interest to American Jewry, thereby strengthening the idea of an organized American Jewish community.

Since in the current discussions, the argument that the service would ultimately promote the interests of one partisan group as opposed to another has been made chiefly by Zionists, contending that the Zionist cause would suffer more than any other as a result of the advisory service, it may be interesting to note the view of Dr. Israel V. Marcus, an independent Zionist journalist, who, in the course of an article in the Chicago Jewish Courier of February 11, 1941, asserted:

"However, it appears to me that, despite its negative aspects, the attempt to centralize Jewish welfare funds and community councils is of such a great positive value for Jewish life in America that it outweighs all its other disadvantages."

"The proposal has great, I should say historic, potentialities for an organized Jewish life which all of us, Zionists, Nationalists, Congressists and Democrats, have always dreamed about but, until now, had kept in the dream stage.

"I have already once referred to the fact that the development of the Jewish welfare funds is a significant experience in Jewish life. The welfare funds carry the foundation of organized local communities. True, meanwhile it is only in the field of welfare and national needs, but the established, organized Kehilah apparatus for philanthropy will later be used for all other religious, cultural and national purposes.

"The fact is that in many cities the welfare funds care for Jewish education and Talmud Torahs, and even the Arbeiter Ring folk schools are represented in their budgets.

"The effort to centralize the welfare funds, therefore, should not only not be condemned but greeted, despite the fact that at the present time it might possibly lead to a dictatorship from above. No dictatorship can maintain itself in a free democratic life such as we have in America. It will have to fall as soon as the Jewish masses will become more activized for welfare funds, and there will remain the organized machinery of the community council in which there will be poured a Jewish democratic content....

"Let the welfare funds be centralized, let there be created one great organized body of Jewish welfare funds, community councils in the country. This central body will, in time, become a great creative and democratic force in the life of American Jewry. Let only this great apparatus for a centralized Jewry in America be created. Democracy will come automatically as soon as the Jewish masses will become active in it."

As Dr. Marcus points out, no dictatorship can maintain itself in the welfare fund mechanism or, for that matter, in a national advisory budget service. Such a national service, like the local welfare funds themselves, can only serve to strengthen all legitimate causes appealing to welfare funds and not to strengthen one cause at the expense of another. As a voluntary association of contributors, the welfare fund cannot become the means by which one ideological group can control another, or by which the big givers can control the funds contributed by the small givers, or vice versa. The welfare fund locally is a device intended to serve the interests of all fund-raising agencies and all local contributors. The vastly increased sums raised in each community and obtained by each of the national agencies in the course of the development of the welfare fund movement in the past decade testify to the success of this method of local cooperation. The national advisory budget service would provide greater service to the communities along the same lines.

9. Community Apathy

Objection: Obtaining pre-digested advice on budgeting from a national committee would give the community a chance to "pass the buck" to a small group on major decisions, would make it unnecessary for them to do their own thinking and lead to general apathy toward Jewish problems.

Answer: Such an argument, if it were valid, would be an argument also against the welfare fund itself and against any such body as the UJA. Before the existence of welfare funds, each individual had to make up his own mind how to distribute his funds. Since the establishment of welfare funds, increasingly large sums have been raised each year in welfare fund campaigns. The number of contributors to Jewish causes has doubled and trebled in recent years, and the number of Jewish causes supported has grown. The welfare funds, which deprived the individual contributor of his need to make his own allocations, can hardly be said to have made local communities apathetic, in view of this record.

In the same way, the establishment of the UJA has deprived local communities of the need for making allocations as between the three major overseas and refugee agencies. Yet far from creating apathy in the community, the UJA has

only aroused a unanimous demand from the local communities, that it be continued, and all the national agencies concerned have publicly proclaimed their approval of a UJA, if they can agree on terms.

The vast amount of detailed information on Jewish needs and programs made available by a fact-finding service and the suggestions of a national advisory budgeting body are unlikely to cause apathy in the community. On the contrary, they are likely to cause an increasing amount of interest in, and support for, the causes appealing for aid. Very often, apathy has come as a result of the conflicting pressures brought to bear on budget committees and communities, serving to deaden enthusiasm among large numbers of local contributors.

Actually, the local budget committees will still have the task of studying the increased material provided to them, considering the suggestions made, analyzing them in the light of particular local needs and interests and making their own decisions on a fairer, sounder basis than they have ever been able to do in the past.

10. Why a Referendum?

Objection: The General Assembly, composed of delegates of federations, welfare funds and community councils affiliated with the Council, was kept from voting on the proposal at Atlanta, so that the Board of Directors could railroad the matter through.

Answer: This is completely untrue. The facts are these. The Committee on the Study of National Budgeting Proposals suggested that its report be submitted for a vote to the General Assembly. However, the Credentials Committee of the General Assembly, composed of Joseph P. Loeb of Los Angeles, Simon Shetzer of Detroit and Reuben B. Resnik of Dallas, informed the Board that the status of delegates to the General Assembly was not clear. On the motion of Henry Monsky of Omaha, the Board agreed not to submit the proposal to the Assembly but rather to a referendum of member agencies. The idea for a referendum was originally proposed to the Board by Dr. Abba Hillel Silver of Cleveland. Dr. Silver maintained that the communities of the country had not had a chance to study the proposals sufficiently and urged the referendum as the only democratic way of deciding the matter.

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REFERENDUM ON THE ESTABLISHMENT OF A NATIONAL
ADVISORY BUDGET SERVICE

OFFICIAL BALLOT

The _____ of _____ at a meeting
(name of agency) (city)
on _____ considered the following proposals approved by the Board
(date)
of Directors of the Council:

1. That the Council establish a national advisory budget service for national and overseas agencies appealing to local communities for support, as set forth in the Report of the Committee to Study National Budgeting Proposals (Items 3, 4, 5, 6 - p. 8) which recommends that the Council set up fact-finding and advisory services under an appropriate committee.

(name of agency) (a) approves _____
(b) disapproves _____

2. That as an initial step a Special Commission be set up, as set forth in the Report of the Committee (Item 7, pp.8-9), to formulate advisory recommendations on the needs of the JDC, the UPA and the NRS in 1941.

(name of agency) (a) approves _____
(b) disapproves _____

Approval of these projects does not in any sense imply any commitment on the part of this member agency to utilize the services or findings of these committees

Signed by _____
(officer)

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC.

April 22, 1941

FROM: H. L. Lurie, Executive Director
TO: Members of the Board of Directors

The meeting of the Board of Directors of the Council of Jewish Federations and Welfare Funds is scheduled for May 17-18 in New York City. We found that the other dates suggested were not feasible because of previous engagements of our Chairman and others needed for the Board program.

The meetings will begin at 10 A.M., Saturday, May 17th, and will be held in the Sulzberger Room, Seventh Floor of the Federation Building, 71 West 47th Street.

This meeting of the Board is of unusual importance. Report on the Referendum on advisory budget services, and decisions on further steps are on the schedule for discussion. An agenda will be mailed out prior to the Board meeting. The Minutes of the preceding meetings of the Board (Atlanta, February 1-2, 1941) are enclosed.

Please return the enclosed postcard. We can make hotel reservations for you, if desired.

STATEMENT ON REVISED VERSION OF MR. FRIEDMAN'S INQUIRY REPORT

- - -

The revised version of Mr. Friedman's Inquiry Report is a biased, unscientific, confusing document and does not serve the purpose of the Allotment Committee. It contains many misstatements, many distortions of fact, a great deal of material beyond the scope of either the Inquiry or the Allotment Committee. It contains new material never presented to the Allotment Committee but written ex post facto, since the dissolution of the United Jewish Appeal.

The biography of Mr. Friedman properly has no place in the Inquiry Report. It is an amazing composition. It is a record obviously out of place as credentials of a scientific investigator. He seems to be interested in justifying his prejudicial statements regarding the United Palestine Appeal by referring again and again to his previous Zionist associations. It is pointed out further that there is an absence of Zionist association by Mr. Friedman since 1920, when the Keren Hayesod was launched.

The biographies of the so-called collaborators are descriptions of men whose names have been linked to the Report only to give it an impartial flavor. Mr. Bernard J. Reis, the accountant, who is characterized as "a life member of the Zionist Organization of America", is mentioned but he was in no way responsible for the report. Mr. Abraham S. Revusky, a "research associate" who studied the needs of Palestine for the Committee is recognized as preeminent in the field of economic research in relation to Palestine; but none of his research work was utilized. On the contrary, virtually everything Mr. Friedman has to say on Palestine is over the protest of, and diametrically opposed, to the conclusions of Mr. Revusky.

But Mr. Jules Backman, "Chief of Research", who was in largest part responsible for the writing of the report, is not provided with a background which would indicate that he entered the work particularly unfamiliar with all phases of Jewish communal activity, and that he has a definite bias against the fundamental purposes of Zionism. The absence of details in his case is significant.

Mr. Friedman has misinterpreted and abused the function of the Inquiry. The Inquiry was appointed by the Allotment Committee to evaluate the requirements of the three agencies in the United Jewish Appeal in order to assist the Allotment Committee in allocating the sums over and above the first \$11,250,000 raised in the 1940 United Jewish Appeal.

It was made clear to the Inquiry that past commitments of the organizations included within the United Jewish Appeal could not properly be an object of study. The Inquiry could not, by its very nature, be interested in the future needs of the United Jewish Appeal agencies, in view of the fact that the United Jewish Appeal would cease to exist as of December 31, 1940. It is, therefore, surprising to find in the new version of Mr. Friedman's report material serving to buttress the case of the Joint Distribution Committee and the National Refugee Service as against that of the United Palestine Appeal. Prepared, as this has been, as of January 12, 1941, it must be read in the light of the dissolution of the United Jewish Appeal. The tendentiousness of the added remarks violates not only the spirit of the Inquiry but the letter of the instructions given to the Inquiry under which it was presumed to act.

On Page 6 of the revised report, Mr. Friedman shows an illuminating instance of partisanship, which is at the same time an extension of the scope of his work not justified by either the facts at hand or the projected range of his Committee. He refers to the "problem" of "deficits antedating the present United Jewish Appeal". The Allotment Committee did not set up or approve the principle of ignoring those deficits. On the contrary, the United Palestine Appeal which, with the Joint Distribution Committee created the Allotment Committee, made it clear that the subject of past commitments was beyond the jurisdiction of the Allotment Committee. This the Allotment Committee did not dispute. Yet on Page 30, Mr. Friedman includes "commitments" entered into by the Joint Distribution Committee as valid obligations regardless of the fact that many of these commitments were

made before the Inquiry was established and may not have to be met for a long time to come.

The sections devoted to the Joint Distribution Committee and the National Refugee Service now read like publicity releases for each of the organizations. Without a single substitution or elimination of words, these sections could be issued as pamphlets by the organizations concerned. This type of material did not appear in the original Inquiry report. It represents a curious "extension of remarks" which can have meaning only in relation to the dissolution of the United Jewish Appeal.

Throughout his report, Mr. Friedman ignores the fundamental fact, that the sole object of concern of the Allotment Committee, the parent body of the Inquiry Committee, was the \$1,200,000 available for distribution. Mr. Friedman's report would make it appear that the Allotment Committee had set for itself the task of determining, "What are the needs?"

Having no opportunity to study the situation either in Europe or Palestine, or to make an independent survey of the refugee problem in the United States, Mr. Friedman obviously did not engage in an investigation of the "needs". The agencies affected spent on the basis of the sums originally allocated, hoping that additional sums might be forthcoming. Inasmuch as funds ultimately raised were insufficient to meet the stated needs of the United Palestine Appeal and the Joint Distribution Committee, a "rule of thumb" had to be devised.

It is not necessary to point out to members of the Allotment Committee that the decisions arrived at with respect to the \$1,200,000 were based largely on bargaining procedures. In no sense could the method of distributing the balance of \$1,200,000 be based upon the inescapable conclusion of a scientific analysis.

Once these facts are understood, it becomes evident that a great part of Mr. Friedman's report represents gratuitous comment on fundamental Jewish philosophies which are certainly of no relation to the immediate tasks of the Allotment Committee.

II

The subjectivity of Mr. Friedman's approach is shown in numerous instances wherein he has departed from the scientific standards which were assumed as the basis for his investigation.

At times his own figures contradict him. At other times he adopts such unjustified and haphazard means of analysis as to cast serious doubt upon the authenticity of even his most carefully documented conclusions.

On Page 11, he purports to give a scientific appraisal of "funds raised in the United States in 1939 for Jewish overseas and refugee needs by principal organizations." It is noteworthy that in this "scientific" appraisal an "estimate" is made of the amounts sent to Europe by Landsmannschaften. The remittances to Poland are clearly an understatement. It is inconceivable that private funds remitted to relatives abroad, which certainly far exceed the total sums raised by the United Jewish Appeal, should be left out of such an analysis. Citing the figure of \$200,000 as the total raised by Landsmannschaften shows a lack of information on the fund-raising activities of these organizations. The great majority do not send their monies through the Joint Distribution Committee.

Mr. Friedman's tables show \$3,922,000 obtained by the United Palestine Appeal in 1939. The correct figure is \$3,882,000 as of January 13, 1941.

Again, Mr. Friedman, though saying that his figures cover 1939, uses 1938 to 1939 figures for Hadassah, and moreover, twice uses the figures raised by Hadassah for the Jewish National Fund. He thus swells the totals for Palestine.

It is difficult to understand how a comparison of "overseas and refugee needs" can include the amount raised by the Hebrew University. If this standard were adopted, he might as easily evaluate Jewish contributions to European universities or the gifts of American Jews to American universities.

In connection with "local refugee services" costs in the United States, Mr. Friedman again resorts to "estimates."

On Page 12, he is ostensibly dealing with figures relating to 1939. Therefore, there is little reason for the observation that, "To further the economic development of Palestine, the Joint Distribution Committee since 1926 has given the Palestine Economic Corporation \$1,800,000 in cash and other assets." This was a single transaction fifteen years ago. It was an appropriation forced upon the Joint at a public conference to offset appropriations for large colonization in Russia.

Continuing his "interpretation", Mr. Friedman declares that "of the funds raised in the United States for overseas purposes by non-United Jewish Appeal agencies, Palestine receives relatively and absolutely much more in funds than does the area covered by the Joint Distribution Committee."

On Page 11, in Table Two, he has plainly stated that the "total for Europe" in 1939 was 44.7% of the total raised, while the "total for Palestine" was 34.5%.

On Page 13, Mr. Friedman presents tables endeavoring to show the percentage of increase for various Palestine funds from 1936 to 1939. He does not offer similar tables for the European field, nor does he attempt to show how American Jewish generosity has increased from 1936 through 1939. On Page 14, he cites figures on the National Refugee Service, Hias and local refugee services, but the figures are not from 1936 through 1939. He has contrived a new basis of comparison: solely 1939 and 1940.

On Page 16, he ascribes the reductions in the Joint Distribution Committee expenditures in 1940 only to economy. He neglects to mention that the territory served by the Joint Distribution Committee was sharply reduced in 1940 because a substantial part of it was absorbed by Soviet Russia, where the Joint Distribution Committee is not permitted to conduct its operations. This is a serious departure from the scientific approach.

On Page 28, he says "The limits of land settlement have also been described

by scientific geographers." It would be interesting for Mr. Friedman to name some of these geographers. Those limits were described not by geographers, but by immigration restrictionists in this country, in Australia, in South America and in various other nations in which large tracts of land available for settlement are still open. Were immigration barriers removed, these so-called limits would be exposed as illusory. It is not fitting that a Jewish research inquiry should perpetuate the untruths fostered by those opposed to mass Jewish settlement.

On Page 54, Mr. Friedman states "No balance sheet whatsoever was available of the Jewish Agency." This happens to be untrue, for such balance sheets were presented to the Inquiry Committee.

On Page 72, Mr. Friedman refers to the fact that he does not have "supporting balance sheets as of September 30, 1940," from Palestine. He neglects to mention the difficulties of communication with Palestine and delays in mail. He might have referred to the fact that a cable had been received from Palestine stating that such balance sheets had been mailed.

In his summary in Table P IX, on Page 86, Mr. Friedman refuses to take into account the actual expenditures of the United Palestine Appeal. Thus, a grant of \$30,000 to the Hebrew University is left at \$15,000, although the latter figure was corrected by the United Palestine Appeal office on several occasions. An item of \$62,500 to the Emergency Committee for Zionist Affairs is left at \$50,000.

Criticism must be leveled at the inference that the "amount available for transmission to Palestine", "upon receipt of cash from first allotment" is \$2,500,000 representing the first allotment. As late as January 15, 1941, the United Palestine Appeal had received only \$1,895,000 on account of that \$2,500,000.

III

Mr. Friedman's standards of reference are variable. His comparisons of figures as between one member organization of the United Jewish Appeal and another

are weighted by a decided prejudice against the methods of the Jewish Agency.

He gives support to the fictional assumption that because more Jews live in Europe than in Palestine, the needs of the Joint Distribution Committee on a per capita basis are greater than those of the United Palestine Appeal.

On Page 4, for example, he seeks to show per capita relief payments, presenting his figures in such a way as to imply that the Joint Distribution Committee is directly responsible for total feeding in the various countries mentioned and bears the costs indicated. He fails to point out that in such countries as those in which the Joint Distribution Committee does operate, it provides only a percentage, and frequently a very minor percentage, of the total sums obtained.

Again, on Page 5, Mr. Friedman states that, "the Joint Distribution Committee sources of funds in continental Europe have dried up." But the fact still remains that the overwhelming bulk of the funds used in continental Europe are to this very day supplied by the Jews themselves in those countries. Mr. Friedman has failed to obtain corroborative evidence for all the statements he makes with respect to the Jewish situation in Europe.

On Page 25, Mr. Friedman refers to the Agro-Joint, without pointing out that this organization has received important repayments from the Soviet Government on its original investment. To present the case of the Agro-Joint without these supporting data is to give a wholly misleading picture.

Without comment, Mr. Friedman includes a map prepared by the Joint Distribution Committee showing the inclusion of Ciudad Trujillo as an area to which remittances from the Joint Distribution Committee are made. This does not tally with the assertion by the Joint Distribution Committee that its money is not being invested in colonization in San Domingo.

On Page 68, Mr. Friedman includes the traditional collections of the Jewish National Fund in his calculations of the sums received by the United Palestine Appeal. These should be omitted inasmuch as they are included in the income of the Jewish National Fund during previous years.

The table, on Page 81, purporting to be "actual distributions, expense and income" of the Jewish National Fund, "as reported", was prepared by Mr. Friedman himself and was not "reported" by the Jewish National Fund. The figure of \$2,133,852 under Item B was not given in the Jewish National Fund report.

"There are 6,500,000 Jews in Europe excluding Soviet Russia," Mr. Friedman states on Page 28. Yet, on Page 29, he declares that "about 500,000 Jews are directly dependent upon the Joint Distribution Committee in Europe." He does not take into account local amounts raised for their needs, and computes that at only "10¢ per day", the Joint Distribution Committee would require \$18,000,000 per year. On the same basis, the more than 500,000 Jews in Palestine--and the thousands of others coming to Palestine--would require even more per year. Mr. Friedman does not cite this corollary.

Although he has at no point taken issue with any figures submitted by the Joint Distribution Committee, Mr. Friedman denies, on Page 68, the Jewish Agency's contention that at least 80% of its requirements must come from the United States. He says "...the 80% now requested by the United Palestine Appeal seems to be excessive and the proportion should be substantially smaller at present."

Again and again in his treatment of the Joint Distribution Committee expenditures, Mr. Friedman is at pains to say that these expenditures were curtailed, not because the needs were not there, but because the money was not available. But on Page 71, this is not his approach to the Palestine situation. His inferences point to a partisan attitude, which can best be shown through quotation: "The amount actually raised was about 20% of this sum (i.e., \$17,240,000). In the light of this experience there seems little reason to accept high budget estimates as an indication of minimum needs."

In dealing with the Joint Distribution Committee on Page 31, Mr. Friedman takes an entirely different attitude. He emphasizes time after time, "This sharp cut (in commitments) was due not to smaller needs--they were vastly greater--but to

inadequate funds, less than anticipated and budgeted."

He continues on Page 31, "the cut in appropriations is dramatically shown in the comparison of the budget and appropriations for January to September 1940. For these nine months, actual appropriations were less than one-fourth of the budget needs."

Yet, the figures for Palestine show that the actual expenditures, not appropriations, were over \$7,200,000 last year, while the budget for the current year is \$13,640,000. No censure--although none is warranted in any case, attaches to the Joint Distribution Committee because its "appropriations" are one-fourth of budget needs, but apparently some guilt attaches to Palestine because its expenditures are one-half of budget needs--a budget compiled for a year of extraordinary emergency and war needs.

In early tables, Mr. Friedman purports to show comparisons between amounts made available for Palestine and other overseas activities. But he does not include the figure which he cites on Page 25, to the effect that "566,000 has been appropriated by the Agro-Joint to launch the Dominican settlement" and that "appropriations have been made" (by the American Jewish Joint Agricultural Corporation--"an affiliated organization" of the Joint Distribution Committee) "for colonization projects in the Philippines of \$100,000 and in Bolivia of \$50,000 out of Agro-Joint funds." The statement is added that "disbursements of the Agro-Joint do not come out of the Joint Distribution Committee income." But it is, nevertheless, true that the funds come from American Jewry.

IV

The test of a scientific inquiry should be its handling of figures. By this standard, Mr. Friedman's analysis is deficient. He observes on Page 16, that the Joint Distribution Committee reduced its "appropriations" from \$1,036,000 in

January 1940 to \$235,000 in October. But in what is supposed to be a study of needs, Mr. Friedman fails to make two points clear: first, that the whole European situation changed in that period and that the possibility of action was completely transformed, and, secondly, that while the Jewish Agency figures are for "cash" expenditures, the Joint Distribution Committee figures are solely on the basis of "appropriations" with no corroboration given as to whether, when and how "expenditures" were actually incurred.

The figures cited by Mr. Friedman on Page 31, with respect to "Joint Distribution Committee monthly appropriations and actual payments" from January to October, 1940 are not properly referred to elsewhere in the fiscal reckonings. Thus, an "appropriation" of \$1,056,000 in January represented a "payment" of \$503,000; and an "appropriation" of \$995,000 in February became a "payment" of \$589,000. The total "appropriations" from January to October, 1940, were \$6,556,000; but the payments were \$4,431,000. But even in the case of "payments", it is not indicated whether these represent drawings upon balances in New York and remittances to Europe or money fully distributed in European countries or elsewhere.

Mr. Friedman lays himself open to the charge of a serious misreading of history when on Page 9, he attempts to give a summary of fund raising between 1934 and 1939. In his figures for 1934 and 1935, he fails to show adequately that the percentage of 58 for the Joint Distribution Committee to 42 for the United Palestine Appeal really means 58 to the Joint Distribution Committee and 42 to the Palestine Foundation Fund, only one of the constituents of the United Palestine Appeal. In 1934 and 1935, the Jewish National Fund, the other constituent of the United Palestine Appeal, was engaged in a regular campaign from which it raised funds whose total reverses the figures, so that the United Palestine Appeal percentage in 1934 and 1935 was actually greater than that for the Joint Distribution Committee.

Mr. Friedman attempts to show the gains to the agencies from the United

Jewish Appeal--but restricts himself to 1939 figures. He does not point out on this page that in 1940 the National Refugee Service received \$3,500,000 from the United Jewish Appeal as compared with \$2,600,000 in 1939; while the other agencies, and particularly the United Palestine Appeal, suffered sharp reverses.

Similarly on Page 54, in pursuing his unilateral treatment of the affairs of the United Palestine Appeal in contrast to his approach to the other agencies, Mr. Friedman observes that "the 1940 original allotment of \$2,500,000 still exceeded the funds ever raised prior to 1939, the first year of the present joint campaign." In the first place, the statement is inadequate because the United Palestine Appeal in 1925 and 1926 in independent campaigns raised much larger sums. In the second place, he might just as logically have said that the Joint Distribution Committee's original allotment in 1940 of \$5,250,000 exceeded the sums it raised for a decade in the past.

The varying interpretations it has been possible for Mr. Friedman to make regarding the subject of loans by each of the agencies is most instructive.

On Page 6, Mr. Friedman observes that "the United Palestine Appeal practice of spending more than the funds available led to increasing debts at the banks." The inference is presumably supposed to show financial carelessness. Mr. Friedman might have pointed out, first, that the nature of the structure in Palestine demanded certain expenditures which if not made would have undermined that structure; and secondly, that Palestine looked forward to additional sums from America which it had a right to expect on the basis of increased generosity from American Jews. It is not the fault of Palestine that its hopes in this direction were disappointed. The very process by which the Allotment Committee operated, requiring many long months before an indication as to how much money would be forthcoming is available, was another handicap on Palestine operations.

On the same page, however, Mr. Friedman editorializes upon the surplus of \$370,000 with which the National Refugee Service ended 1940. He calls this a

"slight bookkeeping surplus."

On Page 10, Mr. Friedman cites amounts available to the organizations and to other agencies operating in parallel fields. He reduces the amount shown for the agencies of the United Palestine Appeal by saying that his table "excludes money borrowed by the Palestine Foundation Fund and the Jewish National Fund." But he fails to refer to any monies borrowed by the Joint Distribution Committee and the National Refugee Service.

Although Mr. Friedman knows that the Palestine Foundation Fund and the Jewish National Fund borrowed money to meet inescapable current obligations and that they therefore maintain sinking funds to retire these obligations, he nevertheless states on Page 15, that "the total cash of the United Palestine Appeal was \$895,000 on September 30," etc., without the slightest indication of the fact that these cash balances were held to retire loan obligations.

Throughout the report there is no word of criticism of either the Joint Distribution Committee or the National Refugee Service. It has been pointed out that certain vital facts, which would entirely change the picture as presented by these organizations, have been omitted and certain comparisons have been made which befit a Press Department rather than an independent inquiry.

On Page 9, for example, Mr. Friedman observes that "the 100,000 Jewish refugees in the United States are a great responsibility." This would mean that the overwhelming bulk of these refugees entered the United States without funds, are not gainfully employed at present, or are not been assisted by their relatives whose certificates brought them here. Mr. Friedman, in referring to Palestine in the next sentence, might well have used the statistics of his research associate, Mr. Revusky, to the effect that in the same period 230,030 Jews entered Palestine.

On Page 93, he states that there has been a change in the character of refugee immigration in the United States. "In the earlier years, it was still possible for those who were seeking a haven in the United States to bring with them a portion, if not all, of their worldly goods. Once here, they required assistance in finding jobs, social and cultural adjustment, Americanization, etc., but they were seldom in need of financial aid. This situation changed completely at the beginning of 1939."

It is, therefore, interesting to note that in 1939 and 1940, 69,500 refugees arrived in the United States. Since few of the previous immigrants seemed to have required aid, according to Mr. Friedman's statement, and since all of those arriving in 1939 and 1940 came either with their own funds or on affidavits furnished by relatives and friends and since a great number are provided for by local communities outside New York City, Mr. Friedman might have permitted himself some "scientific" observations of the type accorded to Palestine.

Once again, it might be said that Mr. Friedman's statement on the National Refugee Service is an organization's publicity man's dream of the perfect "blurb."

Typical of Mr. Friedman's "scientific" approach is his failure to correlate some relevant figures for the National Refugee Service e.g.

Income to National Refugee Service:--1939 :	\$2,613,000	(Table RII)
" " " " " 1940	<u>\$3,572,000</u>	(" ")
	6,185,000	
INCOME TOTAL FOR TWO YEARS -----		\$6,185,000
Expenditures of National Refugee Service: 1939	\$2,372,000	(Table RII)
" " " " " 1940	<u>\$3,438,000</u>	(RVI)
	5,810,000	
EXPENDITURE TOTAL FOR TWO YEARS -----		\$5,810,000
"EXCESS OF AMOUNT AVAILABLE OVER ESTIMATED DISTRIBUTIONS AND EXPENSES"		---OR <u>SURPLUS</u> \$ <u>375,000</u>

There is another interesting revelation of Mr. Friedman's approach to the National Refugee Service figures. He states, in figures which he has inserted,

that the National Refugee Service received \$72,875 "which were not included in the income in accordance with the 1940 United Jewish Appeal agreement." That figure of \$72,000 is used in compiling the surplus mentioned above.

BUT the National Refugee Service in its own tables of income from foundations (TABLE RVI) states that this income will total \$91,625.

Mr. Friedman states on Page 14 that "other organizations for refugee help" in the United States "are financially of minor importance. They are mostly supported by the National Refugee Service or do not raise funds at all." The statement may well be questioned. Although Mr. Friedman insists on including the Hebrew University in studying expenditures for Palestine, he fails to mention the University in Exile in New York, which receives funds not only from Welfare Funds but substantial additional sums from other sources. Nor does he mention the amounts obtained by the Council of Jewish Women, B'nai B'rith and the sums given by various individuals and foundations to support refugee scholars. An estimate of this total, to follow Mr. Friedman's method, would show some \$2,000,000 spent annually.

On Page 60, Mr. Friedman introduces tables to show that the immigrants who came into Palestine brought with them capital estimated at \$80,000,000. Extensive figures are cited to prove his point. It would have been equally interesting - and fair - to cite similar figures to show what the refugees coming into the United States brought with them in terms of capital imports.

The figures submitted to the Inquiry Report show exactly how much the Jewish Agency provided to the Vaad Leumi for relief expenditures. But Mr. Friedman says: "how much was spent by the Jewish Agency for actual relief cannot be ascertained". In view of the obvious omissions in the record as regards European relief throughout the Report, it is remarkable that Mr. Friedman can point to so much that is lacking with respect to Palestine, and yet find no ground for criticism of the Joint Distribution Committee in any single instance.

VI.

Mr. Friedman's special views on Palestine color every section of the report in which Palestine is mentioned. Innuendo abounds; misstatements are boldly uttered; well-supported figures are questioned; methods of operation are criticized. What is more important, certain statements made with regard to Palestine are indirectly injurious to the security of Jews everywhere.

The statement concerning imponderables in Palestine is prefaced by this sentence: "The United Palestine Appeal officially states its imponderables as follows:"

The statement of the imponderables of the Joint Distribution Committee is not identified as emanating from the Joint Distribution Committee itself; it is an unexceptionably sympathetic treatment.

After the statement of imponderables by the United Palestine Appeal, Mr. Friedman adds: "The Inquiry believes fuller treatment of the 'Imponderables' concerning Palestine would be desirable." He proceeds, then, to state his personal views on Zionism and Palestine. To these views the United Palestine Appeal must take exception, specifically and because they are improper as coming from the Director of an impartial survey.

VII.

It is, however, in connection with the purchase of land that Mr. Friedman is most partisan in his approach. Mr. Friedman, apparently, is convinced that the purchase of land in Palestine is inadvisable. With this as the starting point, his subsequent remarks are of a piece.

Despite figures and documents previously submitted to show the contrary, the refusal of Mr. Friedman to accept the Palestine interpretation of land transactions is reflected in his statement that "land purchase...apparently includes the total cost of the land."

To this statement, I should like to quote the remarks submitted by Mr. Abraham Revusky:

"This is the weakest part of the whole Inquiry. Time and again I argued that your interpretation of the National Fund reports is wrong. 'Land purchase' is actual money spent on land. Payment of debts is not a current expenditure as understood by the Inquiry. The simple and correct procedure is to take the latest report of the Jewish National Fund cabled by Eaplan at its face value.

"I do not consider it necessary to repeat the arguments against the round-about way adopted by the Inquiry to treat the reports of the Jewish National Fund. It is the result of Dr. Backman's obsession to consider the National Fund operations as a 'Ponzi business.' If it had some purpose before the allotment, it is absolutely senseless now. This is a final appeal to eliminate the darkest spot on the Inquiry Report. If I cannot speak as an expert on inquiry, I can refer to the competent opinion of Mr. Reis, who also considered the conception adopted by the Inquiry as wrong. If your Palestine expert and your accountants both vehemently object to this artificial construction, what leg have you to stand on in case of public criticism, which would become unavoidable if the report should be published in its present form."

On Page 63, Mr. Friedman quotes Dr. Walter C. Lowdermilk, whom he characterizes as a "sympathetic observer". But what he quotes is not the remarkably sympathetic account of Palestine colonization that Dr. Lowdermilk brought back after a visit to Palestine, nor does he give Dr. Lowdermilk's general view that land is not a commodity. Mr. Friedman says Dr. Lowdermilk "writes that the land is being bought at very high prices." But, in distorting the quotation, Mr. Friedman fails to add that Dr. Lowdermilk indicates that Jews are making it worth the price.

Never once having introduced questions of principle with respect to the Joint Distribution Committee, Mr. Friedman cites "the arguments against vigorous land buying" as "(1) the present crisis requires use of money in more urgent channels (e.g., aid starving Jews in Europe).

- (2) the land will be here later, but the starving Jews will not.
- (3) fear of the status of Palestine if the Axis powers should win."

But Mr. Friedman is not satisfied with a brief statement of his bias. He continues with a three-page description of "land buying and the war crisis," whose general tone is evident from the beginning: "The question of whether land-buying in this year of grave crisis for world Jewry should be on a scale exceeding the highest peacetime record in the history of Palestine is a matter that requires very deliberate consideration."

Although he is compelled to admit that "land purchases since 193" would not seem high, in relation to population or dunam per capita," Mr. Friedman writes

".....it is just because of the uncertainty as to the outcome of the war that there is a double reason for weighing thoughtfully and with a human approach the terrible alternatives of minimum feeding of starving Jews in Europe versus maximum land buying in Palestine."

Mr. Friedman feels that the "long range vistas" "do not seem to justify the extensive land purchase program on a scale unprecedented in the peacetime history of the Palestine colonization." He has decided that "there is more need immediately for dealing with the urgent realities of the present Palestine situation: namely, relief, anti-aircraft defense, air-raid shelters and evacuation."

If Mr. Friedman were to be consistent in expressing irrelevant views, he might with equal "validity" declare that the Jews of the United States should not help the starving Jews of Europe because any food given to Hitler's Europe delays by that much a British victory.

The fact that Mr. Friedman repeats views he brought up on various occasions - when they met with the condemnation of the representatives of the U.P.A. both on the ground of lack of merit in the argument as well as propriety of inclusion in the report of the Inquiry - indicates on his part a perversity and a presumptuousness that call for severe censure on the part of the entire membership of the

Allotment Committee. It invalidates the entire report. It takes the report out of the realm of science into the field of partisan polemics. In view of the fact that the Allotment Committee has already fulfilled its obligations and distributed the money at its disposal as between the J.D.C. and the U.P.A., it makes pertinent the question of what use is such a report at this time, when the United Jewish Appeal of 1940 has been dissolved and a new order will have to be created in the fund-raising field in the year 1941?

