

PARTNERS

A History
of the
United
Israel
Appeal

PURSESTRINGS

21917
X14
991

Ernest Stock

The Jerusalem
Center
For Public
Affairs/
Center For
Jewish
Community
Studies



University
Press of
America



PARTNERS & PURSESTRINGS

A History of the United Israel Appeal

Ernest Stock

**UNIVERSITY
PRESS OF
AMERICA**



LANHAM • NEW YORK • LONDON

**THE JERUSALEM CENTER FOR
PUBLIC AFFAIRS/
CENTER FOR JEWISH
COMMUNITY STUDIES**



Copyright © 1987 by

The Jerusalem Center for Public Affairs / Center for Jewish Community Studies

University Press of America,® Inc.

4720 Boston Way
Lanham, MD 20706

3 Henrietta Street
London WC2E 8LU England

All rights reserved

Printed in the United States of America

British Cataloging in Publication Information Available

Library of Congress Cataloging in Publication Data

Stock, Ernest.
Partners & pursestrings.


Bibliography: p.
Includes index.

1. United Israel Appeal. 2. Zionism—United States.
3. Jews—United States—Politics and government.
4. Jews—United States—Charities. 5. Israel and
the Diaspora. I. Title. II. Title: Partners and
pursestrings.

DS149.A1U4537 1987 956.94'001'0973 86-28087

ISBN 0-8191-5802-X (alk. paper)

ISBN 0-8191-5803-8 (pbk. : alk. paper)

Co-published by arrangement with The Jerusalem Center for
Public Affairs / 
Center for Jewish Community Studies

Other than for the purposes of scholarly citation or review, no
part of this book may be reproduced or transmitted without
permission in writing from the publisher.


Laser Typeset by Lingua-Tech Publishing Services

Cover designed by Adlai Stock

All University Press of America books are produced on acid-free
paper which exceeds the minimum standards set by the National
Historical Publication and Records Commission.



For Bracha



Digitized by the Internet Archive
in 2022 with funding from
Kahle/Austin Foundation

CONTENTS

Preface *vii*

Introduction by Daniel J. Elazar *xi*

PART I: Prologue—The Early Years

1. World War I—"All Would Have Been Lost . . ." *3*
2. The Name Americans Could Not Pronounce *11*
3. Pinsk vs. Washington *14*

PART II: The Genesis of the United Palestine Appeal

4. The Split in American Zionism *25*
5. Keren Hayesod in America:
"Is the Great Chance Being Missed?" *29*
6. Who Should Control the Keren Hayesod? *33*
7. The Competition for Funds *38*
8. The "Joint" is Here to Stay *42*
9. The United Palestine Appeal in Action *49*

PART III: The Jewish Agency (for Palestine) and the Federations (in America)

10. The Survey Commission *59*
11. The Jewish Agency at Last *65*
12. The Rise of the Federations *67*
13. The Emergency Campaign of 1929 *74*
14. A Brief Interim Summation *77*

PART IV: The 1930s—The Lean Decade

15. The Allied Jewish Campaign *81*
16. The American Palestine Campaign *88*
17. The United Jewish Appeal of 1934 *91*
18. Revival of the United Palestine Appeal *94*

PART V: The UJA: A New Beginning

- 19. The United Jewish Appeal—A New Beginning 99
- 20. An Inquiry Into the Facts 105
- 21. The UPA Wants Out 110
- 22. Renewal of the UJA Agreement 114

PART VI: The 1940s: From Alms Giving to Nation Building

- 23. The Ginzberg Report: Lost Opportunities 119
- 24. Uneasy Partnerships 122
- 25. Tax Exemption Lost and Regained 127
- 26. Jewish State and Jewish Agency 131
- 27. The Struggle for Control 133

PART VII: Into the Era of Statehood

- 28. Israel's Needs Grow—Campaign Income Declines 145
- 29. The Flow of Funds 155
- 30. Perspective: The UIA as a Source of Foreign Currency 163

PART VIII: New Directions in Diaspora-Israel Relations

- 31. The Reorganization of 1960 167
- 32. The UIA Revitalized 179
- 33. 1967—The Diaspora Response 188
- 34. Towards Reconstitution—
American Jewry Comes Into its Own 192

PART IX: Epilogue

- 35. 1971 and After 199

Notes 207

Chronology 219

Glossary of Organizations 221

Bibliography 229

Index 235

Preface

IN THE summer of 1982, while preparing a new course on Jewish communal structures in the Political Studies Department of an Israeli university, I was struck—and frustrated—by the extreme paucity of material on the library shelves with which to document the institutional relationships between the Jewish communities of Israel and the United States. The present volume grew out of that frustration; it is my hope that it will help fill that gap.

As the medium through which to tell the story I chose the United Israel Appeal. The UIA is not itself a fund raising body, but rather a mediating link between the groups engaged in the collection of funds in the United States and the disbursing body in Israel. In that position it is ideally placed to serve as a mirror with which to reflect some of the more salient aspects of American Jewry's material contribution to the rise of the modern Jewish State. The name in the title, therefore, should be considered as a generic one, standing not only for the United Israel Appeal itself and its direct predecessors, but also evoking the whole panoply of voluntary groups involved in the development of the pre-state *Yishuv* (Jewish community) and the State.

The roles played by the foremost among these—the United Jewish Appeal, Jewish Agency, Joint Distribution Committee, and the local community Federations with their national Council—are no less crucial to the total enterprise than that of the United Israel Appeal. Indeed, the five organizations may now be seen as a single nexus in which each represents another facet of a common task, complementing one another.

But it was not always like that.

A key concept these five groups have in common is the “united,” “joint” or “federated” in their respective names, pointing to their composite nature. (The Jewish Agency, too, is a partnership of several groups, though this is not reflected in the name.)

But the “united” for many years expressed more of an aspiration than an actuality, providing a thin cover for conflicting interests. There were sharp differences at times between Zionists and non-Zionists, and

among the various Zionist bodies themselves; between local and overseas causes, and the beneficiaries of united campaigns over the allocation of funds. Only gradually did a whole series of partnerships evolve, some fragile and temporary, others more sturdy and permanent.

The quest for a formula that would accommodate and balance the multiple interests while minimizing areas of conflict took half a century—from 1921, when the Keren Hayesod (forerunner of the United Palestine Appeal) began its money raising operations in the United States, until 1971, the year the Jewish Agency was reconstituted, with the United Israel Appeal as the American partner of the World Zionist Organization. The new structure emerged as the overarching partnership between those members of the Jewish people who built the State and dwell in it, and those who remained in the Diaspora but gave of their material wealth to the task. *Partners and Pursestrings* is an account of that quest, and of the conflicts and obstacles that were overcome on the way.

A related theme is the Americanization of Zionism and its integration into the mainstream of the Jewish communal enterprise in the United States. Beyond organizational politics and formulae for the division of funds, this process has stimulated the maturation of the main institutions in the Diaspora-Israel interchange. A striking example is the United Israel Appeal itself, as it evolved from its earlier role as the financial arm of the world Zionist movement in the United States to become the instrument of the American Jewish community as a whole, with a major voice in the disbursement of its funds in Israel through the Jewish Agency.

This ties in with another recurrent motif in the book. Although *Partners and Pursestrings* is more about institutions than about people, the former will remain hollow shells unless they give expression, through their actions, to the ideas of men. Thus the presence of Brandeis suffuses these pages almost from beginning to end; what he stood for was perhaps best summed up by Emanuel Neumann as “a natural reluctance on the part of the Americans to serve as the principal factor in raising the money without at the same time being able to control the use of the funds they had raised.” (See p. 17).

The main part of the book covers the above-mentioned fifty-year period; the Prologue describes the antecedents as of the outbreak of World War I, and an Epilogue summarizes pertinent developments since 1971. For readers to whom some of the seventy organizations mentioned in the text may be unfamiliar, the Glossary provides explanations. As a further aid, a Chronology places the main events in their time perspective.

I gladly acknowledge the support of the United Israel Appeal for this project, as well as the active encouragement of its (present and former) officers and executive staff: Raymond Epstein, Irwin Field, Jerold Hoffberger, Irving Kessler, Henry Taub and Harold Goldberg. Their readiness to grant me access to documents and files as well as complete freedom in their use sets a salutary standard for future scholarly inquiry in a field that may at times seem forbidding and arcane—Jewish institutional history and politics.

I am most grateful to the colleagues and friends who read all or parts of the manuscript and made valuable comments and suggestions: Professors Daniel Elazar, Lloyd Gartner and Charles Liebman; Philip Bernstein, Dr. Paul King, Chaim Vinitzky and David Zeff. However, responsibility for any errors of fact or judgment is mine alone.

In my research, I benefitted greatly from the resources of the Central Zionist Archives in Jerusalem and the guidance of its director, Dr. Michael Heymann. I am indebted to the American Jewish Committee for permission to reproduce parts of my article, "The Reconstitution of the Jewish Agency: A Political Analysis," which appeared in volume 73 of the *American Jewish Year Book*; also to Irving Bernstein, former Executive Vice Chairman of the United Jewish Appeal, for permission to use the collection of interviews on the UJA in the Oral History Division of the Hebrew University's Institute for Contemporary Jewry. Thanks are due, finally, to Susan Eisenstadt for editorial help, and to Mark Amiel, Alan Baklor and Joe Youcha for their skills with the computer.

Ernest Stock

Introduction

Daniel J. Elazar

FUND-RAISING for Israel has been part and parcel of the Zionist enterprise from the very beginning. Indeed, prior to the establishment of the state, donations constituted almost the sum total of the Zionist fisc and for a decade after 1948, the principal source of Israel's foreign currency "earnings." Even today, when the total amount raised abroad for Israel in the form of voluntary contributions hovers around three percent of the state's total budget, fund-raising represents a substantial proportion of the budgets for certain educational and social services. Those funds are particularly important in supporting the programs which make Israel a resource for diaspora Jewry.

In the process, Jewish fundraising for Israel became one of the social and political wonders of the contemporary world, a matter of admiration or envy for many non-Jews, a legend in its own time, so powerful that the very fact that there is an annual campaign has become a political weapon of the Jewish people. Today, even if the amount raised by American Jewry for Israel is only a fraction of the aid provided by the United States government, the Congress, the administration and the Jewish lobby measure the pulse of American Jews' commitment to Israel by looking at the results of the annual United Jewish Appeal.

The construction of the mechanisms and institutions for fund-raising for Israel is part of the saga of Jewish polity-building in the twentieth century. Those institutions and mechanisms have served a dual purpose, as bases for the development of a comprehensive network of community institutions in the diaspora, particularly the United States and Canada, and as functionary bridges between Israel and the diaspora.

Despite their importance, almost nothing has been written about those instrumentalities and their work. There have been two brief histories of the UJA (Karp and Raphael) and several memoirs (Neumann, Hammer, Haber, Mack et al.) written by or for voluntary and professional leaders. To the best of my knowledge, this history of the United Israel Appeal is the first serious academic history of the Zionist

and pro-Israel fund-raising apparatus in the United States, beginning with World War I and continuing to 1971, when the reconstituted Jewish Agency brought with it a reconstitution of the United Israel Appeal. It is a book that is not only based upon careful examination of the documentary record in Israel and the United States but whose author has a store of personal knowledge based on his own involvement as well as academic inquiry. In his career of over thirty years, Ernest Stock has alternated between the academy and public service in the network of organizations connected with the United Israel Appeal. Trained at Princeton and Columbia, he had the additional experience of being the resident representative in Israel during the years of the Jewish Agency, Inc. He is one of the founding Fellows of the Jerusalem Center for Public Affairs and one of the first members of the academic or public affairs communities to recognize that Jewish communal organizations are worth studying in their own right.

In the United States, the history of the rise of the fund-raising instrumentalities is most immediately a history of the struggle between the Zionist movement and the so-called non-Zionists for control of the American Jewish community. It is a history in which the Zionist movement and its goals ran head on into the headlong thrust toward Americanization in the interval generation and even had difficulty competing with the emancipationist ideology represented by the Joint Distribution Committee of those days. In the years between the two world wars, fund-raising came in at a poor second to the JDC, whose efforts were directed toward integrating the Jews of eastern Europe, including the Soviet Union, into their respective countries. Tens of millions of dollars were poured into Jewish collective farms in the Crimea, not to speak of non-communist eastern Europe, rather than going to support the Zionist enterprise in Eretz Israel. Even so, both the United Palestine Appeal (as it was then known) and the JDC took a distant second place to fund-raising for local needs by the Jewish welfare federations, which, by the 1920's already had established themselves as a strong force on the American Jewish fund-raising scene.

As we all know, it took the Holocaust to bring about a shift. For the Zionist organizations and leaders, that shift came at a price. While the vast majority of American Jewry came to recognize that the only answer was "Palestine," to capitalize on this new development, the Zionists had to further transfer responsibilities for fund-raising to the non-Zionists who were also the community leaders through their leadership of their local federations. The role of the Council of Jewish Federations and Welfare Funds (now the Council of Jewish Federations) in creating the fund-raising apparatus, from the 1920s on, cannot be underemphasized.

David Ben Gurion recognized this new development and for his own reasons fostered it. For him, it solved two problems. One, it won over the American Jewish leadership to the support of Jewish statehood. On the other, it knocked the American Zionists who were overwhelmingly General Zionists—political rivals of this Mapai (Labor Zionist) party. Once the General Zionist-linked Zionist Organization of America lost its control over fund-raising and, following the establishment of the State, was no longer needed for lobbying at the United Nations and in Washington to the same degree, Ben Gurion had a clear field. His personal ability to forge an alliance with the top community leaders solidified that opportunity.

Thirty years later, when Menachem Begin won the 1977 elections in Israel with his Likud, which included the General Zionist of yore, he and his colleagues were to discover how deep that alliance had become, whereby leading Jewish capitalists and entrepreneurs continued to support Israel's Labor Party in every way. Moreover, the principal vehicles for the contacts which maintained that alliance were the fundraising bodies.

On another level, fundraising organizations were part of the third wave effort to reconstitute the Jewish polity in our times. The last previous institutional edifice that governed the world Jewish polity ceased to function in the middle of the eleventh century, when the collapse of the universal Muslim caliphate led to the elimination of the role of the Academies in Babylonia as common vehicles for the governance of nearly the entire Jewish diaspora. From then until the nineteenth century, as part of the efforts of the Jews of western Europe to secure the emancipation of their brethren elsewhere or at least protect them from anti-Jewish attacks, there developed a group of *shtadlanim*, men such as Moses Montefiore and Adolphe Cremieux, who were prepared to work together to attain those goals. Their cooperative efforts led to the establishment of the Alliance Israelite Universelle in 1860, which, while headquartered in France, sought to become a world body. In its wake, other shtadlanic organizations were formed in other countries which institutionalized this tradition of cooperation but which could not unite because their respective governments opposed such transnational organizations.

The World Zionist Organization, established in 1897, was the first successful effort of the Jews to create a world body. Within a generation, the WZO succeeded in supplanting the shtadlanic organizations, even if it was unable to conquer all the communities as it had hoped. In order to extend its reach, the WZO was instrumental in the establishment of the Keren HaYesod in 1920, to raise funds for the Zionist enterprise of the Jewish Agency in 1929, which united Zionists and non-Zionists in the rebuilding of Eretz Israel, and of the World Jewish Congress in 1936, which was to do the same to fight anti-semitism.

Originally the Keren HaYesod was entirely in Zionist hands, but it soon became apparent that in the United States, already the largest and most powerful diaspora community, the Zionists needed the non-Zionists if they were to succeed in raising a significant amount of money.

The founding of the UJA in 1938 entrenched the link between the emergent Jewish polity and its economic base in fundraising. The connection was completed in the effort surrounding the establishment of the State of Israel in 1948. The partnership between Israel, the WZO, the fund-raising bodies and the community federations, which emerged out of that effort, which was ultimately to result in the reconstituted Jewish Agency, made the world polity truly comprehensive.

The process of polity-building is far from over. Indeed, continuing the work is a major task confronting this generation. But the work has been significantly advanced, and the fundraising organizations have played a major role in that advance.

As Dr. Stock points out, the United Israel Appeal has occupied a special position in all of this. Originally constituted as the United Palestine Appeal in 1925, it has been periodically reconstituted as a result of the pressures from these various quarters and the interactions among the various organizations mentioned above, at times waxing and at times waning as an organization, but always reflecting the current balance of powers among Zionists and non-Zionists, Israel and the diaspora. As such, it has also served as a vital bridge and link. While some saw it as not more than an arena for interaction, it has been and is much more than that. Since it is an organization in its own right, it is not a passive field on which action takes place, but, rather, generates its own interactions. As such, it has demonstrated its utility time and again, which is why it has been periodically revived and strengthened. For the past decade, it has been at the peak of its strength and is gaining strength all the time. In the late 1970's, it became the vehicle for strengthening Jewish community representation in that process and the Jewish Agency. That history has yet to be written but it promises to be as fascinating as the history which Dr. Stock recounts in this volume.

It is apparent to even the casual observer that the world Jewish polity is not a monolith or a power pyramid. It does not even have a single clear center. Rather it is a network of institutions functioning in a matrix of arenas: local, country-wide and world-wide. That, indeed, is how it should be in a voluntary community based on republican principles. Indeed that is how it has always been in the Jewish political tradition. That is the underlying reason the UIA has been able to play the role that it has.

The Jerusalem Center for Public Affairs is proud to be involved in the publication of Dr. Stock's history. We see this as part of our continuing effort to foster understanding of the emergent world Jewish polity.

Part I
Prologue

1 World War I—"All Would Have Been Lost . . ."

IF A specific date had to be chosen to mark the beginning of the enduring partnership between the Jews of America and the modern Jewish community in the Land of Israel, it might well be October 6, 1914, some two months after the roar of the "Guns of August" first signalled the outbreak of the World War, and just three weeks before the Ottoman Empire entered the war on the side of Germany. On that day, an American warship, the U.S.S. North Carolina, cast anchor off the port of Jaffa. Among those rowed ashore was an emissary from the American Ambassador to Constantinople, capital of the Ottoman Empire of which Palestine was a part. Having previously visited Palestine, the Ambassador, Henry Morgenthau, had become aware of the precarious situation of the country's Jewish population which the war threatened to cut off from all sources of outside help. He immediately cabled his friend, the banker and philanthropist Jacob H. Schiff in New York, that "the Jews of Palestine were facing a terrible crisis" and that \$50,000 was needed immediately.

Schiff went with the request to his colleagues at the American Jewish Committee, the organization dedicated to the protection of the civil and religious rights of Jews all over the world. The American Jewish Committee in turn consulted with the Provisional Committee for General Zionist Affairs, newly-established and headed by Louis D. Brandeis; its purpose to "save the Zionist Organization and its Palestinian institutions."¹

Within days, the sum requested was collected, a rather substantial amount by prevailing standards. The AJC allocated half from its own funds; another \$12,500 was contributed by Mr. Schiff personally; and the remaining \$12,500 was given by the Zionist Committee.²

An official report³ later described the arrival of the American vessel at Jaffa port and the debarkation of the Ambassador's emissary with the money as an extraordinary event. "It raised the morale of the Jews,

who now realized that they were not forsaken but could count on the help of their brothers overseas.”

The ship's arrival, the report went on, also enhanced the status of the Jewish community in the eyes of the rest of the population and of the authorities, who now realized that the Jews, through their connections with the outside world, were a more influential community than their mere numbers would indicate. Moreover, American vessels not only continued to deliver assistance to the *Yishuv* (the Jewish community in Palestine); but also evacuated Jews who were being ordered to leave and those who left voluntarily for fear of hunger and persecution. Thus, in May 1915, a special shipment of food supplies paid for from diverse Jewish sources including Zionist ones arrived on the *U.S.S. Vulcan* at a most critical moment. “The situation in Palestine was such that, in spite of all the efforts made locally to overcome it, all would have been lost in a very short time if it had not been for the financial help from America. America was then the only country whose political and economic situation permitted it to save the *Yishuv* from ruin.”

Almost as significant as the relief shipments themselves was the way their distribution was organized. Maurice Wertheim, Morgenthau's son-in-law, who brought that first \$50,000 in October, turned the money over to a committee consisting of three prominent community leaders who, in consultation with Wertheim and the American Consul in Jerusalem, decided on a mode of distribution. They divided Palestine into three districts for the purpose — District A: Jerusalem, Hebron, and Motza (an early Jewish agricultural colony near Jerusalem); District B: Jaffa and the surrounding Jewish colonies; and District C: Haifa, Safad, Tiberias, and the colonies of the Galilee and Samaria. Each member of the central committee was in charge of a District, but the funds were actually distributed by specially appointed local committees chaired by the respective central committee member. The percentages received by each District were determined by the Central Committee (on what basis the report does not say): District A, 47 per cent; B, 26 per cent; C, 27 per cent. The local groups were given wide discretion in choosing the beneficiaries within guidelines established by the central committee:

- twenty per cent of the funds to be used for the purchase of food products, which would be resold at cost;
- forty per cent for food to be given away to those without means or to public kitchens (this category to include Muslims in a percentage to be determined by the local committee);

- forty per cent to constitute a loan fund, to enable private employers or public bodies to employ Jewish workers.⁴

The members of the central committee were to send monthly financial reports to Dr. Arthur Rupp, the committee's chairman, who in turn was to forward these reports to Louis Marshall, the President of the American Jewish Committee in New York.

Though far from Zionist, the AJC had responded promptly to the emergency in Palestine. But as the war gathered momentum, its concerns would soon extend to other areas as well. Before long it found itself swamped by appeals for help from Jewish communities and organizations all over Europe. The Antwerp Jewish community, overwhelmed by the needs of refugees who flocked to it, appealed for help. The *Alliance Israelite Universelle* and the Anglo-Jewish Association asked for the AJC's assistance in caring for the thousands of immigrants on their way to America when the outbreak of war left them stranded in Western Europe. Austria's *Israelitische Allianz* pleaded on behalf of masses of Jews who, having fled from Galicia on the approach of the Russian troops, were crowding the cities of Vienna, Prague and Budapest. The Chief Rabbi of Salonica described the critical condition of the Jews of his city.

Fraternal organizations, such as B'nai B'rith, received urgent calls for help from their brother lodges in Europe. *Landsmannschaften* (Associations) of Rumanian Jews, Bessarabian and Polish Jews, were faced with desperate appeals from their kinsmen back home. Unions of Jewish workers in Europe turned to their fellow unionists in the United States. And finally, private persons and rabbis in America were flooded with messages of woe from individuals and groups caught in the first tide of misery and starvation.

As the ceaseless stream of cables brought about feverish and somewhat anarchic activity on many fronts, the AJC saw itself as the logical body to take the initiative toward some form of united action. Early in October 1914, Louis Marshall called upon all national Jewish organizations to send representatives to a conference "to consider the organization of a general committee and the formulation of plans to accomplish the largest measure of relief," with no division in counsel or in sentiment. "All differences should be laid aside and forgotten. Nothing counts now but harmonious and effective action."⁵

Marshall's appeal met with a positive response, and on October 25th, delegates of 38 organizations gathered at Temple Emanuel in New York City to lay the foundations for the American Jewish Relief Committee. Among them was a delegation of the Federation of American Zionists,

headed by Louis Brandeis. The officers they elected were among the foremost leaders of American Jewry: Louis Marshall, President; Cyrus L. Sulzberger and Oscar S. Straus, Secretaries; Felix M. Warburg, Treasurer; and an executive committee including Louis D. Brandeis, Julian W. Mack, Jacob H. Schiff, Dr. Judah L. Magnes and Dr. Cyrus Adler.

A statement issued after the conference announced that "representatives of the leading national Jewish organizations and of the important Jewish communities of America have formed a general committee for the relief of the Jews of the several European nations and of Palestine who now or may hereafter require aid in direct or indirect consequences of the war The fund collected is to be administered through such agencies as shall best accomplish an effective and equitable distribution among those individuals and institutions whom it is sought to help."⁶

The American Jewish Relief Committee may be described as an early prototype for the United Jewish Appeal. It embodied the principle of a single nationwide campaign for overseas causes (Europe and Palestine), even though its structure was different from the model that was to evolve in the 30s. While the United Jewish Appeal was established as a campaign instrument by its constituents (the Joint Distribution Committee and the United Palestine Appeal), the prototype was created by an outside organization (the American Jewish Committee). Its main "beneficiary" was organized later, as a distributing arm for funds already raised. Together with an Orthodox relief committee and a third, labor-socialist fundraising group called the People's Relief Committee, the ARJC founded the Joint Distribution Committee of the American Funds for Jewish War Sufferers, soon to be known as the JDC, or the "Joint." Only after the War did the three component groups fade from view, while the "Joint" remained on the scene.⁷

It was understood that the new body would operate both in Europe and Palestine; no distinction was to be made on the basis of geography, the only criterion being need. The Zionist leader, Louis D. Brandeis, was also among the founders of the American Jewish Relief Committee and of the JDC. There was at first no conflict between the programs of these groups and that of the emergency fund established by the Zionist Federation. On the contrary, Brandeis and his Zionist associates had reason to be gratified that the JDC assigned such a prominent place in its relief efforts to Palestine, and that its action there helped prevent worse disaster than befell the *Yishuv*. In June 1915, Brandeis cabled Ambassador Morgenthau in Constantinople, "to express to you the very

high appreciation of the Zionists, and generally of the Jews in America, for the devoted and efficient aid which you are giving to our brethren in Palestine."⁸

Until the outbreak of World War I, American financial aid reached Palestine almost exclusively through religious channels: the system known as *chalukka* (distribution) by which Jews in the diaspora supported the Orthodox Old *Yishuv* and its institutions of learning and of charity. Donations to the pious emissaries of the *Yishuv* were considered a *mitzva*, a fulfillment of a religious duty, and little attention was paid to follow up regarding the use of the money. The agricultural colonies which constituted the heart of the modern Zionist settlement until the turn of the century were dependent in large measure for both capital investment and the covering of current deficits on the generosity of Baron Edmond de Rothschild of France, the man who is sometimes called the father of modern Jewish settlement in Palestine. When the Ottoman Empire entered the war on the side of the Central Powers, with France as the main enemy, the colonies were not only subjected to harassment by the Turkish overlords; they were also cut off from their financial lifeline.

The Zionist Organization had, in 1904, founded its own subsidiary for collecting voluntary donations which it called the Jewish National Fund (Keren Kayemet LeIsrael); its income, some \$100,000 by 1918, was intended mainly for the purchase of land for Jewish settlement. The Organization collected additional funds for the Palestine community and channelled them through the Palestine Office it had established in Jerusalem in 1908 under the direction of Dr. Arthur Ruppin. Until the war, these sums had been anything but significant (about \$12,000 annually from the U.S.)⁹ and, with the outbreak of hostilities, even this small amount could no longer be counted on. Still another source of funds, the annual membership dues payment to the Zionist Organization called the *Shekel*, intended to finance the administrative expenses of the Zionist Organization, was also subject to wartime disruptions.

The Zionists' wartime emergency fund initiated by Brandeis had managed to raise \$170,000 by 1915, but, during the same period, the American Jewish Relief Committee collected almost ten times as much—\$1,500,000 for distribution overseas by the JDC. Before long, Brandeis pleaded that more of these funds be directed to Palestine, and the first signs of friction between the Zionists and the JDC made their appearance.¹⁰ By the time the war ended, the AJRC had collected over \$16,500,000¹¹, having developed an effective campaign organization headed by a resourceful professional staff and based on local volunteer branches. These branches raised respectable amounts even by today's

standards. Pace-setting gifts were obtained from such men as Julius Rosenwald, Felix Warburg, Herbert Lehman, Jacob Schiff, Nathan Straus, and others. In addition to these leading Jewish personalities, local groups were often able to enlist the aid and sympathy of non-Jewish circles. An example was set by President Woodrow Wilson himself, who proclaimed January 27, 1916 as a special day for public contributions to the Jewish Relief Fund. The President's noble gesture also had its drawbacks, as described in this contemporary report:

A million dollars was collected throughout the country on the streets, in hotels and other public places. In the light of the intense interest manifested everywhere and the splendid publicity given by the press, it is fair to say that with an effective organization as we now understand the term, at least ten million dollars might have been obtained through this appeal of President Wilson. Men and women who should and would have been willing to subscribe substantial amounts if properly approached, dropped a coin in the box, necessarily not more than a dollar, and oft times a fraction of that amount.

But in terms of the future, there was a lesson to be learned from the event. As the same account puts it:

The Wilson Day campaign marked an important step in the progress of national fundraising. It pointed out the weakness of street collection, and the vital necessity of a carefully planned effort, which laid special stress upon the wealthy, who in fairness should bear the greater part of the burden, instead of the wage earners who generously gave their nickels and dimes, many times at a great personal sacrifice.¹²

The JDC's expenditures in Palestine during the period from November 1914, when it began operating, until June 30, 1921, amounted to \$5,200,000, out of a total of \$38,000,000 spent in the same seven-year period. It was the third largest amount for any country (Poland being first with \$11,500,000, followed by Rumania with \$5,400,000) even though the Jewish population of Palestine could hardly compare in size with those vast centers of Jewry. As against barely 70,000 in Palestine after the war, there were some 3,000,000 Jews in Poland alone.

But the JDC in that initial period saw its role as confined to relief of wartime suffering and the reconstruction of lives and communities damaged by the war. No matter how effective its fundraising machinery, and how generous its appropriations for the *Yishuv* in Palestine, it could not take the place of a fund designed to finance the new immigration

and settlement opportunities opened up by the Mandate. Moreover, since its main purpose was relief of war-induced suffering, the leadership of the JDC still thought of their organization as transitory, to be wound up as soon as its most urgent war-imposed tasks were behind it.

The Zionist Organization, on the other hand, needed an effective fundraising mechanism of its own to nurture its enterprise. This became an imperative after Britain's Balfour Declaration in November 1917 had put a great power's stamp of approval on the idea of the Jewish National Home. Two months after the issuance of the Declaration, Chaim Weizmann and his fellow Zionist leaders proclaimed an interim Preparation Fund, *Keren Hakhana* in Hebrew, with a worldwide goal of \$1,000,000. But the total amount collected did not exceed \$650,000, of which 40 per cent came from America.¹³ The money was put at the disposal of the Zionist Commission, established by the Zionist Organization in April 1918 "to act as an advisory body to the British Authorities in Palestine in all matters relating to Jews, or which may affect the establishment of a National Home for the Jewish people in accordance with the Declaration of His Majesty's Government." The Commission, chaired by Dr. Weizmann, took over the functions of the former Palestine Office as the representative on the spot of the World Zionist Organization, implementing its programs. It remained active until the first post-war Zionist Congress convened in Carlsbad in September 1921 and created a Jerusalem section of the Zionist Executive, to become known as the Palestine Executive, to replace the Zionist Commission as the operating arm of the WZO in Palestine.

To quote from the Organization Department's Report to the 12th Zionist Congress on the need for funds in those years:

As the war continued, the problems in Palestine multiplied. To the unavoidable calamities of war were added other evils, such as the locust plague in 1915 and the *messirah* [charge] lodged with the Turkish Government against the Zionists by certain Jewish traitors which was aimed at the expulsion of all leading Zionists and the destruction of the Zionist institutions in Palestine. In the autumn of 1917 began the British conquest of Palestine, leading to the capture of Jerusalem early in December of that year. In their retreat the Turks evacuated large numbers of the Jewish population, whose great distress intensified the problems of eleemosynary relief. The addition of the war epidemics of typhus and cholera to the endemic diseases of malaria and trachoma, and, furthermore, a dearth of physicians and a depletion of medical stores, rendered the health conditions exceedingly precarious and made imperative a large-scale action in medical relief.¹⁴

In 1919 the Preparation Fund was renamed the Restoration Fund (*Keren Geulah*), its income continuing to be used by the Zionist Commission to support the settlements, assist immigrants and subsidize the cost of education and health. The sum collected in the following two years—\$3,770,000, half of which came from the U.S.—was sorely inadequate, not only in relation to actual needs but especially in light of the challenges for the future posed by the Balfour Declaration.

The Balfour Declaration, issued by the British Government on November 2, 1917, had merely held out the prospect of a National Home in Palestine; but when the Peace Conference in 1919 incorporated the Declaration in the League of Nations Mandate for Palestine its implementation became a practical possibility. As a further step toward realization of the dream, the Allied Powers, meeting at San Remo in April 1920, conferred the Mandate on Great Britain.

Chaim Weizmann was anxiously waiting in the lobby of the hotel where the conference took place when David Lloyd George, the British Prime Minister, approached him. "Now it's up to you," Lloyd George said to the Zionist leader. "You have no time to waste. Today the world is like the Baltic before a frost. For the moment it is still in motion. But if it gets set, you will have to batter your heads against the ice blocks and wait for a second thaw."¹⁵

The challenge before the Zionist Organization was urgent and clear. To confront it, Weizmann convened a special conference of delegates of Zionist bodies in London that summer—the first such meeting since the outbreak of the war—where the question of how to secure the necessary funds was high on the agenda. Two Russian Zionists living in Paris, Isaac Naiditsch and Hillel Zlotopolsky, brought in a proposal for a \$100,000,000 endowment fund. The name they chose for their project was *Keren Hayesod* – in English, "Foundation Fund." In their optimistic concept, the pledges for the entire amount were to be obtained in the first year and to be paid off in instalments over a five-year period. The proposal was adopted by the Conference, but before the Fund became operative, considerable controversy arose as to its future mode of operation.¹⁶ At one point the two "founders" resigned in protest from the Fund's Executive Committee and were persuaded to return only with some difficulty. And within a year, Justice Brandeis, who headed the American delegation to the London Conference, would resign his leadership position in the American and World Zionist movements.

2 The Name Americans Could Not Pronounce

THE STORY of the Keren Hayesod is an essential chapter in the history of American Jewry's contribution to the rise of modern Israel, even though the Fund's Hebrew name, while still a household word in the rest of the Jewish world, has all but disappeared from the American scene. In the words of Henry Montor, who was the Executive Director of the United Palestine Appeal from 1936 to 1948, "Americans cannot pronounce foreign names." Thus it was just as well that the Keren Hayesod became submerged in the United Palestine Appeal as its main constituent when the latter was first organized in 1925. Even though it no longer appealed to the American public directly from then on, the Keren Hayesod remained the main source of finances for the World Zionist Organization, and later of the Jewish Agency.

As conceived by the 1920 London Conference, the Keren Hayesod was to have been a one-time effort. The task to be accomplished was somehow considered as finite, capable of being completed with a sufficiently large sum of money. The Conference had originally resolved to collect £25 million (\$105,000,000)* within one year, but the Provisional Board of Directors of the Keren Hayesod, considering that time frame unrealistic, changed it to five. Yet the vastness of the sum, compared to all previous communal effort, set the new venture apart from earlier fundraising efforts. It also offered a glimpse into the future, when goals of \$100,000,000 and even multiples of that amount became commonplace on the American Jewish scene, even though it took more than a quarter of a century until the combined effect of the Holocaust and the drama of the *Yishuv's* struggle for independence made the \$100,000,000 campaign a reality. The realization that the ambitious goal

* Sterling figures will henceforth be converted into dollar amounts, at the then prevailing exchange rate of £1=\$4.20. The same rate prevailed, with minor variations, throughout the interwar period.

the Keren Hayesod had set for itself could not be reached even in the five-year period brought about the decision to make the Keren Hayesod campaign an annual event (bi-annual in a few European countries), and thereby to implant it firmly in the cycle of Jewish life the world over.¹⁷

In order to attain the five-year goal, the founding fathers of the Keren Hayesod sought to revive the ancient Jewish tradition of the tithe (*Ma'aser* in biblical Hebrew), and the London Conference appealed to the Jews of the world in a Manifesto to adopt this time-honored form of self-taxation:

A heavy load of taxation is today being imposed on all the peoples of the world in the name of national reconstruction. There is no Jewish State; the appeal that is about to be made is to the Jewish conscience, and is fortified by no power of compulsion; but no Jew worthy of the name will take the responsibility of sheltering himself behind the powerlessness of his people.¹⁸

The Board of Directors of the Fund later made more specific demands, stipulating a one-time capital levy of 10 per cent, plus a self-imposed tax of 10 per cent on income to be paid every year for five years. The Zionist Congress was to determine how this demand should be implemented, or interpreted in individual cases, at least as far as enrolled Zionists were concerned.

At the next Congress, which took place two years later in Carlsbad, Nahum Sokolow was obliged to report that the *Ma'aser* had found acceptance only among the exceptional few; he attributed this to the worldwide economic crisis. Berthold Feiwel, who was Director General of the Keren Hayesod until the office was moved from London to Jerusalem in 1926, remarked wryly that, with total income just past the £1,000,000 mark, the Keren Hayesod had attained less than *Ma'aser* (one-tenth) of its goal in the two years of its existence.¹⁹

In still another respect the Keren Hayesod idea embodied a radical departure from prevailing practice: its founders hoped to encompass in their appeal the entire Jewish world, rather than the Zionist movement only, as had been the case in the predecessor Restoration Fund. True, JDC in America was deriving support from all segments of American Jewry—Zionists and non-Zionists, Orthodox and Socialists—but its appeal was based on wartime and postwar relief, in Palestine and elsewhere. The Keren Hayesod had another purpose entirely, as outlined in its "Manifesto to the Jews of the World":

The purpose of the Keren Hayesod is to bring about the settlement of Palestine by Jews on a well-ordered plan and in steadily increasing numbers, to enable immigration to begin

without delay, and to provide for the economic development of the country to the advantage of its Jewish and its non-Jewish inhabitants alike.

That purpose is attainable. Room can be found in Palestine for a vastly increased population. Thousands are already waiting on the threshold. Let but productive employment be provided for them, and they can enter.

There is land to be bought and prepared, there are roads and railways, harbours and bridges to be built, there are hills to be afforested, there are marshes to be drained, there is fertile soil to be irrigated, there is latent waterpower to be turned to account, there are towns to be laid out, there are crafts and industries to be developed. Side by side with these undertakings, adequate provision is needed for the social welfare of the population, for public health, and above all, for education.

With the Balfour Declaration, the Zionist enterprise had outgrown the narrow framework of the Zionist movement; it had become the property—and the charge—of Jews the world over. The Keren Hayesod was determined to adopt this stance. Although called into being by the Zionist movement, it designated itself from the start as a “neutral fund” rather than a Zionist one,²⁰ and therefore felt entitled to appeal to non-Zionists as well as to Zionists on behalf of the cause of Palestine. Later, the term “neutral fund” was also used to refer to the Keren Hayesod’s character as a non-party institution, its income not to be used for party purposes. Indeed, its non-party character was seen to be a condition for its success. The Fund was described as the first milestone on the road to the “political neutralization of Palestine work and the attraction of non-Zionists.” The second milestone was to be the Jewish Agency. Berthold Feiwel saw in the Fund “a bridge between Zionists and non-Zionists,” after it “broke out of the narrow circle of Zionism.” All over the world non-Zionists are beginning to work with Zionists, he told the 13th Congress, and the possibilities are inestimable.²¹

In the concept of the “neutral fund” we find the genesis of the notion that fundraising for the Jewish National Home should be kept separate from the political structure and preoccupations of the Zionist Organization. It was a notion which made eminent sense from the start, but it was also one that was to be fought over for the next fifty years. The Keren Hayesod was the “first milestone,” to be sure, but it marked a road that was full of roadblocks and curves. There was a powerful faction in the Zionist Organization which was reluctant to share control of the Keren Hayesod and let others help determine how the Fund’s income should be spent.

3 Pinsk vs. Washington

THEN AS now, the United States was the most fertile ground for raising money for the National Home, and it was natural for the Keren Hayesod to want to begin its operations in America without delay. But an unexpected obstacle arose in the form of the Zionist Organization of America. Under the leadership of the prestigious Justice Brandeis, the ZOA was not in sympathy with the concept of an annual fund drive to be conducted by the Keren Hayesod, and it declared the Fund unwelcome in America.

Brandeis was the first well-known public figure to be associated with the Zionist movement in America in a leading capacity, and he was, moreover, a thoroughly American one. Before President Wilson appointed him to the Supreme Court in 1916, he had created an impressive record as "the People's Advocate," fighting big business and monopoly utilities in legal battles which became classics of consumer jurisprudence.²² Through his authority and personality, he brought a new aura of American legitimacy to a movement which hitherto counted mainly immigrants among its members. Along with that American legitimacy came a whole army of new adherents. This unaccustomed numerical strength, coupled with the impressive figure of the Supreme Court Justice as its spokesman and leader, permitted American Zionism to occupy a central position during the war, when the Organization's branches in Europe were rendered ineffecutal through the disruptions of the conflict. America's new role was acknowledged in the formation of the Provisional Committee of which Brandeis was the chairman.

Already at the London Conference Brandeis raised serious reservations about the new Fund and found himself in open opposition to Weizmann. Above all, Brandeis wanted the fundraising separate from the political structure of the World Zionist Organization. He felt certain that the kind of money Weizmann was after could be obtained only outside the framework of Zionism as currently organized. He believed that to elicit the co-operation of the Jews who held the pursestrings in

the American Jewish community, the Zionist Organization first had to become a non-political body. Moreover, he was unwilling to entrust it with the administration of the funds raised by the Keren Hayesod while it retained its political orientation.

Another point at issue between the two camps—Brandeis' and Weizmann's—was the purpose for which Keren Hayesod collections were to be used. The originators of the Keren Hayesod conceived of it as a "unified" Fund, meaning that it should unite within itself two purposes—one part for investments and the second, *à fonds perdu*, or funds which were "lost" in that they would bring no return. The American delegation at London objected vigorously that this conception was not suitable for the U.S., where philanthropic contributions, to be tax deductible, could not be "commingled" with investment funds in the same instrument. In spite of these objections, the Conference adopted the Keren Hayesod project as proposed. It even recommended a formula for disbursing the funds: 20 per cent would go to the Keren Kayemet, the Jewish National Fund (on the assumption that it would amalgamate with the Keren Hayesod and cease its own fundraising); of the remainder, one-third was destined for current expenditures (such as education, immigrant aid and social work) and two-thirds were to be invested in permanent national institutions or economic undertakings.²³

(Examples of the kinds of investment contemplated were a £10,000 payment made in 1921, to Pinhas Rutenberg to finance preparatory work for the formation of an Electric Power and Irrigation Company, for which the Keren Hayesod was to receive shares in the corporation; and a 40,000 contribution to the founding of the Bank Hapoalim - Workers Bank - in the same year.)

Brandeis, by contrast, wanted all the funds to be earmarked for the economic upbuilding of the Jewish National Home, and he demanded that experienced businessmen and technicians be put in charge of expenditures. He also wished to see individual projects identified with separate communities.

Brandeis did not hide his disdain for some of the administrative practices of the Zionist Organization, which included its expenditures through the Zionist Commission in Palestine. While he was in London in 1919, he learned that, with its coffers empty, the Commission had borrowed from trust funds of the JDC to meet its obligations, asking the London office to reimburse the JDC later for the forced loan. Brandeis, appalled, announced that henceforth American Zionist funds would be sent directly to their destination in Palestine—in this case the Hadassah Medical Unit—rather than through the Zionist Organization's office in London as heretofore.²⁴ The withholding of vital finances from the

central body to implement the meager enough Zionist budget augured ill for the future relationship of a Brandeis-led American Zionism to the Keren Hayesod, and indeed to the World Zionist Organization. Weizmann was determined to take up the challenge; he decided to come to America himself, launch the Keren Hayesod on American soil, and re-establish the central Zionist authority among the American branch of the movement.

While Weizmann and his "five star delegation"²⁵ were crossing the Atlantic, the ZOA Executive Committee passed a resolution stating the position of the Brandeis group on these and other outstanding issues, with comments by the ZOA President, Judge Julian Mack. As later published in pamphlet form, the resolution and Mack's comments reiterated that the Zionist Organization of America stood for, *inter alia*,

- Separation of funds for economic development in Palestine from those destined for communal purposes; as opposed to the commingling of all funds.
- Efficiency in operations in Palestine; and a new budgetary system.
- A policy of federalism in the Zionist movement, promoting strong federations; as opposed to a centralization which imposed rigid uniformity in methods and means as well as ends.²⁶

Brandeis was anxious to reach an agreement with Weizmann and sent instructions to that effect to his chief negotiator, Judge Julian Mack. But Weizmann's followers advised him to stand firm and reject a compromise. As a result, the Administration's memorandum containing the above (and other) principles was roundly defeated at a special conference called by the ZOA in Cleveland in June 1921.²⁷ Following its defeat, by a vote of 173 to 71, the 35-member Brandeis-Mack faction resigned from all official positions. Brandeis (who did not attend the convention) resigned from the honorary presidency of the ZOA as well as of the WZO, and for nearly a decade abstained from further activity in the American and world Zionist bodies (although continuing to contribute generously to the cause). This left Weizmann and his policies firmly in control. However, the issues Brandeis had raised were by no means permanently resolved. In fact, some of the differences brought to the fore in that fateful encounter with Weizmann took fifty years to overcome.

What was it that Brandeis and those who were backing him actually wanted? The question of the commingling of funds has long been considered as the main reason for Brandeis' rejection of the Keren Hayesod project. But Emanuel Neumann, who was present in Cleveland and went on to become one of the leading figures on the American

Zionist scene, had a somewhat different view. In his memoirs he writes that this was merely a "technical question"—"what really mattered was simply a natural reluctance on the part of the Americans to serve as the principal factor in raising the money without at the same time being able to control the use of the funds they had raised."²⁸

While Neumann's perception may have been influenced by hindsight, he did put his finger on a central theme which has run like a purple thread through the history of the relationship between diaspora Jewry and the *Yishuv* (later Israel). Only in 1971—fifty years after Cleveland—was a formula devised which the representatives of the WZO and of fundraising bodies in the U.S. and elsewhere were able to ratify as equal partners.

Weizmann soon realized that at least in one respect Brandeis had been correct: the Keren Hayesod campaign would not in itself furnish the money for the job that needed to be done. Not long after he left the U.S., Weizmann concluded that a larger framework than the one he had established was needed after all, and that he would have to set about creating it. But he would found the new institution not at the starting point, where the money was raised, but at the other end, where it was translated into action. By making the wealthy—and not so wealthy—diaspora Jews partners in the act of creation—of villages and irrigation plants, of kindergartens and schools, and factories where newcomers would find jobs—Weizmann hoped to enlist their commitment, and their money, more effectively than by offering them a new fundraising structure. This was the idea of the enlarged Jewish Agency: a body where Zionists and non-Zionists would be represented in equal numbers, which would be responsible for all the projects financed by world Jewry in Palestine. The legal framework for such a structure was conveniently provided in the League of Nations Mandate itself whose Article Four stipulated that "an appropriate Jewish agency shall be recognized as a public body for the purpose of advising and cooperating with the administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish National Home and the interests of the Jewish population in Palestine." The Zionist Organization at first saw itself as this body, and it influenced the formulation of the Mandate text so as to have itself recognized as such, "so long as its organization and constitution are in the opinion of the Mandatory appropriate." But once the Zionist Organization itself decided that it wished to share its prerogative with non-Zionist partners, the legal framework was easily adapted, since such an enlargement was foreseen in the existing text.

Simple as the idea sounds, it took more than six years to bring it to fruition, from the time Weizmann submitted it to the Zionist Congress for approval to the signing of the Jewish Agency Agreement in Zurich in 1929. There was considerable opposition at first from his own Zionist constituency, stemming from reluctance to share control with the non-Zionists, and it took all his powers of persuasion to convince his colleagues that the benefits would be worth the power-sharing.

But the one who first opposed the idea of an enlarged Jewish Agency when Weizmann originally broached it in 1919 was none other than Brandeis.

Already at their first meeting in London in August 1919, a year before the Keren Hayesod controversy, Brandeis had a sharp disagreement with Weizmann over the character of the Jewish agency provided for in Article 4 of the (then) draft mandate. It was Weizmann's plan to put together an agency as inclusive and representative of the Jewish world as practicable, and the proposal being discussed at the meeting of the Actions Committee at which Brandeis was present was that "the Jewish agency should be composed of the Zionist Organization and such other organizations as were willing to participate in the building up of Palestine." But it was Brandeis' strongly-held view that the Zionist Organization and only the Zionist Organization should be the contemplated Jewish agency. His vote and that of his associate, Jacob de Haas, defeated Weizmann's proposal for a wider agency (which was to come into being only ten years later).²⁹

Brandeis was convinced that the obstacle in the way of his non-Zionist American colleagues was the political nature of the Zionist Organization which, as far as he was concerned, had achieved its political goal with the Balfour Declaration. It should henceforth renounce political activity and concern itself with the economic development of Palestine. Then those who now insisted they were non-Zionists could, with a clear conscience, join the Organization, and there would be no need to perpetuate the non-Zionist estate in a separate Jewish agency.

Brandeis' vision may have been premature, and Weizmann may well have been justified in rejecting it. The *Yishuv* in Palestine, which under Brandeis' scheme would be in charge of contacts with the British Government in political matters arising from the Mandate's implementation, was much too weak at this juncture to carry the political burden. But the idea that the Zionist Organization should become depoliticized has been broached innumerable times to this very day.

An important factor in the deterioration of the relationship between Weizmann and Brandeis was the latter's feeling, articulated repeatedly, that Weizmann had broken his word to him and therefore could not be trusted. To Felix Frankfurter he complained about "the utter untrustworthiness of Weizmann which makes agreement and understanding with him . . . dangerous."³⁰ At the 1920 London Conference which saw the founding of the Keren Hayesod, Brandeis had proposed the appointment to the Fund's Executive Committee of three prominent figures from the British world of business and finance, who would advise the Fund's Board of Directors on projects for investment. The assumption was that the Fund would invest in enterprises that would create a modern infrastructure for the National Home and also provide jobs for thousands of immigrants. The men approached showed no great enthusiasm for the assignment at first; they had no wish to be responsible for such areas as education, which the Keren Hayesod included among its objectives. Weizmann then proposed as a compromise that they be put in charge of an Economic Advisory Council which would form an integral part of the Keren Hayesod structure. Brandeis agreed only reluctantly; he had wanted to see these British non-Zionist leaders assume key positions in the organization itself as a precedent for bringing in Americans of similar rank.³¹ But then Weizmann, yielding to pressure from his Zionist colleagues, dropped the idea altogether. Brandeis considered this a grave breach of faith. Contemporaries saw in the incident the beginning of the rift between the two men which was to have such far-reaching consequences for the entire movement.

Weizmann was unhappy with Brandeis' proposal to decentralize the Zionist movement and leave its world organization with little more than a coordinating function. Brandeis, who was influenced by his experience with the state-federal division of responsibility in the U.S., wanted each national federation to be responsible for a specific aspect of the overall Zionist budget and also assume responsibility for its implementation. He appeared to believe that commitment to a specific project was likely to enlist support more readily than a generalized appeal—a principle which was incorporated six decades later in Project Renewal, where individual communities were twinned with Israeli neighborhoods in need of rehabilitation.

Among the less explicit reasons for Brandeis' opposition was concern that the propaganda the Keren Hayesod proposed to undertake in the U.S. was likely to generate the kind of Jewish nationalist agitation which was distasteful to the very people whose contributions would be most needed. In his study of the leadership of the American Zionist Organization from 1897–1930, Yonathan Shapiro reveals that there had

been wartime negotiations between Brandeis and Jacob Schiff, the financier who was one of the mainstays of the American Jewish Committee, with a view to counteracting Jewish nationalism, which both agreed was a harmful phenomenon on the American scene. Schiff hoped that Brandeis would be able to lead the ZOA membership away from diaspora nationalist sentiments, and stick to colonization of Palestine as its goal. Although no formal agreement was reached, Brandeis in 1918 restructured the ZOA (known until then as the Federation of American Zionists) in such a way that fundraising and economic assistance to Palestine would be its sole preoccupations, eliminating educational and cultural activities in the U.S.³² Brandeis thoroughly disapproved of the notion of *Gegenwartsarbeit* (working in the present), stressing Jewish education and Jewish peoplehood in the diaspora, which was part of the WZO's program in the Weizmann era. Shapiro suspects that this may have been one of the reasons for Brandeis' opposition to Weizmann's Jewish Agency project: if the Jewish Agency were charged with the upbuilding of the homeland, then the WZO would be left with *Gegenwartsarbeit* in the diaspora, with its attendant nationalist propaganda.³³

Shapiro, whose book contains a thorough discussion of the 1921 Cleveland ZOA Convention, believes that the issue of diaspora nationalism was in fact central to the entire controversy, but that Judge Julian Mack, Brandeis' close associate and President of the ZOA, sought to steer clear of a public discussion of that issue. Mack feared the reaction of Gentiles and of Jewish anti-Zionists, as well as possible harm to his and Brandeis' own public personae.

Nevertheless, echoes of the debate about nationalism could be heard at the convention. While Judge Mack insisted there that "political status of the Jews of the world was an impossible conception," Dr. Shmaryahu Levin, a member of the Weizmann-led delegation to American Jewry, maintained firmly that "we are for the time being a nation in exile, a dispersed nation." If we are to put a ban on diaspora nationalism, what kind of nationalism would remain for us? he asked rhetorically.³⁴ On Judge Mack's expressed concern that Dr. Levin's Zionist "jargon" might cause distress and embarrassment to many members of the Zionist Organization in the United States, Dr. Weizmann later commented angrily that "American Zionist leadership did not understand the moment. They failed to grasp it . . . Here began the degradation of our movement . . . The American Zionist leaders cut the Zionist program to fit their circumstances."³⁵

To Weizmann, the gulf between Brandeis' approach and his own amounted to a "revival, in a new form and a new country, of the old cleavage between 'East' and 'West' in Zionism and Jewry; and the popular slogan called it, in fact, 'Washington vs. Pinsk,' a convenient double allusion to Brandeis and myself, and also to the larger ideological implication."³⁶

According to Maurice Samuel, the author and Zionist publicist who was Weizmann's close collaborator, the issues that led to the split with Brandeis went to the roots of Zionism. Weizmann saw the Zionist movement as a national renaissance, while Brandeis saw it as a political and social phenomenon.

Brandeis believed that with the Balfour Declaration of 1917, Zionism had achieved its political goal. Palestine could now be built; the Zionist Organization could be dismantled, or transferred into a holding company or be broken up into a series of enterprises. The Brandeisists saw no purpose in continuing the old type of Zionist propaganda, with its emphasis on the oneness of the Jewish people, and its insistence on what we called . . . nationalism. For them the building of Palestine was a 'job,' for the Weizmannists the building of Palestine was a continual folk fulfillment, a prophecy, something mystical, with repercussions throughout an enduring Jewish world.³⁷

But neither Weizmann nor Samuel seemed to grasp the significance of "Brandeisian Zionism" in the context of the American Jewish community. It was a Zionism which, to be sure, owed very little to Eastern Europe but which "solved the problem of dual loyalties that Zionism posed for American Jewry."³⁸

Part II

The Genesis of the United Palestine Appeal

4 The Split in American Zionism

THE PROPOSED role of the Keren Hayesod in America was a main cause of the split in American Zionist ranks in 1921. The Fund's own version of these events is contained in its report to the 12th Zionist Congress which was held in September of 1921.¹

The carefully considered resolutions of the Zionist Annual Conference [in London] established the Keren Hayesod upon two fundamental principles.

One principle was that the Fund was to represent the efforts of the whole Jewish people. It was to cover all the expenditure necessary for the various tasks comprised in the building up of a Jewish National Home, from which no return could be expected. On the other hand, the Fund would provide the means for economic undertakings and works which would be based on business principles, and from which, sooner or later, a return in interest could be expected The second principle was that every Jew, whether Zionist or not, is called upon to contribute at least a tenth part of his capital and income for the establishment of the Jewish National Home in Palestine

Right from the beginning, the Directorate was faced with the opposition of one of the principal Federations in the movement, the Zionist Organization of America

Instead of commencing the work for the Keren Hayesod without delay in accordance with the resolutions of the Annual Conference, the National Executive of the Zionist Organization of America decided in September 1920 to postpone all activity for the Keren Hayesod It placed the question of the work for the Keren Hayesod in America on the agenda of the Buffalo Convention of the ZOA

[The Convention in Buffalo resolved] that the two fundamental principles of the Keren Hayesod were not binding upon them. Their policy was to make no demand for *Ma'aser*, but to raise funds in

America for enterprises of an economic character on the one hand, and, on the other hand, to organise a pure Donation Fund, which, if the Zionist Executive would agree, they were prepared to call the Keren Hayesod. This Donation Fund was to be devoted to sanitary, educational and research purposes, to land purchase through the National Fund and to afforestation and immigration

The Buffalo resolutions sought to turn the Keren Hayesod into a purely philanthropic institution, and to keep it in the background, while the real work of developing Palestine should be left to separate independent companies and corporations. This is not the place to enlarge upon the consequences to which such methods of work would lead. It is sufficient to say, however, that they are wholly incompatible with the carrying out of the London Conference resolutions regarding the Keren Hayesod

The Directors of the Keren Hayesod . . . decided along with the Zionist Executive to send a delegation to the United States to endeavor by personal negotiation to reach an understanding with the leaders of the Zionist Organization of America.

Shortly before the delegation arrived in America, the National Executive of the ZOA adopted by a majority of 14 to 0, a series of resolutions as the basis for the negotiations with the delegation. These resolutions confirmed the Buffalo Convention resolutions, according to which the Keren Hayesod was to be a Donation Fund in America, and was not to be used for the establishment of business enterprises, which were to be left entirely to private corporations. At the same time, it was stated that the existing directors of the Keren Hayesod were seeking to make the Keren Hayesod a self-perpetuating body, independent of the Zionist Organization

The negotiations, unfortunately, led to no understanding, although Dr. Weizmann declared himself prepared, for the sake of peace, to consent to the Keren Hayesod in America being a pure Donation Fund until the next Congress, but, at the same time, stipulating that the decision of the Congress should be binding and final.

In spite of this concession, an understanding could not be reached, because the leaders of the ZOA were unwilling to let the control of the funds raised in America remain in the hands of the Executive of the World Zionist Organization and the Directorate of the Keren Hayesod. This they wished to reserve for themselves. In consequence of this, Dr. Weizmann issued a proclamation to the Jews of America on April 18th, 1921, in the course of which he said:

'By virtue of the authority vested in me as President of the World Zionist Organization, and pursuant to the Resolutions of the London World Zionist Conference adopted in July, 1920, I announce the opening of the Keren Hayesod Bureau for America, and call upon all American Jews to come forward and make their sacrifices in order that the Jewish National Home may be speedily established.'

The leaders of the ZOA declared this act invalid and declared the establishment of a rival Fund . . . [they] summoned a special Conference at Cleveland on June 5th, 1921, and there the controversy ended. The Conference adopted at its third sitting, by a majority of 153 to 71, a motion expressing lack of confidence in its leaders for their attitude towards the World Organization, especially in regard to the Keren Hayesod. On account of this vote, the Majority of the National Executive of the ZOA resigned, and the leadership of the American Organization was taken over by leading Zionists who were prepared to carry out the resolutions of the World Organization, including those relating to the Keren Hayesod.

Among the resolutions the Conference adopted by the above majority was one which spelled out where the control of the Keren Hayesod would henceforth be vested:

We regard the Keren Hayesod as the central fund of the Zionist Organization under the control of the Zionist Congress . . . it being understood that the controlling interest in the Keren Hayesod shall be vested exclusively in the Zionist Congress and its legally constituted authorities and instrumentalities.

The vote at Cleveland meant not only that the Zionist Organization retained its control over the Keren Hayesod and its activities in America, but it also suppressed the signs of independence regarding the Keren Hayesod and other issues that had raised their head in the Brandeis era. The team of Emanuel Neumann and Louis Lipsky that was now installed at the head of American Zionism in place of the Brandeis-Mack-Frankfurter combination was dedicated to the unity of the world movement and the primacy of the veteran leadership group, the Weizmanns, Ussishkins, Nordaus and Shmaryahu Levins.

But it was in some ways a pyrrhic victory. While the Brandeis forces suffered a telling defeat, the cause of the Keren Hayesod in America was weakened considerably by the withdrawal of so prestigious a segment of the Zionist leadership.

The Keren Hayesod was to function autonomously in the U.S. for four and a half years until it became submerged in the United Palestine Appeal. While the receipts during that period were quite respectable, there was no breakthrough, no quantum leap. The moneyed aristocracy which gave so generously to the JDC did not choose to share their largesse with the Keren Hayesod. On the contrary, with each passing year the latter's rivalry with the Joint became more pronounced.

The American branch of the Keren Hayesod, it turned out, was dominated by the new ZOA leadership. The earlier plan to give non-Zionist contributors a voice in its affairs met the same fate as did the idea of having contributors share in directing the world body. A notable exception was the chairmanship of the American Keren Hayesod, which was bestowed upon a prominent non-Zionist, Samuel Untermyer, who also happened to be the law partner of Louis Marshall. The directors chose Emanuel Neumann, one of the "loyalist" leaders at Cleveland and a capable organizer, as General Secretary.

That the Keren Hayesod could not be the answer to the need to co-opt the non-Zionist elite most likely became apparent to Weizmann on his first fundraising tour of the U.S. on behalf of the Fund; it was not long afterward that same year that he came back to the idea of an enlarged Jewish Agency and this time, with Brandeis no longer around to object, he received the green light to proceed.

5 Keren Hayesod in America: “Is the Great Chance Being Missed?”

WHAT WERE the accomplishments of the Keren Hayesod in America during this initial period?

In the report of the Keren Hayesod Head Office to the 13th Zionist Congress which met at Carlsbad in August 1923, the American experience was considered at least a social success. “It has succeeded in uniting Jews of all opinions, it has established working relations not only with all Zionist organizations but also with non-Zionist groups and the leaders of the social and religious life of the Jews, so that an even wider extension of the work may be expected.” In monetary terms, the returns were reported as follows:

Between May 1st, 1919 and May 31st, 1921, or in 25 months, the Palestine Restoration Fund raised \$3,215,451, of which \$1,945,801 were remitted to Palestine. (The Restoration Fund collected not only for the work in Palestine, but also for Zionist work in the United States.) From April 17th, 1921, to May 31st, 1923, that is again in about 25 months, the Keren Hayesod collected \$3,891,672, of which \$3,058,254 have been transmitted to Palestine. [The difference was probably accounted for by expenses, which the report lists as \$808,000, or 19.5 per cent.] This comparison is particularly striking because the Restoration Fund was collected for the most part in favorable circumstances, whereas the collections of the Keren Hayesod had at the beginning to overcome great hindrances and have been constantly increasing.²

These results may have appeared striking at the time in terms of the actual dollars they brought into the coffers of the Fund's London headquarters, which amounted to a one-third increase over the Restoration Fund. But collections in the U.S. increased by only 20 per cent, a result which, when viewed against the great expectations, was far from spectacular, or even striking.

A solid achievement of the new Fund was that it was able to guarantee a steady monthly cash flow to Palestine, even though the amount transmitted was modest in relation to the needs.

During the summer of 1922 . . . the Keren Hayesod Committee of the United States undertook to provide \$100,000 a month for the Palestine Budget. At the beginning of the period under survey, only a small part of this sum could be remitted and that only by borrowing from American banks on personal guarantees of a number of friends of the Keren Hayesod. As the campaign progressed, these loans were repaid and the arrears were paid off, so that by the end of June, 1923, the American Keren Hayesod had met its obligations and had such reserves that there is no fear of any stoppage in the regular remittances during the next few months and, therefore, no fear of any cessation of the work in Palestine.³

However, the optimism concerning "constantly increasing" collections could not be justified much longer. In the year ending on June 30, 1924, Keren Hayesod collections in the U.S. amounted to \$1,792,993, which represented a reduction of about 10 per cent over the previous period.⁴ During the 1925 calendar year, the head office of the Keren Hayesod received \$2,181,325 from its worldwide campaigns, of which 52 per cent came from the U.S. Since its founding through 1925, the Fund took in \$9,114,000, of which 60 per cent came from the U.S.⁵

Dr. Chaim Arlosoroff, the brilliant young economist and theoretician of the Zionist Labor movement, summed up the results of the Keren Hayesod's first two years:

The total receipts of the main office of the Keren Hayesod as of 31 March 1923 amounted to £789,077 (\$3,314,123) (including some special campaigns such as the Jewel Collection of the Women's International Zionist Organization). In evaluating these figures, we may concede that, both in absolute terms as well as in comparison to the results obtained in Jewish national fund-raising before the war, they represent a good, perhaps unexpectedly good result. About £400,000 a year is an amount of which those responsible for settlement in Palestine in the pre-war period could not conceive of even in their wildest dreams. But we cannot be satisfied with this kind of appreciation. For we must, first of all, remember that the total result lags far behind the financial projections of the London Conference and the Twelfth Congress as applied to the years 1921-23. During that period we should have received at least two-fifths of the total amount to be raised, namely £10,000,000, whereas

£800,000 is only 8 percent of that projection. But this becomes even more serious when we recall that the £25,000,000 goal was considered as a necessary minimum to carry out our settlement and construction activity in the course of those years. Viewed from that perspective the results which constitute only one-twelfth of the goal are not only inadequate for the attainment of our settlement objectives. They must also be considered as entirely inadequate for the maintenance of what already exists and for carrying on what was already begun.⁶

Arlosoroff goes on to show how the gap between the budget adopted by the Zionist Congress and actual income of the Keren Hayesod affects the monthly expenditure budgets for settlement activities, which were being reduced from month to month, until in the last third of the year 1921-22, for example, only half the amount originally adopted for the purpose (£50,000, or \$210,000) was made available. He asks whether it was the concept and machinery of the Keren Hayesod which were to blame for these disappointing results, or whether it was the Jewish people that disappointed; whether, as some would have it, "through the indifference of diaspora Jewry the great chance offered us by history is in danger of being missed."

Arlosoroff's own, rather dispassionate response to this question is that the effective radius of the Keren Hayesod is limited to those social classes and circles in the Jewish people within the sphere of influence of the idea of the Jewish National Home and who therefore react to the needs of its upbuilding. The limits of the campaigns are thus set by the financial resources of the same circles which suffered considerably because of the war and the economic crisis which followed. Arlosoroff concludes that the Jewish people is fighting its war of liberation and conducting its national resettlement program without the support of its finance capital, "deserted by its upper and upper middle classes and betrayed by its assimilated intelligentsia."⁷

This rather pessimistic assessment of the chances for the Keren Hayesod was arrived at by Arlosoroff without benefit of direct contact with the American scene or the extent to which leading members of America's Jewish upper classes were ready to back the "resettlement program" without enlisting as soldiers in the "war of liberation." Louis Brandeis obviously shared Arlosoroff's perception concerning the absence of the upper classes from the financial effort, but he was far more sanguine about the outlook for enlisting them in the effort, providing his conditions were met. He knew the educational value of fundraising for the "masses," but he also knew that it took the "classes"

to obtain the money. When it became clear that his conditions would not be met, he stepped aside.

The victory of the Weizmann forces in this confrontation did not signify by any means that this aspect of Brandeis' philosophy had been proven invalid. On the contrary, Weizmann was no less persuaded that "the classes" must be won over. But he chose the way of the Jewish Agency (which Neumann has called "a far subtler approach"). In the meantime, he saw the Keren Hayesod as a kind of bridge, or halfway house, "for Jews who, while interested in Palestine and anxious to help, hesitated to throw their whole weight behind the Zionist movement because of its political implications. They would help pay for the work, but they were not prepared to assume any responsibility for its political, social or moral outcome."⁸

6 Who Should Control the Keren Hayesod?

THE DYNAMICS of the Keren Hayesod in America had been set and would henceforth run their course irrespective of the deliberations which were to continue for some time in London and Jerusalem concerning the governance of the Fund and its mode of expenditures. In America, the outcome of the campaigns was determined by such local factors as the rivalry with JDC, the participation of non-Zionist givers, the inclusion of the campaign in local community welfare funds—and overall economic conditions. The Americanization of the Keren Hayesod campaign—its inclusion in the annual agenda of the community as a whole—had gotten underway, but that process would find its pace accelerated only some four years later, in 1925, when the Fund with the difficult-to-pronounce name would become better known as the United Palestine Appeal. In the meantime, the continuing debate over who should be in charge of allocating the Keren Hayesod funds foreshadows some of the arguments about the role of contributors in determining the expenditures, which found their way back to the world Jewish agenda some four decades later.

In its first report to the Zionist Congress in 1921, the Keren Hayesod Board recalls

the fact that the Zionist Annual Conference called not merely upon Zionists but upon the whole Jewish people to create the Keren Hayesod. The Conference accordingly held out the prospect that all contributors would participate in the management of the Fund . . . The Zionist Congress must take into account the resolutions of the Annual Conference . . . and make the development of the Keren Hayesod an instrument of world Jewry as a whole for the reconstruction of Palestine.

And indeed, the 13th Congress resolved that the Keren Hayesod's Board of Directors should be constituted on terms of parity by nominees of the Zionist Organization and of a Council chosen by all contributors, thus providing a forum for Jews who were not willing to join the Zionist Organization.

Had the Keren Hayesod Board in fact become the locus for non-Zionist participation, as the Congress resolution stipulated, there might have been no need for an enlarged Jewish Agency. But this did not come about. Instead, there began a curious process whereby the Keren Hayesod periodically proclaimed its intention to co-opt contributors to its governing bodies and preserve a measure of independence from the Zionist Executive, while the latter made sure that control would not slip out of its hands. Until the Council of Contributors was constituted, the Zionist Executive would name all the Directors. And eventually there would be at the top of the structure a Board of Trustees of ten members, all of them to be named by the Zionist Organization.

Julius Simon, a noted economist who served for some time on the provisional Keren Hayesod Board, was sharply critical both of the intent to co-opt contributors and the proposals to implement it. Why was the Zionist Organization ready to give up part of its prerogatives in favor of the Keren Hayesod? he asked. "Because you believe you can get the material support of the non-Zionists in that way," he told the Congress. "But by cleverly granting pseudo-rights to the non-Zionists you won't get non-Zionist money. They are not interested in gaining influence, but in seeing that their money is administered efficiently, which is entirely reasonable." Setting a Board of Trustees above the Directors, in Simon's view, meant granting "pseudo-rights" which would not get non-Zionist money.⁹

The idea of a Board of Trustees was abandoned, but neither did the Council of Contributors become a reality. Plans and models for the Council were discussed in great detail at several more Congress and Actions Committee meetings, but the final decision was never taken. Instead, the Keren Hayesod remained firmly anchored in the control of the Zionist Organization until, with the founding of the Jewish Agency in 1929, it was designated as the financial instrument of the latter. Indeed, it was Dr. Weizmann's project to involve the non-Zionist world in an enlarged Jewish Agency which provided a rationale for not pursuing the Keren Hayesod Council project any further. If the new body was to be based on the principle of parity between the WZO and the non-Zionists, there was little logic in making elaborate preparations for a similar partnership within Keren Hayesod. At the 13th Congress, a member of the Executive, Dr. Max Soloveichik, warned that the

proposed Keren Hayesod Council would clash with the planned Jewish Agency, and the resolution calling for the Council's establishment was returned to the Executive without action. In its report to the 15th Congress at Basel in August 1927, the Keren Hayesod attributed the non-implementation of the resolution to the plans for the Jewish Agency. It was recalled that the Americans had proposed that the future Executive of the Jewish Agency should be identical with the Directorate of the Keren Hayesod, and therefore nothing had been done "because the establishment of the Jewish Agency did not materialize in the period under review."¹⁰

In his memoirs, Julius Simon notes with satisfaction that, despite proposals to the contrary, the Keren Hayesod staff and budget remained under the authority of the Zionist Executive, which also retained exclusive control over all sums collected. "Its function was to provide the Zionist movement with the wherewithal to make the Jewish National Home a reality. If control [were . . .] in hands other than the Executive, the essential functions of the Executive would inevitably pass into those hands."¹¹

Simon recalls that Hillel Zlatopolsky, the Russian-French industrialist who was appointed to the Board of Directors in recognition of his role as one of the founders of the Fund, protested that the Keren Hayesod was being reduced to mere "money collecting." Simon admonished him: collecting the money that will make it possible to rebuild Palestine was performing a historical task of the first order.

The controversy over whether the Keren Hayesod should solicit outright gifts or investment funds with a promise of return, which cast such a heavy shadow over the launching of the Fund in the U.S., in the end turned out to be somewhat of a non-issue. For years to come, the income of the Keren Hayesod would lag so far behind the optimistic expectations produced in the euphoria of momentous events that only those projects dictated by elementary necessity could be undertaken. In the light of the urgent immediate needs of the program of agricultural settlements, other investment projects were kept to a minimum: "seed money" for a mortgage bank to help meet the desperate need for housing, for generation of hydro-electric power, and for exploitation of the mineral resources in the Dead Sea.

When the decision was taken by the 13th Congress to turn the Keren Hayesod into a permanent instrument with an annual campaign,¹² it was also agreed that the proceeds of the campaigns would be used to cover the regular expenditure budget of the Zionist Organization in Palestine, including those parts which were disbursed in the form of investments or loans. However, no shares or bonds would be

distributed to contributors; these would be held by the Keren Hayesod itself or such subsidiary corporations as it might call into being, and remain "the property of the Jewish people."¹³

There was continuing debate on the relative merits of "donations" and "investment," with the latter generally viewed more favorably than the former. "In pre-Zionist days the public saw in the collections for Palestine organized mendicancy Innumerable calls were made on the public for all manner of purposes There was indiscriminate spending of funds aimlessly collected."¹⁴ The experience of the Keren Kayemet (Jewish National Fund) had shown that it was impossible to build Palestine through donations, said a Mizrahi Congress delegate. "It can only be done on a productive basis, with the help of profitable enterprise."¹⁵ The Director of the Keren Hayesod himself, Dr. Berthold Feiwel, declared that "pure donations do not educate to economic viability."¹⁶ However, as Georg Halpern, a veteran economist, pointed out, there was an element of semantic confusion surrounding these categories. He said that investments and donations are not mutually exclusive: investments can be made with donated funds, but the donor was not entitled to a share of the profits.¹⁷

Actually, the Keren Hayesod made it a practice from the start not to give away its resources, except for such purposes as welfare and education. The bulk was loaned to settlers in the agricultural villages and for other productive purposes on terms that were adapted to the difficult conditions of Eretz Israel. When interest and capital were repaid, often after long running-in periods during which no repayment was required, these formed part of the ordinary income of the Fund and were recycled for further productive expenditures.

But this was a far cry from asking Jews outside Palestine to make investments in the country, and indeed the Keren Hayesod, in spite of the resolution adopted in London that at least two-thirds was to be invested in permanent national institutions or economic undertakings, never embarked on that course.

Brandeis' insistence on private enterprise and on the individual projects method for each community was resisted by Weizmann, not as a matter of principle, but as premature at that stage.¹⁸ He was proven right by the Brandeisists' lack of success in their attempts at translating their concepts into practice. Within weeks after the Cleveland Convention, the Brandeis group called a conference in Pittsburgh to establish the Palestine Development Council, which was to deal exclusively with economic projects in Palestine outside the framework of the World Zionist Organization. However, in defining the goals of the newly established body, the conference had to settle on a compromise: the goal

was defined as "social-economic work," the "social" to include such projects as the Hebrew University. Yonathan Shapiro concludes that the plan was not workable because it was "based on the erroneous assumption that there existed a large group of Jews to whom such a scheme might appeal, and who would be willing . . . to invest in Palestine."¹⁹ The group's slogan, "Silence in America, Service in Palestine," designed to avoid drawing public attention to the issues of diaspora nationalism and dual allegiance, was also counter-productive. It turned out that substantial contributors to the cause of Palestine did want publicity. While the Brandeisists promised "silence," the Keren Hayesod knew how to capitalize on this weakness, especially among the new class of Eastern European businessmen.

After some encouraging initial subscriptions at the conference—one of \$30,000 by Sol Rosenbloom of Pittsburgh, another of \$25,000 by Nathan Straus—the steam rather quickly ran out of the new venture, and the failure to raise further substantial sums brought about widespread demoralization among the group. To salvage the scheme, a new initiative was started, designed to cater to smaller investors: Palestine Development Leagues of 25 members were set up who would each contribute \$5,000. Each group would then send a member to the larger body, the PDC.²⁰ This scheme also failed to bring the desired results. Brandeis and his colleagues nevertheless persisted for several years until, in 1926, the JDC proposed amalgamation of the PDC and the JDC's Committee on Palestine. The new body was called the Palestine Economic Corporation—still active today as part of the Discount Bank group. The JDC transferred all its economic work in Palestine to this body and promised additional funds—a total of \$1,500,000 to be paid within three years. Most important among the assets transferred was the JDC's majority share in the Central Bank of Cooperative Institutions (founded in 1922) of which the other main partner was the Jewish Colonization Association (ICA).

7 The Competition for Funds

ONE OF the Keren Hayesod's major problems in those initial years was the competition from other Palestinian institutions collecting money in America: a problem technically known as "multiple campaigns." The most formidable of its rivals, the Jewish National Fund (JNF), which since the beginning of the century conducted worldwide collections for land purchases and improvement (including afforestation) in Palestine, was to have received a share of the proceeds of the Keren Hayesod campaigns. At the time the agreement between the two Funds was concluded, it was still assumed that the Keren Hayesod was to be "created by a single effort," that is, it would be a one-time campaign. Consequently, the JNF was to relinquish certain of its activities "only for the period of activity of the Keren Hayesod." The agreement was subsequently renewed in modified form, but a certain amount of tension between the two Funds arose from time to time over encroachments by the JNF. At the basis of the agreement was the assumption that the Keren Hayesod would fix for its contributors a "minimum contribution in accordance with the conditions prevailing in the various countries," while the JNF would operate below that ceiling through such devices as sale of trees, stamps, flag days and the Blue Box. Although its contract with the Keren Hayesod forbade the JNF from expanding in ways that might interfere with the former, its Blue Box was ubiquitous, and millions of Jewish households all over the world contributed their nickels and dimes through it for Palestine. The trouble with such small-scale contributions, as every experienced fundraiser knows, is that the donor may plead that he "has already given" when approached for larger sums. In its contract with the Keren Hayesod, the type of activity the JNF was allowed to engage in was strictly delineated. Later, when the JNF became a full partner in the United Palestine Appeal (UPA), it was also subject to a ceiling on these limited "traditional collections" and was not entitled to retain surplus funds. With the founding of the State, many of the JNF's tasks became governmental responsibilities, and it eventually gave up its partnership status in the UPA.

A prestigious rival of the Keren Hayesod was the nascent Hebrew University. The idea of a "University of the Jewish people" in Jerusalem, exerted a powerful attraction on wide circles in the diaspora, especially among non-Zionists. Already in 1920, before the founding of the Keren Hayesod and five years before the University opened its doors on Mount Scopus, a University Fund was launched by the World Zionist Organization, which saw the Hebrew University as one of its own major projects. (When Nathan Straus decided to contribute \$100,000 toward the Hebrew University in honor of San Remo, where the League of Nations Mandate for Palestine was conferred on Great Britain, he made his announcement at the 1920 ZOA Convention.) Now the Zionist Organization was faced with a dilemma: how to reconcile the overarching interests of the Keren Hayesod with that of the more particularist appeal of the University. The solution sought to partake of the best of both worlds: to incorporate the University Fund within the Keren Hayesod while at the same time maintaining it as an independent entity. As a resolution passed in November 1920 by the Keren Hayesod Board of Directors put it, "A University Fund is hereby created within the Keren Hayesod, to consist of donations which have been earmarked for the University, or for any specific object within the University. The monies of the University Fund shall be applied solely to the University expenditure."

When the Keren Hayesod delegation led by Dr. Weizmann visited the U.S. in the spring of 1921, Professor Albert Einstein was invited to join on behalf of the University Fund. The presence of the great scientist, who by then already had earned world renown for his Theory of Relativity, added greatly to the impact of the delegation and "rendered inestimable services in the appeal for the University Fund."²¹ (Einstein's "speech" at a rally attended by 25,000 people was described as probably the briefest Zionist oration on record. His English was poor, and he spoke in German: "Unser und Euer Fuehrer, Dr. Weizmann, hat gesprochen—folgt ihm!" and sat down, to thunderous applause.)²²

It soon became clear, however, that the University was too large a project to be included within the financial instrument of the Zionist Organization, and it launched a separate American campaign. When the UPA was founded in 1925, the Hebrew University Fund was included in it. Still later, the Jewish Agency made annual grants to the University and other institutions of higher learning out of its regular budget in return for their abstention from engaging in competing fundraising campaigns; the University offices in the U.S. were limited to obtaining gifts for buildings and other capital expenditures.

Another rival cause was that of Labor Zionism, whose adherents began in 1921 to raise funds for the development of a socialist economy in Palestine. In February of that year, the Poale Zion Palestine Committee launched a drive in the U.S. which it called the "Campaign for Tools for Palestine," later to be known as the *Gewerkshafte*n and then the Histadrut campaign. The objective was to obtain both small and large contributions, based on the idea that as little as \$5 would pay for a metal folding bed for a Jewish worker, while \$4,000 would buy a tractor or truck.²³

A few months later, at the National Poale Zion convention held in Rochester, it was decided that the Tool campaign should be made permanent. In future years, the campaign would raise as much as \$5,000,000 a year for the medical and social institutions of the Histadrut, always remaining independent and stolidly refusing to enter into any joint arrangement with the UPA.

The Labor movement did not disdain capitalist instruments: three months after the Rochester convention, a high-powered Labor delegation from Palestine arrived in the U.S. to sell shares in the newly-established Workers' Bank (Bank Hapoalim). The American committee organized to help them in their task included the popular Dr. Judah Magnes, soon to go on *aliyah* to Jerusalem where he would become Chancellor of the Hebrew University. At a later stage, the Histadrut raised investment capital in the U.S. through sales of shares in AMPAL, the American-Palestine Trading Corporation.

An important contender for funds were the religious Zionists—and even anti-Zionists. The former, through the World Mizrachi and American Mizrachi movements, had developed loyal groups of contributors for their particular projects in Palestine. But when the UPA was first formed, the Mizrachi Fund became one of its constituents. Not so the Agudat Israel, the ultra-Orthodox movement which, though anti-Zionist in the sense that it fought against the idea of a Jewish state, nevertheless maintained a network of schools, *yeshivot* and later even agricultural villages in Palestine for which it sought support. While the discussions over Article 4 of the Mandate were still in progress, Agudat Israel, to the consternation of the Zionist bodies, had come forward with the request that it be recognized as the Jewish agency instead of the World Zionist Organization. Only when the British, thoroughly confused by this strange maneuver, threatened to delay application of the Mandate altogether, were the representatives of "Torah-true" Judaism prevailed upon to withdraw their petition.²⁴

The competition of these and other campaigns on behalf of Palestine was part of the background for the decision to found the United Palestine Appeal in the fall of 1925. But the more immediate reason was the competition of the JDC which, in the eyes of the American Zionist leadership, necessitated a "united front" on behalf of Palestine.

8 The "Joint" Is Here to Stay

WHILE THE Keren Hayesod was unable to reach \$2,000,000 a year during the four years and eight months of its independent operations in the U.S., the appropriations of the JDC for its 1923 fiscal year came to \$9,100,000²⁵, fully four and a half times as much as the Keren Hayesod was able to mobilize. Moreover, the JDC still included Palestine Jewry among its beneficiaries and appropriated \$1,237,000 to be spent in Palestine in that year.

It was not only that the Keren Hayesod appealed to the "masses" while the JDC's strength was based on the "classes." The JDC's work in Eastern Europe found a deep echo in the hearts of American Jews, most of whom were only a generation removed from the old continent's miseries. "The War had merely been the first act in the tragedy of European Jewry," wrote Joseph C. Hyman, Executive Director of the JDC, in an overview of that period. "Its end marked the beginning of two of the blackest years in Jewish history."²⁶ During the war itself, Jews had been the victims of forced evacuation from the regions where military operations were taking place: Russia, Poland, Galicia, the Bukowina. Six times Russian troops had swept over the area, and six times they were beaten back by Austrian forces. Each invasion and each retreat brought death and desolation to the population. Little wonder that in the two post-war years, 1919-20, the enormous sum of \$27,000,000 had been raised by the JDC; in the subsequent three years, which coincided with the American debut of the Keren Hayesod, another \$20,000,000 was added.

Although the promise of a Jewish National Home, embodied in the Balfour Declaration and the Palestine Mandate, fired the imagination of millions of Jews, in sheer human terms its impact paled before the convulsions in Europe with which the Joint had to deal.

The JDC had an additional advantage over the Keren Hayesod. It had managed, as early as 1917, to conduct its fundraising on a community-wide basis, with each community accepting its quota in a nationwide campaign. The Joint obtained the services of an unusually

gifted individual as campaign director. He was Jacob Billikopf, superintendent of the United Jewish Charities of Kansas City since 1907. A Russian-born university graduate and the first trained social worker in Kansas City, he is said to have "revolutionized the entire system of social work in the city and the Jewish community" before he was given a three years' leave of absence to become the Executive Director of the American Jewish Relief Committee, then still the fundraising arm of the JDC.²⁷

By contrast, the Keren Hayesod relied heavily on the speaking tours of its "delegates"—leaders of the World Zionist movement or other prominent figures familiar with the Palestine scene. Such leaders as Weizmann, Sokolow, Jabotinsky and Shmaryahu Levin were certain to draw enthusiastic audiences; whether the enthusiasm was always translated into dollars in the absence of effective and experienced local organization remains doubtful. Weizmann especially was pressed into service year after year and criss-crossed the country to the point of exhaustion. In his autobiography he writes with humor and some exasperation of that experience:

A big donor would often make his contribution to the Fund conditional on my accepting an invitation to lunch or dine at his house. Then I would have to face a large family gathering—three or four generations—talk, answer questions . . . and watch my replies carefully, lest I inadvertently scare off a touchy prospect. I would sit through a lengthy meal and after it a select group of local celebrities, and again listen and answer till all hours of the night. Generally, I felt that I had fully earned that five thousand dollars.

On the whole the response of American Jewry was remarkably good, considering they were unprepared for the burden thrust upon them, and the secession and active opposition of the Brandeis group.

It was really moving, the way they listened and took the words to heart. Despite the exhaustion and discomfort and the occasional tedium, I felt an immense privilege in the work.²⁸

For a few years at the beginning, the JDC and the Keren Hayesod worked side by side, and even considered a *modus vivendi* for a united campaign for overseas needs. The harmony was preserved for as long as the JDC saw itself as a temporary agency whose task would be done once its war relief activities ended, with the more permanent forms of aid being turned over to local authorities or other voluntary organizations. That point appeared to have been reached early in 1924; the Joint announced that on March 21 it would suspend its direct activities in all countries except for the Soviet Union. The

announcement said that all its remaining commitments and funds would be turned over to a new American Joint Reconstruction Foundation, to be made up of twenty members, six of whom were to be designated by the JDC, six by the Jewish Colonization Association, and the remaining eight by other groups in the U.S. and Europe.

But it was at just this juncture that the JDC's negotiations with the Soviet Union over the resettlement of Russian Jews on agricultural land gained momentum. In the light of that new development, the JDC leadership abandoned its plans to close up shop and resolved to stay in business. They became convinced that an American overseas relief agency would still be needed for years to come—both in the Soviet Union and in the rest of Eastern Europe. Moreover, the tasks at hand called for a major financial effort. At a conference called for the purpose of endorsing the new program, the JDC membership expressed the “conviction that it was faced with a unique opportunity in modern Jewish history for securing for many thousands of our brethren a settled and peaceful status as tillers of the soil of their native land.” The declaration went on: “The knowledge of the fact that in other European countries Jews still require the help of their American brethren induced the JDC to decide to resume its work and to ask the Jews of America to contribute to a fund of \$15,000,000 [over three years] for these purposes.”²⁹

The JDC leadership, anxious to avoid a conflict with the Zionist fundraising efforts, offered to include the Keren Hayesod in the planned campaign, in line with the pattern of joint fundraising which was just emerging. A resolution adopted at the conference therefore included the following paragraph: “This Conference regards it as self-evident that American Jewry, wherever called upon, is prepared generously to support the work of Jewish resettlement in Palestine.”³⁰ In practice, the intention was to include the Keren Hayesod for \$1,500,000 in the \$15,000,000 goal. The American Keren Hayesod at first went along with this arrangement. But then a circular letter which went out from JDC headquarters, while announcing the 1926 United Jewish Campaign and describing the project in the Crimea, made no mention of Palestine. Apparently the JDC official in charge of the campaign, David Brown, had thought it better tactics to exclude the Palestine partnership from the public announcement in order not to stir up controversy among anti-Zionist donors. This was deeply resented by the Zionists, and they pulled out of the united campaign effort before it was launched. Thus ended the earliest attempt to conduct a united campaign which included Palestine along with other overseas needs. Another attempt would be made five years later.

In the meantime, the breakup of the united campaign gave impetus to a new development in Zionist fundraising which, in the long run, was of no less importance than the constitution of a united campaign for overseas needs. It was the consolidation of a half dozen campaigns for Palestine causes under a single roof, to be known as the United Palestine Appeal. The proposal emanated from the Keren Hayesod's Executive Director, Dr. Emanuel Neumann, and it was adopted at the ZOA's annual conference in Baltimore in November 1925, designated as the National Palestine Conference. The colorful and eloquent Rabbi Stephen Wise was made chairman of the Conference—he had left the leadership ranks of the ZOA with Brandeis at Cleveland; now the plea for Zionist unity made in connection with the founding of the United Palestine Appeal offered him a graceful way back into the fold. Other Brandeisists also found in the Baltimore Conference, which is said to have electrified the community, an opportunity for renewing their active participation.³¹ The 1,500 delegates saw the announcement of the new structure as a fitting response to the plans of the JDC. The goal they adopted equalled that of the JDC, except that it was \$5,000,000 for one year instead of \$15,000,000 for three. The amount was to be allocated as follows:

Keren Hayesod	\$3,000,000
Jewish National Fund	1,000,000
Hadassah	500,000
Hebrew University	250,000
Mizrachi	90,000
Junior Hadassah	43,000
Contingency Fund	12,000

Louis Marshall, the perennial Chairman of the American Jewish Committee, attended the ZOA conference in his capacity as a leader of the JDC and made a conciliatory speech. But subsequent attacks by Zionist figures on the JDC's Russian resettlement program (known as Agro-Joint) provoked his ire. He cautioned Weizmann, with whom he had been carrying on negotiations for the enlarged Jewish Agency, that any interference with the plans for Russian relief would be seriously resented by American Jewry and would prove a source of injury to Keren Hayesod as well as to other Palestinian undertakings. "If the idea went forth that the Zionist Organization is indifferent to the fate of the Jews in other countries, the reaction would be deplorable," he warned.³² But the attacks continued, and resulted in the kind of recriminations that are made when the glue of common interest in the success of a united campaign comes unstuck. Marshall professed to be "outraged" by a speech delivered by Neumann (in Pittsburgh in December 1925, as

reported in the *Jewish Daily Bulletin*) and lost no time in letting the UPA Director know about it. Neumann, according to the press report, had inveighed against "our rich, our powerful, our capitalists, our captains of industry and leaders of finance" who were not helping but hindering, and accused them of "sabotage practiced against Palestine which constitutes a blot on the fair name of American Israel"

In an indignant letter, Marshall tells Neumann that he is referring to the very people who contribute to the JDC, out of whose funds "seven million dollars were appropriated for and used in Palestine prior to the creation of Keren Hayesod and at a time when help could not be looked for from any other direction." And then:

You have attacked the honor of a body of men who are incapable of being guilty of the practice which you glibly and without a sense of responsibility for your utterances are laying at their door. It is evident that you do not understand them . . . You are exhibiting a lamentable spirit of intolerance Such words as yours may tickle the ears of the gallery to which they are addressed, and evoke the laughter and applause of those who contribute nothing but cheers to any cause, but it will not secure the funds which are required for Palestine³³

Dr. Neumann's reply, if any, is not recorded. But Marshall, who was an inveterate letter writer, took pen in hand again on May 28, 1926, to unburden himself of a letter to Weizmann which takes up 11 pages in the volume of his Selected Papers and Addresses.³⁴ Marshall, who for many years had been the unchallenged leader of "American Israel" as well as the foremost spokesman and negotiator for the so-called non-Zionists, starts out by insisting, almost with pride, on his credentials as a non-Zionist.

The platform on which I have stood has been that of Judaism. Everything that concerns the Jews has had my sympathetic interest. That has included, of course, Palestine. From the beginning of the Zionist activities I have been opposed to its nationalistic phases, regarding them as injurious even to the cause that Zionism was intended to promote

Next comes the re-opening of an old wound:

In spite of the personal animosity of the Zionist Organization against me and my friends, it was found advisable to send me as a delegate of the American Jewish Congress to Paris at the time of the meeting of the Peace Conference Meetings were held in secret of the delegates who were members of the Zionist

Organization, to which I was never invited and the proceedings of which were scrupulously withheld from me . . . it being inconceivable that a non-Zionist could possibly be faithful to a trust.

Third, suspicion as to Zionist motives in negotiating for the Jewish Agency:

The prevalent idea seemed to be that we might be useful to pull Zionist chestnuts out of the fire by securing funds, and that when they were provided for we might be thrown aside like a squeezed lemon.

Fourth, the breaking of understandings arrived at:

When we met in Geneva you fully understood that the United Jewish Campaign had been planned for the purpose of raising \$15,000,000 to help the Jews of Eastern Europe in their misfortune . . . I thought I had successfully convinced you that our efforts to help the Russian Jews in this respect could not possibly interfere with Palestinian activities, that there was enough money among the Jews of the U.S. to take care of both problems . . . [But] the Zionist members throughout the world overflowed with attacks upon our impending campaign . . . Those of us who were in favor of the campaign were charged with Bolshevism, with being the potential murderers of the Jews who would go upon the Land and who would be doomed to become the victims of pogroms . . . Mr. David A. Brown, who had been appointed the General Director of the United Jewish Campaign . . . was literally deluged with the most blackguardly charges of treason, bad faith and dishonesty. Our campaign was placed under a ban. We were wilfully misrepresented in every Zionist stronghold and in the Zionist press . . . There was unceasing warfare against the United Jewish Campaign from one end of the country to the other . . . To a man from Mars it would have seemed as though those responsible for the United Jewish Campaign were malefactors of the deepest dye . . . Julius Rosenwald, who subscribed \$1,000,000 to our fund . . . was treated as though he were one of the enemies of mankind.

Fifth, further contributions to Keren Hayesod made conditional on mending of the ways.

Those of us who have heretofore contributed to Keren Hayesod have not as yet made our contributions for the present year . . . We felt that you would be able to come here to put an end to this

iniquitous procedure . . . and in that event that we would be justified, without losing our self-respect, to make such contributions as we felt warranted in making to Keren Hayesod.

Chaim Weizmann wrote a soothing, conciliatory reply³⁵ and Marshall's anger subsided. Negotiations for the enlarged Jewish Agency were resumed in a spirit of mutual goodwill and eventually led to an agreement.

9 The United Palestine Appeal in Action

TO THE two reasons discussed as background to the rise of the United Palestine Appeal—the rivalry with the JDC and the competition of the multiple campaigns—there must be added a third in which elements of the first two are combined. America's local Jewish communities were increasingly organizing themselves along the lines of federations (see ch. 12), and to these newly centralized allocating bodies the multiple appeals on behalf of Palestine were unwelcome. The federations pressed for amalgamation. In some cities, this actually resulted in joint appeals for funds on the local level, long before a unified structure was achieved nationally. On the local level particularly, the JDC was enjoying the advantage of appearing as a strong and monolithic agency, as against the fragmented nature of the Palestine petitioners. The JDC, moreover, was an American body; the appearance on the scene of the United Palestine Appeal in place of the foreign-sounding Keren Hayesod signified another big step in the Americanization of the Zionist cause. Emanuel Neumann, who became the UPA's first Executive Director, after having served the American Keren Hayesod in the same capacity since its founding, thus explained the rationale for the new Appeal:³⁶

Since the establishment of the Keren Hayesod in the United States more than five years ago, the United Palestine Appeal represents the most important departure in the work of raising funds among the Jews of America for Palestine The Appeal represents a stage in the natural evolution of our fundraising activities, a stage that received its final impulse from a number of external circumstances.

To begin with, the tendency towards combination in the work for different Palestinian funds was in evidence long before the headquarters of these funds determined upon a general combination under the United Palestine Appeal. The tendency was marked in local communities that effected the combination on their

own initiative in order to overcome the obstacles inherent in conducting separate campaigns for three or four different funds. In Baltimore, for example, where the National Palestine Conference of November last was held, and at the very time of its holding, a combined campaign was in progress for the Keren Hayesod, Jewish National Fund and Hadassah. Other communities had resorted to the same policy. The pressure for such combination became more and more unmistakable.

Neumann then goes on to discuss some of the arguments against "combining forces."

Against such a policy stood the concern for the distinctive individuality that these different funds had developed in the course of their existence and as a result of their particular tasks in Palestine. Everybody felt that this individuality is a valuable asset that should be preserved with the greatest jealousy. Combination tended to blur these individualities. But the advantages of amalgamation were too apparently greater than its disadvantages. In every fundraising effort, the two most important factors are the community and the workers, the 'givers' and the 'getters.' Both these groups began to chafe under the multiplicity of appeals. They demanded combination, they demanded that the appeal of Palestine be presented to their communities as a single and integrated thing and not broken into separate cries and slogans with their inevitable tendency towards competition and confusion. It became a question of economy, economy of expense and, even more important . . . economy of the strength of our workers and the patience and generosity of our subscribers.

Neumann's next point concerns the role of the JDC, whose new program for resettlement of Russian Jews in the Crimea is viewed as a threat to the cause of Palestine.

As giving the final impulse to this tendency came the announcement that American Jewry would this year be faced with another appeal and one of very great dimensions. The need for simplification became more imperative. It became imperative to present before American Jewry the sum total of all that Palestine stands for in the Jewish scheme of things. The new appeal that was about to be launched dealt, at that time, primarily with a vast colonization project. The Zionist cause which, in its outward aspects, is also primarily a colonization project, might, it was felt, be

affected. The only answer to such a situation appeared to be the unification of all Palestinian forces.

Neumann dwells on the continuing pressure on the part of the communities for the two overseas appeals to combine forces in a single campaign. To this the UPA leadership was opposed, especially after its recent experience with the Joint's publicity for the United Jewish Campaign. But Neumann stresses the ideological aspect:

Zionists have always been deeply interested in relief and in a considerable number of communities many of the leaders and workers for Palestine found themselves charged also with obligations for the relief (JDC) campaigns. There arose, therefore, a natural desire to amalgamate both in one appeal.

Such a policy, however, was found to be open to certain objections. In the first place, it compelled all Zionists to support certain features of the relief campaign to which many were, on principle, opposed, such as large scale colonization in the Crimea . . . But the most important objection was the danger that the unique and distinctive character of the Palestinian appeal would become either diluted in the general appeal or . . . entirely submerged.

In view of these considerations, the Executive Committee of the United Palestine Appeal let it be known that they greatly preferred independent campaigns and made an effort to encourage Jewish communities to conduct distinct campaigns for Palestine and relief. This policy, however, could not in every instance prevail. There were certain communities where the pressure for joint campaigns could not be overcome. Under such circumstances, the national administration stood on guard in order to secure, in every such combination, equitable terms for the UPA.

Neumann was able to report a substantial increase in results of the UPA's first campaign over the results achieved by the constituents separately:

The sum of \$5,000,000 set as the object of the Appeal was naturally regarded by nearly all as only a pious wish. That figure represented an increase of more than 100 per cent of the funds American Jewry had heretofore given for Palestine through the organizations that were now united.

Pledges for the first eight and a half months, over \$4,000,000, exceeded the combined proceeds of the partners in the previous twelve-month period, according to the report, which predicted a cash increase of at least \$1,000,000 over a year earlier.

Neumann singles out Greater New York (including Long Island and Westchester) for outstanding achievement. The \$1,410,000 pledged there by 76,000 contributors represented an increase of nearly 70 per cent over the amounts raised by all the associated funds in the previous year.

The largest gift was by the chairman of the campaign committee, who gave \$50,000, followed by a \$25,000 gift from the treasurer of the committee.

An even larger relative increase is indicated by Chicago, whose total of \$300,000 this year means an increase of 200 per cent . . . Florida, which last year contributed \$9,858, gave the Appeal this year \$96,000—an increase of 900 per cent.

The report also gives detailed results on various New York City neighborhoods which throw light on the distribution of the Jewish population at the time (number of contributors in brackets)

<u>Area</u>	<u>UPA Campaign 1925-26</u>	
The Bronx	\$101,000	(10,000)
Harlem-Yorkville	98,300	(1,600)
East Side	70,000	(1,500)
Washington Heights	87,517	(650)
East New York	103,000	(3,000)
Long Island:		
Queens, Nassau,		
Suffolk	107,787	(1,726)
Westchester	30,000	(138)

The New England Region, which included Massachusetts, Maine and Vermont, raised \$272,629 from 9,000 contributors; the share of Greater Boston came to \$160,000 (5,000) as against only \$59,000 (from 2,500) a year earlier. In California, \$162,000 was raised.

The decision to establish the UPA was made in America, apparently without prior consultation with the directorate of the Keren Hayesod. There was never much enthusiasm in London or Jerusalem for the principle of joint appeals, and a subsequent Zionist Congress resolved that no such agreements should be entered into without the express consent of the directorate. "Of course, there is not complete unanimity on this moot question of the comparative advantages of joint and separate drives," as the Keren Hayesod directorate presented it to the Congress in 1929, "but the fact that the United Palestine Appeal has been renewed from year to year for the last four years is at least an indication that the sentiment of joint drives prevails." The lack of

enthusiasm is also ascribable to the failure to do away with some of the most persistent rival appeals. "Despite its designation, the United Palestine Appeal does not represent a union of all agencies working in behalf of Palestine."

The Keren Hayesod report assures the Congress that the Keren Hayesod, while completely merged into the UPA, yet "remains a legal entity which might be revived to activity in case the UPA ceased to exist as a joint enterprise."³⁷

Indeed, the Keren Hayesod all along had remained much more than a legal entity: its infrastructure was taken over almost intact by the UPA. This had the dual advantage of preserving the framework of the older body and at the same time saving expense and running-in problems for the successor agency.

In spite of the optimistic report by the Executive Director on the first eight months of operation, the UPA of 1925-26 brought no lasting dramatic improvement in the Keren Hayesod's income in the U.S. After the initial successes described by Neumann in his report, the figures for the subsequent two years showed a decline, shaping up as follows:³⁸

	April 1, 1927 – March 31, 1929	April 1, 1925 – March 31, 1927
Gross Income of the UPA	\$4,492,035	\$5,200,161
Campaign Expenses of the UPA	1,088,987	1,267,617
Remittances to KH Head Office	1,817,231	2,889,708
Remittances to Constituent Funds	898,809	490,154
American Zion Commonwealth	506,640	–
Other special Appropriations	478,374	245,309

These figures readily explain the Keren Hayesod's lack of enthusiasm over the UPA formula for joint campaigns. After a promising beginning, UPA income dropped sharply over the next two-year period, both on a gross basis and even more so in terms of net remittances to the Head Office. These net remittances amounted to a mere 40 per cent of the UPA's gross income (a share of which went, of course, to the remaining partners).

Part of this rather glum picture was due to the necessity to come to the rescue of an earlier American Jewish venture in investment in Palestine real estate, the American Zion Commonwealth, or AMZIC, whose threatened default on its obligations would have had severe repercussions on the UPA.

The American Zion Commonwealth Inc. had got into financial difficulties and the success of the United Palestine Appeal was largely dependent on the speedy liquidation of the Company. That is why the Zionist Executive and the UPA decided to take the necessary measures for liquidating its affairs During the period under review the UPA has out of its receipts advanced \$506,640 direct to the American Zion Commonwealth and has authorized the Keren Hayesod to recover the amount from the Company.³⁹

The 1929 Keren Hayesod Report includes a consolidated table showing the expenditures of its funds by the Zionist Executive during the eight-year period April 1921—March 1929, which is reproduced at the end of this chapter. Total expenditures came to about \$15,460,000, or less than \$2,000,000 a year from worldwide income. Clearly, this was a disappointing record when measured against the five-year goal of \$110,000,000 originally set. The item "Investments" accounted for a mere half million dollars, or three per cent of the total; certainly not enough to have warranted such bitter controversy. By far the largest amount, nearly a third, went for agricultural settlement; the second largest item was education, including the institutions of higher learning. Immigration required less than 10 per cent of expenditures during the period, an indication of the relatively small number of newcomers who arrived in the Land, and also that the Zionist Executive did not ordinarily pay for the transport costs of the immigrants, as it was to do two decades later. Soon after the founding of the Jewish Agency in 1929, financing of the public health and education functions, previously the responsibility of the Zionist Executive, were transferred to the *Va'ad Leumi*, the elected self-governing body of the *Yishuv*. The institutions of higher learning continued to be part of the Jewish Agency's budgetary charge.

Whatever other explanations might be offered for the absence of a fundraising breakthrough by the Keren Hayesod-United Palestine Appeal constellation (the large communal building activity which preempted communal funds; the multiplicity of Palestine-oriented appeals), the basic reason remained the same throughout the period of relative prosperity which was the 1920s: the "big money" continued to go to the JDC. In spite of the fact that the UPA had begun to tap the new class of Jewish businessmen of Eastern European origin to whom the "jazz" of fundraising activity (as the Brandeis circle somewhat disdainfully called it) was not unwelcome, the aggregate results lagged far behind those achieved by the JDC. True, some of the American

Jewish Committee-JDC stalwarts were beginning to contribute to the UPA as well, and a new era of cooperation in an enlarged Jewish Agency appeared to be only a matter of time. But these contributions were symbolic rather than massive; they were not of a nature to overcome the downward slide in receipts after 1927. The wealthy Louis Marshall, for example, after lavishing praise on the UPA and its works, contributed all of \$1,000 to the campaign. (Exceptions were Felix Warburg, who gave \$50,000, and Nathan Straus, who had given generously to the Keren Hayesod since its inception. But throughout the U.S., there were only 60,000 contributors of \$25 and over.)

No wonder, then, that Chaim Weizmann, as Chairman of the Zionist Executive, and with him an ever growing portion of the Zionist leadership responsible for financing the work in Palestine, looked to the successful conclusion of the negotiations for the enlarged Jewish Agency with increasing anxiety as the only solution for the monetary problems.

Early in 1925, a "Non-Partisan Conference on Palestine" was convened in New York by Louis Marshall, its stated purpose an "interchange of ideas relative to participation of non-Zionists in the Jewish Agency." It met in two sessions, on January 17 and again on March 1. On the latter date, an organizing committee of 12 non-Zionists was appointed for the purpose of bringing about full participation of American Jews in the Jewish Agency. Moreover, the parity principle for Zionist and non-Zionist participation in the Agency was agreed upon already then, as well as "the desirability of making the Keren Hayesod an instrumentality of the Jewish Agency in respect to such financial matters as properly come within the jurisdiction of the Agency."⁴⁰

But there were still obstacles to overcome. The United Jewish Campaign planned by the JDC later that year with its goal of \$15,000,000, mostly for Russian resettlement, was one of them.

ALLOCATION OF KEREN HAYESOD FUNDS IN PALESTINE

1 April 1921—31 March 1929

(Compiled from Financial Reports of the Palestine Zionist Executive
and the Keren Hayesod)

	£	%
1. Agricultural Colonisation (incl. Experimental Station)	1,167,540.11.10	31.7
2. Education (incl. Hebrew University, National Library & Haifa Technicum)	669,864. 0. 4	18.2
3. Public Works (Labour)	512,333. 8. 8	13.9
4. Immigration	349,081.17. 4	9.5
5. Public Health and Sanitation	262,054.15. 5	7.1
6. Urban Colonisation	155,965. 8.10	4.2
7. National & Communal Institutions	130,366.10. 5	3.5
8. Investments:		
Palestine Electric Corporation... £42,000. 0. 0		
Land & Buildings	24,913.17. 6	
Pal. Land Development Co.	21,896.18. 0	
General Mortgage Bank	15,125.13. 1	
Palestine Mining Syndicate	5,600. 0. 0	
Artisans' Bank	2,066.11. 1	
Mizrachi Bank Ltd.	771. 4. 2	
	112,364. 3.10	3.1
9. Religious & Other "Mizrachi" Institutions	79,241.13. 2	2.2
10. Keren Kayemeth Leisrael (Land Purchases)	32,760.19. 1	0.9
11. Administration	174,728. 7. 8	4.8
12. Miscellaneous	33,263. 0. 6	0.9
	3,679,564.17. 1	100.0

NOTE: In order to arrive at the total amount expended by the Keren Hayesod on the Palestine and other Budgets up to end of March 1929, the following items should be taken into account:

Total as above	£3,679,564.17. 1
Add Various Budgets paid in London by Keren Hayesod including Old Debt of Restoration Fund	72,487. 2.11
	£3,752,052. 0. 0
Deduct: a) Repayments on loans granted by the P.Z.E. out of K.H. funds	£133,260.12. 4
b) Deficit—Excess of Expenditure over Income of the P.Z.E. per March 31, 1929	84,066.16. 0
Total amount expended by the K.H. to end of March 1929, as per Balance Sheet	£3,534,724.11. 8

Part III

The Jewish Agency
(for Palestine) and the
Federations (in America)

10

The Survey Commission

AFTER THE storms of 1925–26 had blown over, another Non-Partisan Conference was convened in 1927, and it brought the enlarged Jewish Agency another step closer. The Conference drafted the terms of reference for a Palestine Survey Commission which, after conducting a “scientific and thorough survey” of accomplishments so far and of future needs, was to bring in recommendations for the priority tasks to be undertaken by the new Jewish Agency.¹ The members of the Commission were Felix Warburg and Dr. Lee K. Frankel from the United States, Sir Alfred Mond (Lord Melchett) from Britain, and Dr. Oskar Wasserman, German Jewish banker and Zionist leader. Its mandate, which was signed jointly by Louis Marshall and Chaim Weizmann, called for reports to be submitted on the following subjects:

- economic resources;
- the present state and future prospects of agriculture and industry;
- the nature of Jewish activities in Palestine during the past ten years, including the activity of the Zionist Organization as well as sources of its receipts;
- immigration;
- Jewish agricultural colonization;
- labor;
- public health.

The Joint Survey Commission obtained the services of a team of eminent experts in the fields to be surveyed who, within the span of a few months, presented the Commission with a remarkably thorough series of reports on which to base its conclusions and recommendations. The unrealistically brief span of time allotted precluded covering all of the areas stipulated in the Commission’s charge. But these reports, in their aggregate, represent as ambitious an endeavor to chart the parameters of the Zionist enterprise as had ever been attempted. In a way, this professional and workmanlike approach to the concrete problems encountered in the field was typical of Brandeis’ way of

thinking; one of his supporters commented that the enlarged Jewish Agency was the realization of Brandeis' demand. In that sense, Brandeis' approach was characteristic of the non-Zionist approach in general, guided as it was by cool rationality and economic criteria rather than by emotion and instinct. Later, some Zionist observers were to speak in terms of the "era of the Agency" as contrasted with the old order under the WZO. (Of Brandeis himself a wag said that his was "logical Zionism" as against the "biological Zionism" of the East Europeans.)

While the 741-page report of the experts was received enthusiastically by the Joint Survey Commission, parts of it made the Zionists somewhat uncomfortable. The non-Jewish experts in particular (who were in the majority), unaffected as they mostly were by the ideological and sentimental aspects of the Zionist experiment, were coldly critical of excessive cost and/or enthusiasm. Typical are these comments on the collective settlement (kibbutz) of Kiryat Anavim, near Jerusalem.

Kiryat Anavim is another colony which is an economic mistake, and needs reorganization. It is located on a stony hillside, without adequate water for domestic purposes and none for irrigation. Terracing and clearing the stones from the land now in plantations has cost \$100 an acre. The area available for fodder crops is small. Some vegetables have been grown but they proved unprofitable The colony has a dairy herd of 40 cows. Very little of the feed for this herd can be grown on the land, but must be shipped to Jerusalem and then trucked to the farm, the milk produced being trucked back to Jerusalem. Four dollars out of every five from milk sold went to buy food for the cows. In 1926 the operating loss was \$6,600, and the accumulated deficit to the end of 1926 was \$27,000. Much of the money spent in this development has been lost. Unless reorganized this colony can never be made to pay operating expenses. The net loss can be lowered by moving the dairy herd to Jerusalem and the number of people in the colony reduced to what is required to cultivate the land.²

The report on the colonies is accompanied by a wealth of statistical material. One table, a Summary of Economic Data Relating to Zionist Agricultural Colonies in 1926, manages to compress into a single fold-out page the essential information on all 41 settlements founded until then by the Zionist Organization, including such categories as gross cultivable and irrigated area; population; investment by the ZO; budgetary income and expenditures, etc. Similar information is supplied for the settlements founded and supported by Baron Edmond de Rothschild's

Palestine Jewish Colonization Association (PICA) which were eventually integrated into the Jewish Agency framework.

The sub-commission on "Problems of Agricultural Colonization," headed by Dr. Elwood Mead, Commissioner of Reclamation in the Department of the Interior in Washington, had some cautionary comments about Jewish agriculture in general, quite apart from the particular criticisms of the kind already cited:

In other countries where families are helped to acquire farms of their own as part of a national purpose, the movement has the invaluable support of a united public opinion and the reserve of resources of the national treasury. In Palestine, the Zionist movement to create a National Home is weakened by a majority of the people being Arabs and either opposed or indifferent. The Mandate Government remains an outside if friendly and sympathetic observer. This has made the acquisition of land difficult and has compelled the payment of prices out of keeping with productive value.

Another intangible but serious difficulty in the creation of a solvent Jewish agriculture is the appeal this movement makes to emotional people—poets, reformers, labor and social leaders, men with keen minds and lively imaginations, but lacking the rural traditions, practical experience and balanced judgment so necessary to success in farming. The tendency of people so equipped is to try experiments. This tendency is increased in the Zionist colonies by the fact that the money comes from an outside and more or less distant source, with small likelihood that settlers will have to pay for mistakes

Wherever the Commission has felt constrained to comment unfavorably on either conditions or policies it has done so with regret. It recognizes the zeal and devotion to high ideals, or what they regard as such, of all officers. But the environment in which they live has, we believe, led them to accept certain social policies regarded by us as unworkable. The continuance of these policies will, it is believed, gravely menace both the solvency and the agricultural success of the Zionist movement. In any event we present the truth as we see it.³

Lest the impression be conveyed that these slightly jaundiced views are typical of the tenor of the Report as a whole, it is only fair to quote some passages that are fairly glowing with enthusiasm. Sir John Campbell, a top-level civil servant with long experience in Greece and in India, had this to say about the Administration of the Jewish Settlements:

I feel it necessary to volunteer the opinion that in many respects remarkable success has already been attained; and that, in my view, the future of the movement can be envisaged with confidence, provided that it continues to secure the support of the Jewish community throughout the world. The spirit of most of the settlers is excellent: they are actuated by the highest and the strongest motives; they are ready to sacrifice everything in order to attain their ideal; they have a passionate enthusiasm which can confidently be counted on to surmount all obstacles.⁴

Campbell saw as the "primary defect" in the system he evaluated a factor which has been subject to continuing criticism down to our own day.

The defect which has permeated the whole system . . . is that the machine, instead of being administrative and concerned only with the task of colonizing the best available material in the most efficient manner, has hitherto been mainly political. To my mind, there is little doubt that several of the leading officials have in the past been more concerned with putting into practice their social and political theories and ideas than with the humdrum business of settling Jewish colonists on the soil of Palestine Appointments to important posts have in some cases been made for political reasons, without reference to technical or administrative ability Further, effective practical control has in a large measure passed out of the hands of the Palestine Executive into the hands of a political organization. The Labor Federation has, in practice, controlled the situation

This major defect seems to me the real origin of practically all the mistakes which have occurred. It has led to the appointment of officials who were insufficiently familiar with their work, or unsuitable for various reasons to carry on that work in an efficient and satisfactory manner. The result has been loss, economic inefficiency, and unnecessary suffering and hardship.⁵

Another result is what Campbell calls the water-tight compartment system.

This tendency in turn appears to be due largely to the fact that politicians have hitherto dominated the situation. There has been no sufficiently free exchange of information, even on strictly technical points, within the office itself; on the contrary, departmental jealousies seem to impair the efficiency of the

administration. Decisions, vitally affecting certain departments, have been taken without these departments being consulted or even informed.⁶

Campbell recommends, accordingly, that the administrative work in Palestine should be divorced, as completely as possible, from all political influences.

The officials should be chosen for their administrative ability and technical competence; and those members of the staff who do not possess these qualifications to a sufficient degree should be weeded out.

Campbell came to some rather unpalatable conclusions concerning immigration policy which did not endear him—or that section of the report—to the Zionist leadership.⁷ He comments on the Executive's policy to increase the number of immigrants to the maximum extent possible:

The disastrous results of this policy are now obvious. In recent years, there have been two crises: both were undoubtedly due to excessive immigration. The present crisis is severe, and has already continued for nearly two years: further, the situation shows little or no improvement despite the fact that there has been a net emigration of roughly 2,000 persons during the first nine months of the current year. There can be no doubt that the crisis is due to the fact that immigrants have come into Palestine in excess of the economic absorbing power of the country.

There appears to be no reason to think that this excess can be taken up either by agriculture, or by industry, in any near future. Regrettably, one is forced to the conclusion that the only sound and radical method of dealing with the situation is to encourage . . . the already strong movement towards emigration.

But Campbell concludes by reiterating his positive overall evaluation:

I have been much impressed with the work already accomplished, with the fine character of many of the settlers, with the remarkable enthusiasm of all of them for the Zionist cause, with their cheerful acceptance of extreme hardships, with the simplicity of their lives, with the intensity of their desire to do everything that lies in their power, as individuals, to promote the success of the Zionist movement. For that, they live lives from which almost everything that men prize has been cut out. They are isolated; their homes have only the barest necessities; their life is one of constant

toil; they have sacrificed their intellectual tastes; many of them are insufficiently nourished The 'human material' of the movement is mainly of the finest type; and it is driven forward by the strongest and most idealistic of motives. Given adequate support on the financial and administrative side, success—within the limits which unalterable conditions impose—can in these circumstances be counted on with certainty.⁸

The Experts' Report, with its overall optimistic conclusions, was unanimously adopted by the members of the Survey Commission, who then (in June 1928) issued their own summary and recommendations.⁹ The Commission pointed out that the Palestine Zionist Executive was actually carrying out state functions, benefitting the entire country in such areas as public health, highway construction, swamp drainage and education; and it took the Mandatory to task for not implementing various articles of the Mandate. After recounting the modern history of Palestine, the Commissioners ventured the opinion that the Arabs had realized that Jewish immigration was to their advantage and had ceased the disturbances which marred the early years of the Mandate. Though mistakes had been committed on all sides, the overall prospect for the future was a hopeful one.

In their recommendations for the future program of the Jewish Agency, the Commission adopted some of the experts' conclusions while ignoring others. Concerning immigration, for example, they called for thorough selection of candidates (rather than stoppage) and the setting up of Information Bureaux for immigrants with means. In the controversial area of agricultural settlement, they went along with the recommendation that no new colonies be established until funds were secured to meet the obligations to existing colonies. The ban on outside labor in the settlements, enforced for ideological reasons, was seen as indefensible.

As to finances, every effort must be made to strengthen the position of the existing Zionist funds during the period of transition to the Jewish Agency, the Commission said. American Jewry should raise a minimum of \$3,000,000 annually for five years, and all other countries an equal amount. This would assure the Zionist Executive a minimum annual budget of \$5,000,000 for expenditures in Palestine. (Activities of a governmental character should be paid for by the Mandatory Government.) The Commission ended its report with a fervent appeal to the entire Jewish world for the necessary sacrifices.

11 The Jewish Agency at Last

WHEN THE non-Zionists meeting in New York on October 20-21, 1928 adopted the Joint Palestine Commission's Report and also appointed a committee to name the non-Zionist members of the future Jewish Agency Council, the way became clear at last for the consummation so devoutly wished for. True, the Zionist Actions Committee had some reservations about the report of the Survey Commission, and the Non-Partisan Conference appointed a committee to resolve the remaining differences with the Zionists. This was done at a conference held on November 3. One of the items agreed upon then concerned a procedure for dissolution of the Agency: if two-thirds of the members of the Council (which was to comprise fifty per cent Zionists and fifty per cent non-Zionists) would vote to dissolve the Agency, then the decision would be binding on all concerned, and the WZO would revert to its original status. This formula was accepted by the Actions Committee, which was empowered to prepare a draft constitution for the enlarged Agency to be presented to the non-Zionists.¹⁰ And so step by step to the signing, in Zurich on August 15, 1929, of the "Pact of Glory" which established the new Jewish Agency.

But despite the glamor and deeply felt satisfaction that marked that occasion, the Agency was not to be the Open Sesame that all the parties were looking to. More disappointment awaited those who had hoped that it would provide the key to prosperity for the National Home. The year 1929 marks a dark page on the calendar of world economic history, and the disasters that befell the economies of the West bode ill for the financial fortunes of the Jewish venture in Palestine.

The rivalry which had embittered relations between the JDC and the Keren Hayesod-UPA since the former embarked on its project in the Soviet Union had given way to an era of good feeling between these agencies and the men at their helm. The renewed cordial relations between the two leaders, Louis Marshall and Chaim Weizmann, had set the tone for a thaw in relations overall, as all sides anticipated the date when the Jewish Agency would come into being.

Louis Marshall even looked forward to the day when there would no longer be any non-Zionists, although one of his colleagues felt it was useful to retain the non-Zionist label: "Sometimes the best we can do is work with negatives."¹¹ As if to stress the blurring of the distinction, Marshall, ever the gentleman, took up the cudgels on behalf of a larger Zionist representation on the Agency Council. The non-Zionists in the U.S. had been assured 44 of the 110 non-Zionist members who made up 50 per cent of the total Council membership. But the American Zionists, according to the preliminary plan, were to be given only the same 10 seats in the Council which they held in the Actions Committee. While this accurately reflected the Americans' strength (or weakness) in the Zionist world, the smallness of the contingent was embarrassing to the American non-Zionists; they did not relish eclipsing their Zionist compatriots so thoroughly. Marshall wrote to Weizmann:

If the non-Zionists of the United States were to have 42 or 44 members of the Council and the Zionists only 10, it would inevitably give rise to irritation, friction and misunderstanding. The non-Zionists would interpret this as indicating that the burden of money raising and of planning would be imposed upon them to a disproportionate extent. Some would say that the responsibility would be passed from the Zionists to the non-Zionists. Others would believe that they have been placed in the ambiguous position of apparently depriving the Zionists of their right to participate in matters pertaining to the Agency.¹²

Little did Marshall realize the extent to which "the burden of money-raising" would, before long, be assumed by the non-Zionists in the United States; and the degree to which "the responsibility would be passed from the Zionists to the non-Zionists." But this process, which was barely discernible at the time Marshall wrote his letter, was almost entirely divorced from what was happening around the Jewish Agency, and no increase in American Zionist representation on the Agency's governing bodies could have reversed it. It was a process internal to the organization of American Jewry, which at first involved the fundraising responsibility for overseas causes only incidentally. It was the growth, and eventual preeminence, of the federation movement in the American Jewish community.¹³

12 The Rise of the Federations

A MAIN reason for the establishment of the first Jewish federations was the increase in the number of Jewish immigrants to the U.S. and the accompanying demands for charitable assistance. The situation was described at the first National Conference of Jewish Charities in 1900 by its President, Max Senior of Cincinnati:

During the last fifteen years, the demands for charitable purposes have grown to great proportions and call for the expenditure of sums which some years ago would have seemed fabulous . . . Every possible form of distress had to be provided for: poverty, sickness, incompetence; and an alien population had to be put into accord with American life and American ideals as quickly as possible. For these purposes the loose, benevolent but spasmodic organizations of the past were not equipped.¹⁴

But some of the more far-sighted leaders and contributors had already found an answer to these problems: to bring together the various agencies engaged in separate fundraising and to concentrate on a single, annual appeal in their behalf. This idea gave rise to the Federation. The first such group, the Federated Jewish Charities of Boston, was organized in April 1895. Its original affiliated agencies included a children's orphanage, a general relief agency, a free employment bureau, a women's sewing society and a burial society. The total outlay in the first year of operations came to \$27,629. Cincinnati followed suit in 1896; it became the first city to assume full financial responsibility for its affiliated agencies and thereby eliminate separate appeals by them.

The gnawing question whether a single campaign could yield as much as the sum of its affiliates was answered affirmatively in those first years, with much enthusiasm for the new method among the contributors. The optimism in the pioneer cities was reinforced by the experiences of additional communities which were beginning to adopt the federated method of charitable effort. In 1904, less than ten years

after the introduction of the first federation, Max Senior was able to report:

The movement for federation or consolidation of Jewish charities according to the needs of the individual city may be fairly said to be a success. There is no longer any reasonable doubt about it. Every claim of those who have advocated it has been established: every objection of the doubter has been met; every prediction of the pessimist has proven false. Originating in my own city of Cincinnati, it has spread to Chicago, Philadelphia, Cleveland, St. Louis, Kansas City, Milwaukee and Detroit.¹⁵

It was still a long way from those early beginnings to the time, some twenty years later, when overseas relief agencies—primarily the JDC—were first included in allocations. In the intervening years, a good many problems had yet to be solved:

- How and by whom were the funds to be distributed?
- Should the federation intervene in the policies of its beneficiary agencies?
- Should contributors be allowed to indicate their preferences for particular agencies (earmarking)?
- Should the beneficiary agencies be given a major share in the management of the federation or should the large contributors be given the major share?
- To what extent should the federation constitute a central address in the community—first for its common function, that of charitable aid, and later beyond the scope of its fundraising functions, as a central planning agency?

Some of these questions found their answers during that period; others remained unresolved and a subject of controversy.

The scope of the federations in that early period is reflected in two opinions, two decades apart. A federation president said of his agency in 1904:

Federation can exist only as long as it serves the purpose for which it is formed. It is intended to be a central body empowered to collect from the Jewish citizens of the community one common fund to be distributed amongst the institutions in proportion to their respective needs. It is not intended to interfere with the autonomy of existing societies nor to dictate their administrative policies. It is calculated to do away with the unhealthy spirit of business rivalry between societies, and to instill into the minds of the members of the community an interest in all of the

organizations that together constitute the general plan of charitable endeavor.¹⁶

A 1923 evaluation by the National Conference of Jewish Social Service had this to say about the successes and limitations of the movement up to that time:

It can fairly be claimed that the federations have been successful in improving the financial methods of our communal agencies in securing a larger measure of support and a more intelligent, just and efficient distribution of the funds thus realized. It may also be fairly claimed that as a direct result of the federation movement, there has come about improved standard of the work of the various constituent organizations . . . and an expansion of the fields of activity. It cannot be said so surely that the federations have shown themselves to be resourceful in meeting new needs, in initiative in the establishment of new organizations . . . in enlisting the efforts of existing agencies, nor providing reserve or capital funds . . . Nor have they been altogether happy in their efforts to secure the hearty cooperation and active participation of all the elements making up the Jewish body politic.¹⁷

This last reference might well have included the Zionists, who were reluctant to see the Keren Hayesod defined as a "charity" and the building of the homeland as a philanthropy. The word "philanthropic," which was applied routinely to federation activity, was anathema to Zionist circles; this accounted for some of the tension surrounding the inclusion of the UPA-Keren Hayesod campaigns in federated fundraising.

In the 1920s, however, allocations to overseas causes remained a very minor part of federation disbursement, and a dramatic change occurred only in the mid-thirties when the Nazi threat to European Jewry brought these causes to the fore of Jewish fundraising efforts. In a March 1931 publication, it was reported that during the preceding year federations and welfare funds had distributed their funds as follows: 96.1 per cent went for the support of local activities; 2.6 per cent was allocated to non-local and national agencies, and only 1.3 per cent for international causes.¹⁸

But the percentages were so small also because the federations in most cities were not the direct instruments for overseas fundraising at that time. Instead, it was often local federation leadership that took responsibility outside the federation framework for organizing the JDC and other campaigns for overseas causes.

To make provision for the inclusion of outside agencies within the system, the federations in the 1920s began to establish welfare funds, with finances kept separate from the federations'. This became necessary especially because many federations—and their affiliated agencies—became beneficiaries of Community Chests, the non-sectarian campaigns for charitable purposes which became widespread in that period. Harry Lurie describes this development:

After several years of experience with Community Chests, the Jewish federations learned that the Chests could not solve two basic problems facing the Jewish community: 1) they made no provision for raising capital funds for plant renewal and expansion; and 2) they did not undertake any financial obligation for national and overseas causes and for local services of a religious character The answer in a number of Community Chest cities was the establishment of a Jewish welfare fund, beginning simultaneously in 1926 in Columbus, Detroit, San Francisco, Indianapolis and Oakland The plans for the Jewish welfare fund followed in many respects the relationship established between the federation and its constituent beneficiary agencies.¹⁹

In 1941, about 63 per cent of the total funds raised was being expended for local costs and 37 per cent for overseas, national and regional services. By that year, there were Jewish federations or welfare funds in 260 cities—virtually every city with any substantial Jewish population as well as many smaller ones.²⁰

As long as the overseas agencies received only a small percentage of total collections, there was no question of accountability or involvement by the local federations and welfare funds in the nature of their operations. However, as early as 1924, Samuel Goldsmith, then Director of the Bureau of Jewish Social Research, proposed that an information service be established by the federations to supply objective data on the national and overseas organizations which applied to them for funding.

These proposals led to the establishment of the National Appeals Information Service in 1927. Sponsored by the federations, it undertook, in conjunction with the Bureau of Jewish Social Research, to commission studies and collect information on the federations' behalf. With the deepening effect of the depression on Jewish communal programs, the federations drew still closer together for exchange of information and experience. In 1931, a "Continuing Committee of Federation Executives" recommended the formation of a permanent national council, and in 1932 the National Council of Jewish Federations and Welfare Funds (today, CJF) was formally established. The National Appeals

Information Service was absorbed into the Council forthwith, and the Bureau of Jewish Social Research merged with it three years later.

The activities of the Council eventually went considerably beyond the gathering of information on behalf of its members. Philip Bernstein, who took over as Executive Director from Harry Lurie in 1954, states the broad purposes of the Council as follows:

The purpose was to help federations better carry out their responsibilities to build Jewish communal life, to raise funds and spend them productively, and to relate effectively to their local total communities and to national and overseas needs. The motivation likewise was to obtain the economies of central services . . . and to take collective action on joint needs and purposes

The federations obligated the CJF to help carry out the trusteeship of their funds sent to national and international organizaions outside of their communities—to ensure that they would be spent more effectively, just as each federation had that trusteeship for the funds spent locally.²¹

The implications of “trusteeship” are rather broad. Although it has not been explicitly recognized by the “beneficiary” bodies (that word in itself engenders controversy, for it appears to decide the question whether the agencies are partners or beneficiaries of the campaign), it reflects the potential for influence of the national association which is greater than the sum of its parts. In the Council’s initial years, that influence, inasfar as it extended to overseas fundraising, was exerted mainly in the direction of bringing about a nationwide united campaign. As Bernstein put it,

Each federation or welfare fund included the JDC and UPA in its combined campaign. But there was vigorous rivalry between the two for the largest allocations from the communities. Their competition was deemed highly unsatisfactory by the federations, which opposed the duplicated costs of the two campaign organizations and felt unable to judge the relative needs thousands of miles away. Through the CJF they pushed for cooperation. It was achieved first by a national agreement to guide the federations on their allocations to both. In 1939 the two organizations agreed to merge their campaigns by creating the United Jewish Appeal.²²

This discussion of the federation movement on the national level ignores the significant variations in individual communities, as well as the different time frames in which the development toward federated fundraising took place. The role of the Community Chests, too, had

disparate impact on Jewish developments in various cities. An example of the progress of a Jewish federation in a typical community is Kansas City.²³

The United Jewish Charities of Kansas City was established in 1900, and it initially comprised five separate charities. Its Board of Directors was at first opposed to aiding charities outside of Kansas City, but in 1909 an exception was made when HIAS received a \$100 contribution. The policy was changed formally in 1911 when six outside organizations were added to the list of beneficiaries.

During World War I, funds were solicited on a regular basis in Kansas City for the relief of Jews in war-torn Europe and for aid to and development of Palestine. The Palestine Restoration Fund, predecessor of the Keren Hayesod, raised money through the Zionist Districts. In Kansas City, the Fund attained its ambitious goal of \$75,000, even though the ZOA was rather weak in the town. The image of the Zionist movement, it appears, was not a favorable one until, through Justice Louis D. Brandeis, "Zionists finally found the way to clothe their cause with respectability, especially as it related to the charge of dual loyalty."²⁴ Brandeis' belief that Zionism and Americanism shared common values and principles rather than being mutually exclusive, and his ability to attract men of the standing of Judge Julian Mack, Nathan Straus and Felix Frankfurter to the cause, gave the movement stature and "made it American."

By the 1920s, Zionist fundraising had become a regular occurrence in the city; in addition to the Keren Hayesod, Hadassah and the Jewish National Fund also instituted continuous activity, through local groups. But local needs retained the highest priority: in 1927 a successful "Million Dollar Fund" was started for a Jewish hospital, a goal no overseas cause could then emulate. Nevertheless, the formation of the UPA in 1925, and the introduction of the United Jewish Campaign by the JDC the same year, enhanced the support of these causes in Kansas City.

In the 1920s, the United Jewish Charities began receiving an annual allocation from the Community Chest, the Allied Charities of Kansas City, and as such was not free to include these overseas agencies among its beneficiaries. Consequently the attorney who headed the UPA drive in Kansas City proposed forming a Jewish federation, such as already existed in 46 other communities at the time. This would be an umbrella for the professional social work and other voluntary agencies, for the local support groups of national and overseas organizations, and would also regulate the ad hoc appeals which frequently turned to the community.

By the time the federation was finally organized in 1933, growing demands for overseas causes prompted the simultaneous organization of a Jewish Welfare Fund which set as its first goal the sum of \$110,000 for these purposes. However, only \$75,000 was collected, and an "impartial budget committee" determined the allocations among the beneficiaries. In 1934, separate emergency cards helped raise an additional \$17,593 for overseas aid; the cards were used again in 1939, by which year the local allocations had dropped to below 50 per cent of the money raised by the federation and its welfare fund. "From an umbrella organization primarily devoted to raising funds for local needs, the Federation by 1940 had been transformed into a philanthropic agency devoted to supporting Jewish needs anywhere in the world."²⁵

The depression weakened the federations and the influence they were able to exert on other bodies. Ben M. Selekman, Executive Director of the Boston Federation, wrote in 1934:

Until 1931 they maintained their growing rate in the collection of funds. But since that year, they have suffered a decrease in income approximating roughly 30 per cent per annum The almost catastrophic influence of the past four years has so affected the whole federation position as to make imperative a reconsideration of scope, objective, function and structure.²⁶

And a few years later another observer summarized the weaknesses and limitations inherent in the federations in a time of economic contraction:

The federations are facing the greatest challenge and severest test. Many factors conspired to weaken them. Federations, as a rule, obtained their greatest power through the purse rather than from . . . constructive and representative leadership. With a more limited purse has come, therefore, a diminution of power and influence. Federations have been accused of being arbitrary, undemocratic, nearsighted, timid or cowardly, visionless, interested mainly in charity, leaderless, provincial, mechanical in their approach and method, dominated by an assimilationist point of view, being supported by and appealing to comparatively small numbers and having failed to develop the cohesiveness, organization, and other characteristics of an intelligent, wisely planned and representative Jewish community Nevertheless, when all is said and done, federation is the most important single organization in the Jewish community there lie [in it] possibilities heretofore unrealized and assuredly unequaled by any existing Jewish organization in the United States.²⁷

13 The Emergency Campaign of 1929

“THE ANSWER of the Arab leadership to the Agency meeting” is how Weizmann perceived the Arab rioting in Jerusalem, Hebron, Safad and elsewhere in August 1929, which resulted in the killing of 132 Jews and the wounding of 443 more. “They had realized that our fortunes had taken an upward turn, that the speed of development in Palestine would soon follow the same curve. The way to prevent that, they thought, was a blood bath.”²⁸

The reports of the horrors perpetrated on Jewish men, women and children led to immediate financial mobilization on behalf of the victims. It was the first test of the spirit of the new Jewish Agency in action, and it proved its effectiveness both in the raising of the funds, directed by the JDC’s energetic David Brown, and their disbursement in Palestine. The worldwide machinery of the Keren Hayesod was utilized for collecting the contributions, and the facilities of the Jewish Agency for their disbursement. But the administration of the proceeds was concentrated in a special Emergency Fund for Palestine and kept separate from the Agency’s regular budget and operations. The special Fund was wound up only at the end of 1934, when the last of its projects could be phased out.²⁹

As in 1914, the emergency campaign began with a \$50,000 contribution from the United States, this time in the form of a joint gift by Nathan Straus and Julius Rosenwald, which was rapidly followed by other large sums from various parts of the diaspora. Within weeks, over \$2,600,000 was raised. The UPA, meanwhile, postponed its campaign, which was languishing in any event due to internal politics and dissent among the constituents.³⁰

Again, as in 1914, local relief committees were formed in the towns and villages of the *Yishuv* for the immediate care of the refugees; these were later coordinated within a Central Relief Committee established in Jerusalem under the auspices of the newly-formed Jewish Agency. Rabbi Meyer Berlin, a member of the Executive, was put in charge. This committee was eventually superseded by the Emergency Fund for

Palestine, whose task it became to wind up the relief activities initiated by the relief committee and to administer the longer-term projects of rehabilitation and reconstruction. The trustees of the Fund were Bernard Flexner and Felix Warburg, leaders of the JDC in New York, and Sir Osmond d'Avigdor Goldsmid and Simon Marks in London, who also played prominent roles in the enlarged Jewish Agency. The trustees in turn appointed a small committee in Jerusalem to administer the Fund; it consisted of Col. F.H. Kisch and Pinhas Rutenberg, representing respectively the Jewish Agency and the *Yishuv's Va'ad Leumi* (National Council) and Maurice B. Hexter, a prominent American social work professional, who had been sent to Palestine to represent the non-Zionists on the Jewish Agency Executive. Hexter later became the sole administrator of the Fund in Jerusalem, and Charles Passman, who was to become director of JDC operations in Israel, became its manager.

While the technical facilities and personnel of the Jewish Agency were utilized to the maximum, the Fund preserved its autonomy throughout, even to the extent of reimbursing the Agency for use of its facilities. Although the device of an Emergency Fund to stimulate fundraising was used repeatedly in the future, this was probably the first and last time there was a rigidly separate administration of the proceeds.

In 1936, Hexter issued a final report on the operations of the Fund to its trustees. He sent it with a Letter of Transmissal to the Trustees which summarizes the Fund's activities. Since it was written a half dozen years after the event, its rather fulsome tone, especially with reference to world Jewry's generosity, may in part be due to nostalgia at a time of great penury.

. . . Though World Jewry had been powerless to stay the onrushing evil, it proved mighty and swift to help. This time, the ever-recurrent Jewish tragedy had repeated itself in the ancestral land just when it had become the focus of creative Jewish energies whose existence had been almost unsuspected. Because it was Palestine which was involved, something doubly precious was felt to have been assailed; and the response was commensurate with the hurt and the shock to Jewish feelings the world over. All that Palestine had meant to the Jewish people in the past, all that it had come to mean for the present generation of Jews, gave the impetus to a lavish outpouring of funds from even the remotest nooks of the Diaspora. Within three months, approximately \$3,000,000 had been heaped up in the hope of making good, where humanly possible, the harm and injury inflicted. This munificent sum, the largest ever

available in ready money at any one time for Palestine, sufficed not only for the emergency that called it into being, but—chiefly—for the essential works of restoration and consolidation so that, to a very appreciable degree, the Emergency Fund helped the *Yishuv* to progress after the disturbances beyond the point it had already reached in August 1929.³¹

In concluding his letter, Hexter reiterates the Fund's principle that, while generous amounts had to be budgeted for the relief of the victims, the bulk of the Fund was expended for rehabilitation of the thousands of families seeking their way back to self-support, and for consolidating the position of the *Yishuv* as a whole in the towns and on the land.

14 A Brief Interim Summation

AS THE 1920s drew to their close, the entire nexus of agencies involved with raising funds in America on behalf of Palestine, which we are still familiar with today, was already in place. But while their names and initials have remained fairly constant throughout the years, the interaction among them has not remained static. The changes reflect shifts in power relationships, in allegiances, in functions and in structure over the years.

Following the issuance of the Balfour Declaration and the victory of the Allies in World War I, the Zionist Organization decided to create a worldwide fundraising body, which it called the Keren Hayesod (Palestine Foundation Fund). After some delay due to differences of opinion with Justice Brandeis and his followers in the Zionist Organization of America, the first campaign was launched in the U.S. in 1921. The results were modest even considering the attrition in the value of the dollar since then: about \$2,000,000 a year for the next several years.

One of the reasons for the disappointing results was the persistence of competing campaigns on behalf of Palestine causes: the Jewish National Fund, Hadassah and the Hebrew University, to name a few. To alleviate this competition, the United Palestine Appeal was constituted in 1925, comprising five of the major campaigns, with the Keren Hayesod as the main beneficiary.

Another problem was the intense competition by the JDC, founded in 1914 as the disbursing agent for several war relief funds. By the mid-20s, it had become clear that the JDC would remain a permanent feature on the American Jewish scene as an operating agency with its own fundraising apparatus; and the need for a *modus vivendi* between it and the UPA became apparent.

Another obstacle in the way to better performance by the UPA-Keren Hayesod was that their main beneficiary was the Zionist Organization. This fact kept many potential "big givers" who were non-Zionists from contributing. Many of these people were identified with

the JDC. The latter had provided much-needed relief to the Palestinian *Yishuv* during the war and its aftermath; although committed to the welfare of the Jewish people in Palestine, it would not be a party to the political aspects of the Zionist enterprise.

Chaim Weizmann, as President of the World Zionist Organization, was determined to draw these prominent non-Zionists (and their money) into the building of the Jewish National Home, without its political aspects, by creating an enlarged Jewish Agency (enlarged from its purely Zionist composition). When this was accomplished in August 1929, it cleared the way for cooperation between fundraising for the Jewish National Home and the JDC. That spirit of cooperation was first expressed in an Emergency Campaign for the victims of the 1929 Arab rioting in Palestine, and then, in 1930, in an Allied Jewish Campaign for the needs of both agencies.

An internal development among America's Jewish communities which soon turned out to be of major relevance was the progress of the federation movement during the 1920s. After first encompassing only local agencies, the trend to united fundraising began to include overseas agencies as well. More and more communities were urging—sometimes pressuring—the overseas agencies (the UPA and the JDC foremost among them) to become part of their united campaign.

The federations set up their own national body to help them find their way among the welter of agencies applying for funds, and also perform other services for them in common. This body eventually became the Council of Jewish Federations (CJF).

Part IV

The 1930s—The Lean Decade

15 The Allied Jewish Campaign

THE ERA of the Jewish Agency, which began with the signing of the "Pact of Glory" in Zurich in August 1929, also signalled the end of the first phase in the history of the United Palestine Appeal. On the face of it, there was an inevitable logic in this development: the Jewish Agency, having established a new presence and a new legitimacy among the non-Zionist leadership in the U.S., decided to enter into a direct relationship with the Joint Distribution Committee to conduct an Allied Jewish Campaign, "An Alliance for All Israel," as the campaign literature described it. But there were also other, more complex reasons why the UPA, founded with so much optimism less than half a decade earlier, had by 1930 become a "wraith"¹ and no longer a fitting partner for the Joint.

Already in the Palestine Emergency Fund the UPA had played a rather subordinate role; although the initiative had come from the ZOA² the Fund was chaired by the JDC's David Brown, who had been responsible for omitting mention of the UPA in the announcement of the 1925 United Jewish Campaign. Brown managed to raise more than \$2,600,000 for the Emergency Fund within a few weeks; the UPA itself had been obliged to reduce the \$7,500,000 goal it had set for 1927-28 to \$3,000,000 and eventually reached a cash total of \$2,750,000 for that period, half a million less than in the previous year. This was well before economic disaster had struck in the United States. No wonder that the constituents of the UPA were becoming restive. The Mizrahi had pulled out of the UPA already in 1927, charging that its religious institutions in Palestine were not being adequately supported;³ now it was Hadassah's turn to be disaffected with the ZOA and the way its "paid bureaucrats" ran the campaign.⁴

The UPA, although it appealed to non-Zionists as well as to Zionists for funds, was still firmly under the control of the Zionist organizations at the time and these, in a "repetition of the tragic spectacle of 1921," were now engaged in a power struggle with one another.⁵ The supporters of Justice Brandeis were again taking an active part in Zionist politics,

allying themselves with Hadassah to oppose the administration of the ZOA under Louis Lipsky. Thus weakened by internal dissent, the UPA suspended its own 1929–30 campaign to leave the field free for the Emergency Fund. (Such self-effacement would no doubt have evoked a smile among a later generation of fundraising professionals, among whom it is axiomatic that an emergency drive must come “on top” of the regular campaign but never displace it.)

With his wide-ranging connections, Brown obtained contributions to the Fund from such prominent non-Zionists as Herbert Lehman, Adolph Ochs and Julius Rosenwald—no small feat considering that Rosenwald had previously refused to donate to the *Yishuv* in Palestine. His reasoning: “I shall not lift a finger to advance the immigration of Jews to Palestine, for it has nothing to offer them. The soil is too poor to support them. Nor is Palestine a field for either manufacture or industry.”⁶

The emergency of 1929 had presented an opportunity for Brandeis himself to re-enter the arena; he did so at first not by re-joining the ZOA but by speaking at a conference on Palestine’s economy sponsored by the non-Zionists connected with the Jewish Agency. The man who had so strenuously opposed the idea of the Jewish Agency now found a congenial milieu for resuming Zionist activity among the very group representing the enlarged Jewish Agency in the U.S. Nothing could better express this congeniality than the suggestion made by Felix Warburg late in 1929 that Brandeis leave the Supreme Court and take over the leadership of both the American Jewish Committee and the Zionist Organization of America!⁷

In 1930, in view of the successful experience with the Emergency Fund, and the new spirit of cooperation between Zionists and non-Zionists brought about by the signing of the Jewish Agency compact, there appeared to be no reason why the Jewish Agency itself—without intermediaries—should not enter into an agreement with the JDC for a common fund raising effort.

This made even more sense considering the decline in the fortunes of the UPA. As for the Jewish National Fund, the second major partner in the now suspended UPA, it was authorized by the Allied Jewish Campaign to raise up to \$500,000 on its own; it managed to collect \$400,000 in the first year. Of the remaining constituents in the UPA, the Hebrew University decided to go it alone, while the Mizrachi and Hadassah stayed together with the Keren Hayesod, under the umbrella of the Jewish Agency. (With regard to the latter, a curious reversal of roles took place as part of the campaign, on paper at least: the Jewish

Agency became the financial instrument of the Keren Hayesod instead of the other way round.)

There were two additional reasons for the Jewish Agency to wish to join hands with the JDC at this time in an Allied Jewish Campaign. One was the persistent pressure of the local federations to consolidate the separate overseas campaigns. By 1928, the UPA and JDC had already joined together in 72 out of 315 local drives, often against the advice of their national offices.⁸ The second factor was the blow suffered by the non-Zionists in the Jewish Agency through the death of Louis Marshall, the man who had labored so arduously for so many years to bring about the new structure. Evyatar Friesel, the historian of American Zionism has written: "What remained of the non-Zionists after Marshall's death? The internal strength of the Zionist Organization was quite a problem; the internal strength of the non-Zionist partners was not even a problem, it didn't exist. . . . After Marshall's death all that remained of the 50 per cent non-Zionists were a few notables with very little influence."⁹

As in the case of the Emergency Fund, the Campaign seems to have been more a project of the JDC than of the Jewish Agency, both as far as professional direction and lay leadership were concerned. The formula for distributing the proceeds, as agreed upon at the inaugural meeting in Washington on March 8 and 9, 1930, reflects the JDC's status as the senior partner in the enterprise. A goal of \$6,000,000 was adopted, of which \$3,500,000 was to go to the JDC and \$2,500,000 to the Jewish Agency, "as the American quota of the budget of \$3,750,000 adopted at the historic conference in Zurich last August, presided over by the never-to-be-forgotten Louis Marshall, at which the Agency was consummated."¹⁰

Although the Washington conference was publicized as "the first national assembly of American Jewry united by the Jewish Agency,"¹¹ the text of the campaign brochure leaves no doubt as to its JDC authorship. After detailing the JDC's activities in Eastern Europe, the brochure describes the Agency's work in Palestine and its role from a non-Zionist (i.e. JDC) perspective, carefully omitting any reference to Jewish national aspirations. The ZOA's weekly, *The New Palestine*, professed to be puzzled by the "circumlocution" in the publicity material sent out by the Allied Jewish Campaign. "Its purposes are listed as agricultural colonies, Jewish immigration, Hebrew language . . . etc. Might not . . . all this complexity easily be avoided merely by stating that the purpose of the Jewish Agency is to establish the Jewish National Home? After all, the constitution of the Jewish Agency . . . rests on this principle."¹²

A sample paragraph from the document, quoting Mr. Marshall, conveys the apologetic tone with regard to the National Home which unsettled the Zionist editorialist:

We have no right to be indifferent, and there are various reasons why we have no such right. In the first place, we here who are happy, who have been the recipients of all of the bounties and the blessings which God has given to us as citizens of this free land, must remember that there are millions of Jews in other parts of the world who are not so happy as we are, who are still under the harrow, who are still feeling the urge of a homeland and who desire in their very souls the opportunity to plant their homes upon the soil which they and their ancestors have always regarded as holy ground¹³

Then another eminent authority is called upon to give the Agency the stamp of approval. Mr. Felix M. Warburg, the chairman of the Administrative Committee of the Jewish Agency, wrote:

Something beautiful will come out of Palestine What form it will take no one can foretell, but it will be something beautiful for the whole world as well as for the Jews themselves—the Jews of Palestine, and the Jews who will remain outside Palestine, but who are nevertheless tied to the land by the ties of history and tradition, by their love for their fellow-Jews. Perhaps that is the real future of Palestine—to give something of supreme value to the world.¹⁴

But even while criticizing the tendency to underplay the National Home aspect of the Palestinian cause in the campaign material, the ZOA's official organ hailed the Allied Campaign for the newly-found unity which it represented: "For five years, during all the time that the prospects for the establishment of the Jewish Agency were discussed, there were forecasts of what unity in American Israel might be able to achieve," the paper wrote before the Conference.¹⁵ And after it had taken place, *The New Palestine* reported that "in the presence of more than 400 delegates the unification of American Jewry through the Allied Jewish Campaign was being celebrated at a national conference held in Washington" Editorially, the paper praised the Campaign for being "organized upon a platform of reconciliation and mutual understanding" (between Diaspora and Jewish National Home), adding that "the rebuilding of Zion cannot be achieved on the ruins of Jewish life in the Diaspora."

In the same article, hope was expressed that the "Jewish Agency unity may be taken as the precursor of cooperative action in all fields of Jewish activity that are related to the larger interests of our people."¹⁶

The paper merely reflected the mood of euphoria which had prevailed at the Conference. Judge William M. Lewis, a co-chairman on behalf of the Jewish Agency, had characterized it as the "embodiment of a hope, a vision, a dream . . . that the day will come when Israel shall stand united to do the great work before it," and David Bressler, another co-chairman, proclaimed that "a new page in American Jewish history" had begun. Indeed, there appeared to be ample justification for this assessment. A general "crossing of lines" took place as Rabbi Abba Hillel Silver, no doubt sensitive to accusations that Zionists had been indifferent to the fate of their brethren in Eastern Europe, spoke about the sad plight of the Jews of Russia. Many in the audience wept, *The New Palestine* reported. And Chaim Weizmann, in a cabled message, called on the Jews of America to support the work of the JDC.¹⁷

The euphoria carried over into the meeting of the Jewish Agency's Administrative Committee which took place in London two weeks later, following the session of the Actions Committee, the WZO's decision-making forum between Congresses. Warburg came to London with an ambitious program for the Jewish Agency, which placed much greater emphasis than heretofore on economic aspects.

In outlining his program to the Committee, Warburg showed that he had done his homework on Zionist history. He recalled that Herzl had made a distinction "between the Society of Jews representing the moral or idealistic forces of the movement, and a Jewish company representing its financial and economic forces," and that he endeavored to create a separate body to carry forward the economic work. Warburg said that political work should be centered in London and Geneva, while the Executive in Jerusalem, free from political pressures, should deal solely with economic matters. Eventually, the Jews of Palestine should themselves handle the political aspects of the work, through their National Council (*Va'ad Leumi*). Agricultural settlements should be managed by a separate corporation, not by the Executive. And the educational and social welfare activities now being financed by the Agency should become the charge of the Government.¹⁸

If some of this sounds familiar, it is because Warburg's program was quite similar to that proposed by Brandeis ten years earlier. It was perhaps symbolic that Brandeis and his followers—the so-called Brandeis-Mack group—were welcomed back into the ZOA fold at another convention of the organization in Cleveland in July of 1930 with

even greater jubilation over the new-found unity than had accompanied the launching of the Allied Jewish Campaign.¹⁹

There was no thorough discussion of Warburg's proposals at the London meeting, but two adverse reactions are recorded. Cyrus Adler, Warburg's American colleague, said the distinction between political and economic work in Palestine was an artificial one. And Leonard Stein, long-term political secretary to the Zionist Executive, said the proposals would violate the Jewish Agency's constitution.

Warburg himself did not press his plan. His attention was soon to be diverted from economic matters and taken up with crucial political tasks involving high-level contacts with the British Government over the Passfield White Paper which was released just a few days after the London meetings. From then on he was in the thick of the political struggle, taking the entire Jewish Agency with him. Rabbi Stephen Wise, who had long been an obstinate opponent of the Jewish Agency, found himself compelled to admit that Warburg and the Agency passed this test "magnificently."²⁰

Describing himself as "startled and shocked" by Britain's suspension of immigration into Palestine, Warburg went so far as to resign as Chairman of the Administrative Committee in protest against what he called the British Government's "cruel and unfair betrayal of its trusteeship." Weizmann resigned as President of the Jewish Agency at the same time, "broken in health and courage."²¹

Amidst all this turmoil, fundraising efforts for the Allied Campaign were bound to suffer. The financial results proved disappointing in the extreme. In place of the \$6,000,000 goal, pledges to the drives conducted in more than 230 communities amounted to \$2,500,000, of which a mere \$1,500,000 had been collected in cash by the end of the year.²² This even though the main conditions for success which had been so earnestly striven for were now at hand: cooperation with the JDC rather than rivalry; and access, through the Allied Campaign, to the wealthy class of non-Zionists identified with the American Jewish Committee and the JDC. Still, much of the responsibility for the failure of the campaign was attributable to the ever worsening economic conditions.

In any event, the united fund drive was abandoned as of December 31, 1930. Each side concluded that it could do better on its own. Thus ended the first attempt at a nationwide joint campaign for overseas needs in America. The parting was amicable, and the two sides decided to maintain a permanent campaign coordinating committee, to be headed by Felix Warburg.

But as the depression deepened, it became clear that the erstwhile (and future) partners were doing scarcely better on their own. At a time when the \$6 annual membership fee could buy food for a family for a week, even ZOA membership dropped precipitously, not to speak of contributions to charitable causes. In November 1931, the ZOA was down to 13,000 paid-up members; Hadassah had 31,675.²⁴ The JDC's income declined from \$3,500,000 in 1928 to \$380,000 in 1932, when the Joint refrained altogether from conducting a full-fledged campaign.²⁵

The Jewish Agency could not afford the luxury of sitting out a year. The calls for cash reaching New York from Palestine were becoming increasingly desperate. Already at the August 1930 Actions Committee meeting, Dr. David Werner Senator, the Treasurer of the Jewish Agency, reported a drastic shortfall in the budget for the year just ending, with the U.S. contributing less than half of its \$2,000,000 quota. The new budget, far from reflecting the ambitious economic projects of Felix Warburg, had been cut to an irreducible minimum without any provision whatever for new colonies and other economic enterprises. In the following year, the cabled distress calls told of schools being unable to open and of hospitals facing closure.²⁶

16 The American Palestine Campaign

FOR THE Jewish Agency and the Keren Hayesod, this was not the opportune time to revive the UPA. Instead, a new label was chosen: the American Palestine Campaign. A goal of \$2,500,000 was announced, with the Keren Hayesod, Hadassah, and Mizrachi as beneficiaries. But when the Keren Hayesod reported on the results of the campaign to the second meeting of the Jewish Agency Council in 1931, the gloom which had held sway since the failure of the Allied Campaign was not dispelled.

The report cited paragraph 9 of the constitution of the Jewish Agency, which stipulated that “unless and until otherwise determined by the Council, the Palestine Foundation Fund shall be the main financial instrument of the Agency for the purpose of covering its budget,” with the net proceeds of the Fund to be at the disposal of the Agency. But now the proceeds of the American campaign could cover only a starvation budget for the Agency: receipts from the U.S. for the period April 1, 1929 to March 31, 1930 had amounted to \$586,000; in the following year they dropped to a mere \$103,000. Luckily for the Agency, income from other countries had not fallen quite so disastrously. Worldwide receipts were £389,148 (\$1,634,421) in 1929–30 and £258,028 (\$1,083,717) in 1930–31, of which the American share was respectively 35.4 per cent and 9.4 per cent. (The Emergency Fund was not available to the Jewish Agency since it was earmarked for the 1929 victims.) Morris Rothenberg, who headed the American Palestine Campaign, said financial and economic breakdown was threatening; since there was an absolute lack of funds for colonization, the disintegration of the colonies had become a real possibility.²⁷

There were, of course, explanations why the American Palestine Campaign had not brought relief from the financial drought. In its first year it had had to contend with unusual difficulties. The economic depression struck with particular force at the Jewish middle class which had always constituted the backbone of giving for Palestine. There had

been a collapse of real estate values, and innumerable businesses had failed in the metropolitan centers where the Jewish population was largest. Domestic Jewish institutions were in serious financial straits, creating obstacles to fundraising for overseas. Although Hadassah was included in the campaign, efforts to induce the JNF and Mizrahi to join had been unsuccessful; their separate appeals posed additional difficulties.²⁸

The Keren Hayesod income reached its nadir in the two-year period 1933–35 when it amounted to a mere £116,958 (just under \$500,000) worldwide.²⁹ The Report to the 19th Zionist Congress and the fourth meeting of the Council of the Jewish Agency in 1935 was a sparse document, redolent of doubt and disillusionment. Its conclusion that “the hopes regarding the Jewish Agency have been fulfilled only in a small measure,” was an understatement, not only as concerned financial matters.

THE DECLINE OF THE NON-ZIONISTS

Already at the third meeting of the Council in Prague in 1933, no more than 25 of the 85 delegates who attended were non-Zionists, and only one, Maurice Karpf, came from the U.S. (He was joined by another American, Maurice Hexter, who was a member of the Executive in Jerusalem.)³⁰ The non-Zionist representation was thus left almost entirely to the Europeans. While the parity rule, which lay at the basis of the Jewish Agency agreement, was not formally altered, the Agency Executive had only three non-Zionists among its members, of whom one, David Werner Senator, was a Palestinian.

There is no question that the failure of the American non-Zionists to substantially improve the Agency's financial position played a part in the rapid decline of non-Zionist influence, or perhaps more accurately, in their inability to make their influence felt on the operating level in Palestine. Paradoxically, their real contribution came in the political realm. Already in the fall of 1929, when the British Prime Minister, Ramsay MacDonald, was on a visit to Washington, he received a Jewish Agency delegation led by Felix Warburg for a discussion of the situation in Palestine. At the subsequent meetings in London as well, the fact that the Agency was represented by prominent non-Zionists undoubtedly resulted in a far greater impact than if the Zionists had been on their own in protesting government policy. The letter addressed by MacDonald to Dr. Weizmann in February of 1931 did much to undo the damage done by the Shaw Commission Report and the Passfield White Paper.³¹

Although there were attempts in the 30s to provide a structural underpinning for the American non-Zionist representation in the Jewish Agency, these proved unsuccessful. It was only forty years later that a stronger UPA (UIA) backed up by the network of federations furnished the constituency for a new partnership under the "reconstituted" Jewish Agency.³²

The initiative in the 30s came mainly from the Zionist side. Two of the WZO leaders, Nahum Sokolow and Joseph Sprinzak, were astute enough to realize that parity on paper was not sufficient, and that the non-Zionists needed a public base if the partnership was to endure. They proposed setting up an organization of American Jewish Agency members, drawn from the Jewish labor movement, the Reform and Conservative rabbis, the federation leadership, and Jewish educators. Robert Szold of the ZOA and Cyrus Adler jointly convened a meeting for the purpose, and a preparatory committee was appointed. But the American Zionist establishment, as might be expected, showed little enthusiasm for the idea, and nothing came of it. Several years later, it was an American Zionist leader who suggested that another attempt be made to create a non-Zionist corporate entity: Rabbi Israel Goldstein proposed that organizations such as B'nai B'rith and the Union of American Hebrew Congregations should form such a body. His main purpose in suggesting this was to break the exclusive claim of American Jewish Committee leaders to the non-Zionist title which asserted itself after Warburg's death in 1937. But nothing came of this project either, as the impact of the Peel Commission Report which recommended Jewish sovereignty in a partitioned Palestine raised doubts about continued non-Zionist interest in the Jewish Agency.

In 1935, a Jewish Agency office was set up in New York, under the joint supervision of Louis Lipsky, representing the ZOA, and Maurice Karpf, Director of the Graduate School of Jewish Social Service in New York, as the non-Zionist representative. Karpf very much wished to establish a non-Zionist public body but did not succeed in creating one. He also put up a rather forlorn rearguard action for enforcement of the parity agreement; at one point even threatening that, if parity were abolished by the Zionists unilaterally, the non-Zionists would operate independently in Palestine, and the JDC would initiate programs of its own in immigrant reception and in education.³³ But there was no backing for such threats. Quite the contrary; by the late 30s, with the cessation of non-Zionist participation, the American Section of the Jewish Agency became an appendage of the WZO in the U.S. and continued in that capacity until the reorganization in 1960. In the course of time, the American Section became the primary Zionist umbrella group in the country, eventually eclipsing the ZOA.³⁴

17 The United Jewish Appeal of 1934

BUT IT was not the status of the Jewish Agency in the U.S. which determined the course of fundraising for Palestine in the 1930s; rather, it took the momentous events in Europe to spark a new impetus to unified campaigning. It was as though there were both centripetal and centrifugal forces at work in this sphere, with one or the other proving the stronger at certain times. Now the threat posed by Hitler to Germany's Jews—and, for those far-sighted enough to realize it at the time, to Jews everywhere—supplied the propellant in the direction of a unified effort. But it was not powerful enough—not yet, in any event—to overcome the centrifugal forces permanently. Once again, an agreement was reached between the JDC and the Jewish Agency (through its American Palestine Campaign) to conduct a common fundraising drive in 1934, and once again the joint effort was of but limited duration.³⁵ This time the name chosen for the united campaign was the United Jewish Appeal, and this denoted a step further (at least semantically) in the direction of unity than the "Allied" campaign of 1930. It was the name which would eventually become a household world in American Jewry.

The fact that both the JDC and the Jewish Agency were deeply concerned with the fate of Germany's Jews was part of the centripetal force which brought the two sides together in the UJA of 1934. The Jewish Agency had created a new department for the settlement of German Jewish refugees in Palestine called the "Central Bureau for the Settlement of German Jews," and in November 1933 the American Palestine Campaign launched an emergency drive to finance the work of that new body. At the meeting inaugurating the campaign, Dr. Cyrus Adler announced that the JDC, too, was allocating funds for sending German Jews to Palestine. It was clear that, with both organizations working for virtually the same objective, there could be no valid argument against another joint fundraising effort.

Nevertheless, it took many weeks of negotiations until a United Jewish Appeal was launched on March 22, 1934. Felix Warburg, who held leadership posts in both the Agency and the JDC, became the chairman, and a goal of \$3,000,000 was announced for the first year's campaign. A division of labor was agreed upon: the JDC was to attend to Jewish needs in Germany and elsewhere in Europe, while the Jewish Agency would care for the German Jews arriving in Palestine, in addition to carrying out its regular programs. In the words of Joseph Hyman, the JDC's Executive Director at the time:

In March 1934 it became apparent that the Jewish emergency in Germany would be of long duration and would require intensive aid on the part of American Jewry. At the same time, there were recognized the advantages of eliminating competitive and duplicating efforts. Under date of March 11, 1934 there was launched the \$3,000,000 UJA for 1934, combining the campaigns of the JDC and the American Palestine Campaign, the latter organization being the American representative of the Jewish Agency for Palestine.³⁶

Without a doubt, Hitler's anti-Jewish measures created a far greater appreciation among American Jews of the need for Palestine as the Jewish National Home than had previously been the case. These sentiments, however, were not translated into increased giving. A National Conference for Palestine which took place in Washington on January 20, 1935, and attracted 1,500 delegates from 52 organizations, was apparently so impressive that *The New Palestine* referred to it as a turning point in American Jewish history. But by June of the same year the UJA had raised only \$1,000,000 toward its goal.

Renewed in 1935 with a goal of \$3,250,000, the Appeal managed to obtain no more than \$1,500,000 that year, and on October 28 its Executive Committee voted to dissolve the joint drive.

What militated against continued unity at a time of such crisis?

First and foremost, as had been the case in 1930, the results of the combined effort did not meet the expectations of the partners. In the JDC (which initiated the breakup of the arrangement), it had become apparent that by identifying their organization, through the UJA, with the Palestine cause, some of the diehard anti-Zionists among the large givers were being disaffected. The announcement terminating the UJA explained that in separate campaigns each group could enlist the support of sponsors who were opposed, or indifferent, to the program of the other organization.³⁷ On the Zionist side, where the UJA had at first been welcomed as a means of bringing greater awareness of the Palestine

cause to wider circles, it was soon felt that to fit the Jewish National Home into the philanthropic framework meant softpedalling the Zionist ideological viewpoint. It was at this time that the now familiar criticism of the welfare funds began to be heard: that it was the drama of Palestine which helped the communities raise large sums of money, of which an inordinate share was then retained for local needs.

The 19th Zionist Congress, which had met in Lucerne in September of 1935, added fuel to the controversy by adopting a resolution forbidding joint campaigns without the prior authorization of the Keren Hayesod.³⁸

The division of the proceeds also created stress between the partners. A formula of 60 (JDC)—40 (Jewish Agency) had been agreed upon in the negotiations, but in view of the poor showing, and the fact that the Palestinian share included the needs of the German program, the Zionists soon had second thoughts about the fairness of this ratio.

Another divisive factor was that the JNF continued to raise money for land purchases in its own way and remained outside the united campaign, as did other former constituents of the UPA. The aggregate "take" of these separate campaigns was substantial. In the Jewish Agency and the WZO there was unhappiness about this competition, but little power to influence matters. Already at the 18th Congress in 1933 the Keren Hayesod had complained that the Keren Kayemet was violating agreements meant to keep it from competing with the Keren Hayesod and adopting the latter's methods.³⁹ As for the JDC, its directors noted with astonishment that the separate Zionist fundraising by the JNF, Hadassah, the Labor Zionist (Histadrut) campaign, and others equalled or exceeded in the aggregate the proceeds of the UJA.⁴⁰

18 Revival of the United Palestine Appeal

AS IN the case of the first UPA, the pressure of competing campaigns provided motivation for assembling some of this fund-raising energy under one roof. Almost immediately after the demise of this first United Jewish Appeal, the ZOA took steps to revive the UPA, and at a conference on December 1, 1935, delegates of the several Zionist organizations approved the unification of the Keren Hayesod and the Keren Kayemet into a new United Palestine Appeal. A goal of \$2,500,000 was set for 1936, the proceeds to be divided equally between the two constituents.⁴¹ The Mizrahi Fund later became a party to the arrangement, receiving an annual allocation "off the top" in return for refraining from campaigning separately for its religious institutions. The Constructive Enterprise Fund of the General Zionists (closely related to the ZOA) also became eligible for an annual allocation on the same basis. Hadassah and the Labor Zionists preferred to stay out and conduct their own campaigns. The ZOA itself hoped to recoup some of its lost pre-eminence as a result of being the controlling factor in the UPA, a position which it had to forego when fundraising was conducted directly by the Jewish Agency.

On February 1, 1936, the inaugural conference of the old-new UPA convened in Washington, with the Jewish Agency prominently represented by Cyrus Adler and Herbert H. Lehman. Dr. Weizmann urged the conference, in a cabled plea, to increase the UPA's goal by \$1,000,000 to \$3,500,000 in view of the pressing needs, but the Appeal raised only \$1,510,000 in its first year. Still, this was nearly as much as the United Jewish Appeal had raised in the previous year for both agencies, and it seemed to justify the claim that they were able to do better on their own. (The JDC raised \$2,607,000 in the same year, resulting in a combined total of \$4,117,000 for the two former partners.)⁴²

In spite of the relative improvement over the previous year, the results were far from adequate for the needs of the Jewish Agency. For 1937, the UPA letterhead bravely proclaimed a goal of \$4,500,000 which included provision for the Emergency Fund for the Settlement of Jews from Germany (*Mifal Bitzaron*); but Henry Montor, UPA's Executive Director, cabled Eliezer Kaplan a "conservative estimate" of \$1,400,000, of which \$300,000 would be deductible for expenses and allocations to the political parties. The balance would be divided among the Keren Hayesod, Keren Kayemet and the Emergency Fund.⁴³ Kaplan asked Montor in a fit of exasperation how it was possible that America put only \$1,200,000 at the disposal of the Agency annually.⁴⁴

Near the outset of an intensive correspondence extending well over a decade, Montor wrote to Kaplan that the 60-40 agreement which the UPA had concluded with the JDC for the now defunct UJA had "proved disastrous" as it was being used by the JDC all over the country to show that 60-40 was the appropriate ratio for allocations by the communities. Thus, Montor contended, the UJA agreement was haunting the UPA long after it had been dissolved.⁴⁵ The continuing rivalry with the JDC over the allocations by welfare funds led to considerable acrimony, notwithstanding the fact that now the top JDC leadership was also represented on the Jewish Agency. Montor writes to Kaplan about "deep-seated hostility," regretting that "in this country non-Zionism seems to be co-terminous with the JDC."⁴⁶ In his regular reports to Kaplan during this period, the JDC is consistently cast in the role of the villain. "No tactics are too sharp for the JDC to use in connection with the UPA," Montor complained. The situation would not be so deplorable, he added, if only there were a strong, united Zionist front. But there was not.⁴⁷

On the contrary; inside the UPA itself the clash of personalities continued unabated, with its inevitable effects upon the morale both of the officers and the workers. The union between the two Funds, Kayemet and Hayesod, was such an unhappy one that Louis Lipsky, at the Zionist Congress in Zurich later that year, went so far as to advocate breaking up the UPA because of the differences between its component parts. Kaplan wrote that he was inclined to go along, but Montor was opposed to breaking up what had been created.⁴⁸

In spite of all these difficulties, campaign income rose with each passing year, although at a moderate pace, and much slower than that of the JDC. A decade after the combined income of the two agencies amounted to less than \$7,000,000 (1938), Montor wrote to his "Dear friend Kaplan" that "I would not be willing to predict more than \$150,000,000 for 1948."⁴⁹ But that is anticipating the era of impending statehood—and of a new United Jewish Appeal.

Part V

The UJA—A New Beginning

19 The United Jewish Appeal: A New Beginning

OFFICIALLY, THE United Jewish Appeal as we know it today was first launched in 1939, and the event that led to its formation was the *Kristallnacht* of November 10, 1938. However, as early as February 11, 1938, the UPA and the JDC signed an agreement pledging themselves to conduct their appeals jointly in communities that included overseas causes in their federated campaigns. This constituted in effect a "united appeal" among the greater part of the Jewish centers of population. The agreement was applicable to all member communities of the Council of Jewish Federations and Welfare Funds (CJFWF), about 100 in all.¹

The agreement was the result of continuing pressure by the CJFWF, reflecting the strong desire of its member federations for a common approach by the UPA and JDC, at least on the local level.² The 1938 agreement not only relieved the participating communities of the stress and strain of a separate campaign by one or both of the overseas agencies, but also of the necessity of deciding how to apportion the funds among them. For it provided that in every welfare fund community, the JDC was to receive 60 per cent, the UPA 40 per cent. The arrangement was a major step in the direction of renewed united fundraising, and it also demonstrated the potential of the CJFWF as a new factor on the communal scene in the role of "broker" between national and overseas agencies and the communities.

What was still missing was a joint effort emanating on the national level, in which the two agencies would once again submerge their separate identities in a new corporate body formed for the purpose of raising funds. It was in bringing this about that the Nazis once more supplied the centripetal force.

The JDC Executive Committee voted on November 9, 1938, just one day before the *Kristallnacht*, to turn down a proposal for such a united campaign in 1939. But after the Nazi pogrom in Germany the pressure became irresistible, and in December the JDC yielded. The United

Jewish Appeal was reconstituted, this time with an additional beneficiary, the National Refugee Service, and a 1939 campaign goal of \$20,000,000.³ (The JDC, which had set itself a 1938 quota of \$5,100,000, had raised \$4,790,000 in that year; the UPA total came to \$2,130,000.)⁴

The National Refugee Service was co-opted as a beneficiary but not as a partner. Although the JDC advocated full partnership, the UPA objected strenuously, fearing that it might find itself outvoted by 2:1 in such an arrangement. But even as a beneficiary the NRS added strength to the UJA leadership team: its President was William Rosenwald, younger brother of Julius, the Chicago philanthropist. (The third brother, Lessing, who later became the founder of the anti-Zionist American Council for Judaism, still represented the JDC in the negotiations for the 1940 campaign.)⁵

It was over the NRS' share of the campaign proceeds that the newly revived UJA almost foundered again after only two years in operation. But a new split was averted at the very last moment. For the UPA, this meant a final withdrawal from direct fundraising activity. Although there were at least two more occasions when it seemed that the UJA would again break up into its component parts, there was no actual crossing of the brink. Montor at one time sought to establish UPA committees in forty or fifty cities to back his threat of a separate campaign, but he soon realized that the attempt was doomed to failure. The UJA had by then solidified its monopoly. Community executives throughout the country were openly hostile; some even accused the UPA of "going to destroy Palestine" by undermining the unity of American Jewry.⁶

The new contract was negotiated by five representatives from each side, who began their talks the day after the November 10 outrage. The agreement, renewable after one year, provided for dual leadership in the new body, so as to deny any advantage to either constituent. All major positions, lay or professional, were duplicated: two co-chairmen, co-treasurers, etc., as well as two executive directors. The JDC delegated Isadore Coons of its executive staff to be the counterpart of the UPA's Henry Montor, but it was an unequal match from the beginning. Montor, a former newspaperman, editor of *The New Palestine* and veteran ZOA professional, was clearly in charge.

There was no "input" from Palestine in the new agreement; Montor explained its modalities carefully to Kaplan after it was already signed:

The United Palestine Appeal will maintain its own offices at 111 Fifth Avenue. The Joint Distribution Committee will maintain its own offices at 100 East 42nd Street, but there will be a new

instrumentality called the United Jewish Appeal for Refugees and Overseas Needs, having an office elsewhere. This unified campaign office will direct quotas, and the funds from each community will go into the common treasury of this United Jewish Appeal from which distributions will subsequently be made. Rabbi Abba Hillel Silver and Rabbi Jonah B. Wise are the National Chairmen of the United Jewish Appeal.⁷

In the same letter, Montor also reassured Kaplan about the attitude of the JDC: "I believe that the JDC has been eminently fair. I have noticed that those who have been fiercest in their denunciation of the agreement have in the main been the least contributors in effort and in contributions to the United Palestine Appeal hitherto." Still, he was optimistic about the results: "My impression is that Palestine will get far more from America this year than ever before in history. It should be kept in mind that the Youth Aliyah and the *Gewerkshafsten* are outside the UJA and that the general Hadassah activities are outside. Moreover, the traditional collections of the Jewish National Fund are outside the United Jewish Appeal."

Montor also shared with Kaplan his concern about the make-up of the UPA itself: "The United Palestine Appeal is in the unpleasant position of having to raise the money and of not being able to say anything about how the money raised shall be distributed. The UPA has nothing to say about the officers who guide it—this is done by the Keren Hayesod and Keren Kayemet. The UPA has nothing to say about allocations or service charges—this is done by the Keren Hayesod and Keren Kayemet."

Although no reaction from Kaplan is on record at this time, he stated his views somewhat later with regard to the UJA, which could be seen as applying to the UPA as well: "In my view the UJA is only a collecting agency. It is an important and comprehensive enough job in itself, and the task of making appropriations and fixing budgets as well as the responsibility for spending must be in the hands of the Jewish Agency"⁸

In the meantime, the outbreak of war in 1939 and the grim prospect for the future of European Jewry brought no immediate dramatic development in its wake in the U.S. apart from the still tenuous achievement of unity. Although the UJA's net income in 1939 of \$15,500,000 was twice the combined income of the constituent agencies the year before, by 1940 the total had slipped back to \$12,500,000 and remained at that level also in 1941.⁹ At a crucial negotiating session of the UJA Executive Committee on November 27, 1939, at which the main

agenda item was renewal of the agreement for 1940, the JDC's Paul Baerwald saw no hurry in renewing the agreement. The JDC, he declared, was not yet ready to reach a decision. Two months after the outbreak of war, the discussion ran its course as though only the interests of the two organizations were at stake and not the survival of the Jews of Europe.¹⁰

The agreement for the 1940 UJA was signed in due course, mainly due to the renewed intervention of the CJFWF. The local federations brought unrelenting pressure on their Council and its President, Sidney Hollander of Baltimore, not to let the UJA break apart; beyond that, they pleaded—unsuccessfully—to have other overseas groups such as ORT, HIAS, Hadassah and the Hebrew University brought into the UJA, in the interest of eliminating separate appeals in their communities. But the two principals, each for its own reasons, were unenthusiastic. The JDC continued to feel it could do better alone, knowing that the big gifts still came from the non-Zionists. For their part, leaders of the *Yishuv* in Israel viewed the UJA as an interposing element between the Zionist idea and the main body of American Jewry. The major influence, they feared, was being left in the hands of a small group of assimilated wealthy Jews who remained basically hostile to Zionism. This view was held at one time by Eliezer Kaplan himself, who saw in the UJA connection a destructive factor for American Zionism.¹¹

All of this was based on ideology—not to speak of the apportionment of funds. The agreement that was signed on 8 February 1940 set the goal of that year's campaign at \$23,000,000, but it provided for the distribution of only the first \$11,500,000 (of disposable income, after expenses), by the following formula: \$5,500,000 to the JDC, \$2,500,000 to the UPA and \$3,500,000 to the National Refugee Service (including a special \$1,000,000 allocation from the campaign in New York). Whatever amount would become available above the initial \$11,500,000 was to be distributed by an allotment committee, to be composed of two representatives of the JDC and UPA (with two alternates each) and three to be named by the CJFWF.

The UPA was dissatisfied with this formula from the start, but as long as there was the prospect of more money via the allotment committee, open criticism was restrained. Yet when the final results were in, only \$1,200,000 more was available than the original agreement provided for. This was divided by the allotment committee, 2/3–1/3 to the JDC and UPA, so that the latter received only \$400,000 extra. As soon as this became clear, the UPA announced that it would conduct a separate campaign in 1941.

THE NATIONAL REFUGEE SERVICE

The 1940 UJA campaign had raised almost \$3,000,000 less than in 1939, and the UPA also received a smaller percentage of the total: 23 per cent as against 26 per cent. The difference, as Rabbi Silver noted in justifying the UPA's decision to go it alone in 1941, went to the National Refugee Service, "the only agency which received all that it asked for, was enabled to meet its budget completely and even operated at a surplus of some \$370,000."¹²

Established in June 1939 as a central agency for refugee aid, the NRS gave temporary financial assistance and other services to arriving refugees, planned for their distribution to all parts of the U.S., and assisted local communities in resettlement programs. The NRS also gave advice and service to American citizens who wished to help their relatives and friends abroad. It subventioned other Jewish agencies active in the field and also maintained close relationships with non-sectarian organizations engaged in refugee aid.¹³ There was consensus in the community that these tasks fell within the purview of the UJA—whose full name, after all, was "United Jewish Appeal for Refugees and Overseas Needs." With this the UPA went along (although it resisted having the NRS included in the UJA agreement as a full partner). But UPA also felt very strongly that NRS was getting a disproportionate share of UJA funds. Dr. Silver, in his speech before the 1941 UPA conference, gave the bill of particulars:

A Jewish refugee who settles in Palestine is by that very fact less deserving of help and protection than a refugee who settles, say, in the United States. It is estimated that 150,000 Jewish immigrants have come to the U.S. since Hitler came to power. Only a small percentage of them, of course, were in need of relief or public service. Most of them came to relatives or were able to take care of themselves. They have come to the richest country on earth and one which is at peace

For this relatively small number of dependent refugees, American Jewry in 1940 spent through the UJA and through refugee funds in local communities more than \$5,500,000. For 1941 the NRS—although it operated last year at a surplus—is asking not just for the \$3,500,000 it obtained in 1940, but for an additional three quarters of a million dollars. Local communities are also likely to appropriate an additional million dollars for their local refugee needs. Thus a total of approximately \$7,250,000 will be spent in the U.S. in 1941 for refugees

The UPA received \$2,900,000 in 1940! Even if you add to that the traditional collections of the Jewish National Fund, the Youth Aliyah Fund of Hadassah, the income of the Histadrut campaign and other smaller sources of income for Palestine, the total spent on the great historic work of building our national homeland, plus the caring for tens of thousands of refugees and unemployed, is still far below what American Jewry spent in 1940 for its few thousand dependent refugees. I submit that there is a gross disproportion here, of which American Jewry ought to become sharply aware.

It was the mounting demands of the NRS . . . that proved a major contributing factor in the dissolution of the UJA. A purely domestic American philanthropic organization, whose field of operations was largely in New York City, the largest and wealthiest Jewish community in the world, was year by year consuming more and more of the desperately needed funds of the overseas agencies, both the JDC and the UPA.¹⁴

20 An Inquiry Into the Facts

IT WAS precisely to avoid such real or perceived inequities in the allotment of UJA funds that the allotment committee, as a first step in going about its task, commissioned an inquiry into the facts: "to enable it to have for consideration at its various meetings all material which may be pertinent to a thorough analysis of all matters before it."¹⁵ As director of the inquiry the committee appointed Elisha M. Friedman, a member of the faculties of New York University and the New School for Social Research and author of several books on economic and statistical problems, including one on social aspects of the Jewish question. Friedman assembled a staff of experts in finance, statistics and economics, among them a chief accountant with seven assistants. For two months the staff of accountants examined the books of the three beneficiary agencies.

The impetus for the inquiry came from the CJFWF members of the allotment committee (its chairman, Harris Perlstein, was a welfare fund leader). The inquiry approach expresses this group's faith in the efficacy of fact-finding and empirical research in the solution of complex problems; a faith reflected at various points in the report itself, as when it points to unbiased studies as the "only way to meet the needs of the situation on anything but the crudest sort of a bargaining basis."¹⁶

But the document which emerged from this impressive effort, learned and exhaustive as it was, failed to provide the magic formula which would relieve the welfare funds of the task of allocating monies, or to develop the "just and reasonable principles" by which the Allotment Committee itself could perform its task. In the end, the inquiry team conceded that "scientific allotments are impossible in the present overlapping accounts and confusing terminology;" the best it could hope to achieve was to marshal the pertinent facts. There were too many "imponderables" that could not be quantified; too many "problems beyond human capacity to assess." In particular, the per capita approach (basing allotments on the number of individuals served by each agency)

had to be discarded. While part of the rationale for this was that the sums involved were "so pitifully inadequate that they do not cover, even at a sub-human level, the minimum necessities," there was also the realization that the building of the Jewish National Home could not be classed simply as a philanthropic enterprise comparable on a cost per capita basis with the requirements of immigrants in the U.S.¹⁷

In spite of its high praise for the work of the Inquiry Commission, the allotment committee arrived at its decision on how to divide the remaining sum with minimal use of the report's findings. It may not have been resorting to "the crudest sort of bargaining basis," but it was certainly hewing as closely as possible to the status quo.

This does not mean that the Inquiry, in which such prodigious effort had been invested, was without its value. It added legitimacy to the allotment procedure. Just as the Survey Report had explained the work of the Zionist Organization in the 1920s, the Inquiry now analyzed the activities of the constituent agencies in clear and unbiased fashion for the benefit of the UJA leadership. Its attempt to establish objective principles for allotments by the Committee, based on such factors as

- needs;
- sums available;
- elasticity of requirements;
- benefits received in the past;
- priorities by age, sex, vocation;

constituted a fresh approach. While carefully steering clear of recommending a specific formula of allotments, the report made several procedural recommendations for upgrading the campaign environment, including reforming accounting methods to make the books of the three organizations comparable; conducting studies in order to eliminate overlapping functions and improve administrative practices; adopting a flexible system of budgeting and allotments. The organizations were moving from emergency to emergency at variable rates; therefore there was little value to budgeting for a full year. Instead, the UJA and its beneficiary agencies should follow the practices of large industrial organizations, and budget for one to three months ahead.¹⁸

The report contained a plethora of tables covering almost every aspect of the UJA and its three beneficiaries' activities (two of those pertaining to the UPA are reproduced at the end of this chapter).

The key remains the statement showing the amount (estimated to the end of the 1940 calendar year) available for allotment by the committee: gross estimated pledges came to \$14,055,000, of which \$5,140,000 was attributable to the New York City campaign. After

allowing for "shrinkage" of \$570,000 and campaign expenses of just over \$1,000,000, the net proceeds came to \$12,470,000. However, \$1,000,000 of this was deducted as a special allotment for the NRS out of the New York campaign, so that only \$11,470,000 remained for distribution. Of this, \$10,250,000 had previously been allocated in the UJA agreement, leaving only \$1,200,000 for the allotment committee to distribute.

TABLE P-II
 UNITED PALESTINE APPEAL, INC.
 COMPARATIVE STATEMENT OF INCOME, DISTRIBUTIONS AND EXPENSES
 FOR THE 1937, 1938, 1939 AND 1940 CAMPAIGNS

	United Jewish Appeal		Independent Campaigns	
	1940 Campaign (to Sept. 30, 1940)		1939 Campaign	1937 Campaign
Income				
a. National Campaign			\$1,599,428.89	\$1,273,625.36
b. Greater New York Campaign			551,000.00	343,039.61
c. Total	\$1,300,000.00	\$3,822,833.33	2,156,428.89	1,616,664.97
d. Net Jewish National Fund — Traditional Collections	321,680.49	370,148.99	324,985.89	233,104.86
e. Bequests	190.00			
f. Joint Campaign				151,377.62
g. Total Income	\$1,621,870.49	\$4,192,982.32	\$2,475,424.78	\$2,001,147.45
h. Expenses — New York Office	56,943.05	47,345.38	146,952.20	217,111.17
i. Excess of Income over Expenses	\$1,564,927.44	\$4,145,636.94	\$2,328,472.58	\$1,734,036.28
Distributions to Beneficiaries:				
j. Palestine Foundation Fund, Inc.	\$ 627,000.00	\$1,983,750.00	\$ 717,300.00	\$ 819,598.61
k. Jewish National Fund	627,000.00	1,983,750.00	717,300.00	819,598.62
l. Palestine Emergency Fund (One-half to PFF and one-half to JNF)			717,300.00	
Other Distributions:				
m. Mizrahi Palestine Fund	104,000.00	90,000.00	60,000.00	60,000.00
n. Mizrahi Organization of America (Service Charge)	8,000.00	9,800.00	9,800.00	9,800.00
o. Jewish Agency for Palestine (Emergency Fund)				10,000.00
p. Hashomer Hatzair	1,200.00	1,200.00		
q. American Friends of Hebrew University, Inc.				
r. Jewish Agency Executive (for transportation of refugees)			28,024.32	
s. President's Advisory Committee for Political Refugees		4,500.00	500.00	
t. Youth Aliyah			4,000.00	
u. Council of Jewish Federations and Welfare Funds	2,500.00	2,500.00	1,700.00	
v. Emergency Committee for Zionist Affairs	50,000.00			
w. Paole Zion — Zeire Zion (Service Charge)	8,000.00	9,800.00	9,800.00	9,800.00
x. Zionist Organization of America (Service Charge)	45,000.00	54,000.00	54,000.00	54,000.00
y. Zionist Organization of America (Other Charges)	61.75			
z. Total Distributions	\$1,472,761.75	\$4,139,300.00	\$2,319,724.32	\$1,782,797.23
aa. Excess of Income over Distributions and Expenses	\$ 92,165.69	\$ 6,336.94	\$ 8,748.26	\$ 1,239.05

TABLE P-XII
 UNITED PALESTINE APPEAL, INC.
 AMERICAS PART IN THE CONTRIBUTIONS TO THE
 PALESTINE FOUNDATION FUND AND JEWISH NATIONAL FUND — CASH BASIS

Fiscal Year	Palestine Foundation Fund		Jewish National Fund		The Combined Funds	
	Total	From US %	Total	From US %	Total	From US %
1930-1931	L.P. 273,931	L.P. 93,325 34.1	L.P. 130,930	L.P. 28,781 22.1	L.P. 404,861	L.P. 122,106 30.2
1931-1932	186,458	93,325 31.7	109,510	20,841 19.1	295,968	80,266 27.8
1932-1933	172,458	39,427 22.8	140,181	13,750 9.8	312,639	53,177 17.0
1933-1934	257,185	78,886 30.5	197,210	28,360 14.3	454,395	107,246 23.6
1934-1935	271,111	67,308 28.2	225,111	34,973 15.5	496,222	102,281 20.8
1935-1936	314,975	104,064 33.1	297,616	90,137 30.3	612,591	194,201 31.6
1936-1937	478,858	168,531 35.2	364,256	135,071 37.0	843,114	303,802 36.0
1937-1938	477,386	211,632 44.3	403,100	170,168 42.2	880,486	381,800 43.3
1938-1939	627,300	339,469 54.1	531,714	362,000 68.1	1,159,014	701,649 60.5
1939-1940	633,435	388,873 62.4	595,395	375,000 63.0	1,218,830	768,873 62.7

Source: PFF; JNF

21 The UPA Wants Out

A FEW days after the allotment committee announced its decision, the UPA's administrative committee met and resolved that "the 1941 UPA will ask for allocations specifically for its work in the first campaign of its kind since 1937,"¹⁹ another way of saying that the UPA would not renew the UJA agreement for 1941 but would campaign separately. Although *The New Palestine* called it a "momentous decision," the UPA tried to soften the impact of the move by assuring the welfare fund public that, in conducting an independent campaign, the UPA did not intend to set up separate fund raising machinery in each community. "It will cooperate wholeheartedly . . . with the existing campaign systems in each community . . . it being understood, of course, that the needs of the United Palestine Appeal will be adequately met."

How would this work?

In 1941 the UPA will submit to each community a request for an allotment proportionate to the national quota. This does not vary from the practice of previous years; except that in 1939 and 1940 a single application came from the office of the United Jewish Appeal for the needs of the JDC, UPA and NRS, while in 1941 each agency makes its own application. In view of the fact that most communities raise funds for a variety of causes, the local situation will not be changed, except that the number of applications will be slightly increased.

The statement in the ZOA journal then went on to give the reasons for the decision: The UPA had proposed that the UJA be continued in 1941; that grants be made to each agency to enable them to operate on a minimum basis until further sums could be made available by an allotment committee, and that these preliminary grants be as follows: \$3,000,000 each to the UPA and the JDC and \$1,500,000 to the NRS. The balance of the funds raised in 1941 would then be allocated by an allotment committee according to subsequent needs.

But the representatives of the JDC, acting also for the NRS, said that they would renew the agreement on only two conditions: (1) that the same ratios as existed in 1940 be maintained for all agencies; and (2) that only half of such ratios be granted initially to each agency in 1941. This meant that for the first six months of 1941 the UPA could count on only \$1,250,000; these were terms to which it could not possibly agree.

The UPA set a budget of \$13,600,000 for its two constituent agencies (Keren Hayesod and Keren Kayemet) for its own 1941 campaign and said that, because of the collapse of Jewish communities in Europe which in recent years had contributed 20 per cent to the income of these institutions, American Jewry should contribute at least 80 per cent of their budgets.²⁰

While the official announcement in *The New Palestine* was factual and sought to put stress on preserving "unity," Dr. Abba Hillel Silver, the UPA Chairman, delivered a far more forceful statement at the organization's national conference in January ²¹. It was a speech in the classic tradition of Zionist oratory. Dr. Silver began with an indictment of the apathy to be found among American Jewry:

American Jews, in the main, have not yet grasped the cold, hard fact that the Jews of the world are at war, that a war of extermination has been declared against them, that they have been at war now for eight years, that they have already been defeated and broken in more than ten countries, that organized Jewish community life has ceased to exist on the continent of Europe, that our casualties in slain, suicides, prisoners in concentration camps, helots in conquered lands, and refugees and exiles, are now more than five million, that the Satanic force which has brought this unprecedented disaster upon Israel is still triumphantly marching on, and that its victorious march menaces every surviving Jewish community in the world—even as it endangers every surviving democratic country in the world.

But whereas the democratic countries are everywhere converting themselves into arsenals, drastically reorganizing their economic structures to meet the oncoming menace, and are taxing their people to the very bone, the Jews of America, the sole remaining free Jewish community in the world which is not warbound, are still hoping to meet the colossal wartime emergency of their people, the grave problems of relief, defense and national survival, with slightly increased doses of traditional philanthropy.

Then (after years of self-imposed restraint), Dr. Silver settled the score once again, as had Dr. Neumann fifteen years earlier, with the philanthropist-bankers who had opted for Eastern Europe rather than Palestine:

Think what Palestine would be today if in the years immediately following the last war American Jewish communities had actually seized the historic opportunity which was offered to our people and had zealously and with true statesmanship devoted themselves to the upbuilding of a Jewish National Home in Palestine when conditions were much more favorable, when no political difficulties existed, and when land purchase and immigration were unrestricted. By 1933 the Jewish Homeland might have been an accomplished fact. Palestine would have been prepared to absorb the total number of Jewish refugees who were forced to flee from European lands in the last seven years. As it is, under much less favorable conditions, it absorbed more than half of them.

But the Jews of America and elsewhere chose rather to listen to their omniscient and infallible philanthropic mentors who counselled them to give all aid to the Jewries of Eastern and Central Europe, but only a pittance to that visionary project of impractical idealists in Palestine. One must be realistic, they argued—and what greater realist in the world is there than a successful Jewish banker or broker, and who can question his unerring judgment?

These practical philanthropist guides of Israel . . . proposed highly practical schemes for the settlement of Jews on the land . . . in Crimea, in Biro-Bidjan, elsewhere, in fact, everywhere except in Palestine. And Jews listened to them and were completely persuaded and their tens of millions of dollars went into these highly practical and philanthropic activities. One doesn't speak any more of Crimea and Biro-Bidjan. They have now joined the limbo of all other lost territorialist adventures. As for Eastern and Central European Jewry, what is there to show for the vast expenditures of monies and energies of two decades but graves and ruins and devastated communities and burned synagogues and myriads of panic-driven refugees?

Next came the protest over the size of the allocation to the NRS, and then Silver took on the JDC itself:

Another factor which contributed to the dissolution of the UJA was the failure of the JDC to meet the legitimate request of the UPA for an increased ratio in 1941. For two years the UPA had yielded to the JDC and had accepted lower ratios than those which obtained in 1938, which you will recall were 60-40. We yielded for the sake of unity and also because the JDC claimed that the catastrophic events in Europe during those two years had greatly increased the demand for its services.

This year the UPA maintained that the needs of Palestine had greatly increased because Palestine found itself in the active war zone. Its normal sources of income from other lands were practically cut off. The Jewish Agency had called upon American Jewry to provide at least 80 per cent of the funds which were necessary to maintain the *Yishuv* and to provide elementary relief for the thousands of refugees who had come into the country and for those who were still coming in. In all fairness it was argued, with due regard for these changed conditions, the JDC and the NRS should now concede that a readjustment of ratios was again in order, and that they should now make concessions to the UPA even as the UPA had made concessions to them in the previous years.

This was refused.

As for the Allotment Committee:

We could not make the minimum requirements of Palestine and of the Zionist program dependent upon the decision of a group of so-called neutrals, which is another way of saying non-Zionists. This would place the fate of the Zionist movement, as well as of the Jewish Homeland, in the hands of a few philanthropically minded Jews, who were either opposed or indifferent to Zionism. Thus, what relentless opposition to Zionism over many years could not achieve in this country, this single device of an allotment committee would quite easily and quickly achieve. Our movement could be strangled by a few 'neutral' people, through the single device of starving it to death.²²

Dr. Silver then recalled the see-saw experience of the earlier united campaigns to make the point that the dissolution of the UJA need not harm the UPA. He saw nothing wrong with each community making its own decisions on how to spend its funds; but he had no use for the CJFWF's proposal for "National Budgeting."

22 Renewal of the UJA Agreement

THE COMMUNITY welfare funds were not at all enthusiastic about having to allocate funds among the several agencies; on the contrary (writes Harry Lurie), "Most of the local leaders believed that the dissolution of the UJA would be detrimental to the success of their welfare fund campaigns."²³ Beyond that, the communities were loath to make allocating decisions for agencies whose field of activity was far removed geographically, and most of them felt they lacked the competence to judge the relative merits of the competing agencies. Nor was the UPA's intention to announce quotas of any help; these would be based on an unattainable national goal and would consequently be incompatible with the local realities.

However, the CJFWF itself had for some months considered the idea of "setting quotas" through a national advisory budgeting procedure, which would evaluate the programs and budget requests of the national and overseas agencies. The end result of that process would be a recommended budget for each agency, with an appropriate share assigned to each participating community. Although all this would be on an "advisory" basis only, it was obvious that such authoritative "advice" would carry considerable weight. Lurie, who as Executive Director of the Council had a major share in its formulation, explained the proposal in these terms:

National advisory budgeting was a proposal developed in the CJFWF and by many of its local constituent agencies. It was designed to achieve a unified national procedure for assisting local welfare funds to make equitable allocations among the numerous national and overseas beneficiaries of central campaigns (Their budgets would be) reviewed by an impartial national body which would make recommendations on agency needs and equitable local responsibilities. Spurred on by resolutions at regional meetings of welfare funds, a committee was established by the Board of the CJFWF in May 1940 to study these proposals. After completing its

study, the committee recommended that the principles and procedures of a national review process be established in form of a National Advisory Budgeting Service.²⁴

The break-up of the UJA in the fall of that year made the national budgeting concept seem especially timely, and the Council moved swiftly to put the proposal before its 1941 General Assembly which was due to meet in Atlanta in February. The intervening weeks provided sufficient time for the plan to draw fire from many quarters, with the most violent opposition coming from Zionist organizations and the UPA itself.²⁵ In the meantime, the UPA was launching its independent campaign and appealed to welfare funds for allocations. Sidney Hollander, President of the Council, asked the member communities to hold up any response until after the Assembly. He was confident that the proposal would be adopted, and that the machinery for National Advisory Budgeting could be set up in time to deal with the requests of the UPA and other separate campaigns.²⁶

But the General Assembly decided otherwise. Cognizant of the opposition which the proposal engendered in many quarters, foremost among them the Zionist and the UPA leadership, the CJFWF governing body resolved to postpone any decision pending a referendum on the issue among the member communities. Although the referendum eventually received a small majority of the votes by the communities, the Council's board wisely decided that this was too narrow a margin on which to adopt so controversial a proposal. The whole matter was shelved until a later date.

Harry Lurie, in retrospect, conceded that the Council had overextended itself on this issue, and had underestimated the strength of the opposition to its proposal,²⁷ which would have endowed the Council with an inordinate amount of centralized power, a step for which the Council's own constituency was far from ready—not to speak of the agencies whose programs would be subject to evaluation. Lurie claims that welfare funds continued to request advisory budgeting services from the Council, which made preparations to have the question taken up again by its 1946 General Assembly. But by then

the opposition to the proposal was effectively organized and was now even more convinced that the plan was undesirable The project, which in 1941 had been able to obtain a slight majority in a referendum of federations and welfare funds, was overwhelmingly defeated at the 1946 General Assembly. It was obvious that national agency rivalries and the sentiments of local partisans which they

engendered were too acute to permit the resolution of the welfare fund budgeting problem through such national action.²⁸

It is probable that the CJFWF, by putting forward the national budgeting proposal on two separate occasions, contributed to perpetuating its own negative image and that of the welfare funds in Zionist eyes. In 1941, the continuing threat of the national budgeting proposal was probably a factor in causing the UPA to resume negotiations with the JDC over renewing the UJA agreement. It is also likely that the UPA leaders had some second thoughts about jettisoning the instrument that signified unity in the community at such a time of crisis. Finally, there must have been some awareness among the UPA leadership of what one historian has called the "tragic dilemma"²⁹ whereby insistence on priority to Palestine meant depriving the JDC of some of the funds needed to attempt to rescue or at least feed Jews in Europe. But whatever the real motives, the official announcement on the continuation of the UJA said the leaders of the constituent agencies were moved "by the overwhelming desire of American Jewry to establish a union of forces in this critical period for the Jewish people in order to provide more effectively for the needs of Jews in Europe, in the upbuilding of Palestine and for the refugees in the United States."³⁰

The new agreement set a \$25,000,000 goal for 1941, with distribution of an initial sum of \$8,800,000 among the three participating agencies as follows: JDC, \$4,275,000; UPA, \$2,525,000; NRS, \$2,000,000. The balance of the funds raised was to be distributed by an allotment committee to be constituted in the same manner as in 1940.

The New Palestine greeted the agreement in subdued terms, calling it an "acceptable compromise" (which) approximates what American Jewry would want Palestine to receive. "Eventually, when American Jews are made to realize the central importance of Palestine to the whole problem of Jewish survival, they will no doubt make ampler resources available."³¹ In the meantime, the joint campaign, by making it possible for Zionists to dispense with independent campaign machinery, freed Zionist energies for other tasks, such as the strengthening of Zionist organizational machinery.

For the crucial wartime years, the United Jewish Appeal was here to stay.

Part VI

The 1940s: From Alms Giving to Nation Building

23 The Ginzberg Report: Lost Opportunities

IN SPITE of the inconclusive results obtained in 1940, an allotment committee still seemed to be the best answer to the vexing question of how to allocate funds among the UJA partners in 1941 on the basis of rational, quasi-scientific criteria. The CJFWF, some of whose top leaders were serving on the committee, set great store by expert opinion. To jettison the committee now would have meant antagonizing the Council further just as its proposal for a National Budgeting Service had been roundly defeated. The allotment committee was retained for the 1941 campaign, with the replacement of Elisha Friedman as Director of Research by Dr. Eli Ginzberg, a prestigious young Columbia University economist.

Ginzberg saw it as his main task to “describe the nature and scope of the three potential beneficiaries and to present background material for an intelligent appraisal of their operations.”¹ That part of his report offered the members of the Committee a scholarly analysis of a situation over which they had very little influence. Out of \$11,600,000 net available for distribution from the 1941 campaign, \$8,800,000 had already been allocated by prior agreement (\$4,275,000 to the JDC, \$2,525,000 to the UPA and \$2,000,000 to the NRS), leaving the allotment committee with only \$2,800,000 at its disposal. Dr. Ginzberg, however, did not confine himself to analyzing the operations of the participating agencies; he also took a critical look at the overall fund raising scene. The fact that the UJA had been unable to equal its 1939 results in 1940 and 1941, in spite of increasing needs overseas and an improved economic situation at home, he considered “proof that all is not well in fundraising.” He was particularly disturbed by the prevailing atmosphere of acquiescence and satisfaction with the results at a time when these were clearly inadequate. Above all, he wrote, we cannot overlook the fact that the number of contributors remained noticeably small. Analyzing the total collections of 58 welfare funds and

federations throughout the country in 1938, he found that there had been 215 gifts of \$5,000 and over, coming from only one per cent of the contributors. Yet the amount involved—\$2,255,381—made up 22 per cent of the total raised. In the next category of gifts, from \$1,000 to \$4,999, there were 1,455 contributors (0.8 per cent). Their gifts came to 23.4 per cent of the total. Even the \$500–\$999 givers constituted only 1 per cent of all contributors and accounted for 10.9 per cent of the amount raised. In New York City, which was not included in the above statistics, there were 125 gifts of \$5,000 and over, totalling \$1,383,000, which meant that a mere 0.04 per cent of the donors contributed 27.2 per cent to the New York campaign.

Ginzberg calculated the income of American Jews in 1940–41 at \$3,800,000,000, and his conclusion was that they contributed “a very small part of their total income to the UJA.” Jews within each income class could increase their contributions substantially without suffering any severe deprivation, was his comment.

Ginzberg’s advice was to keep lay and professional leaders dissatisfied with past results, and to invest in upgrading fundraising in New York City. He was opposed to rewriting the terms of the UJA contract each year. He perceived deterioration in community morale because of the claims and counter-claims of the parties; and waste within the agencies because of their inability to plan on a firm income. “To the extent that the operations of the UJA reflect a true rather than a spurious unity, the main objective of larger net collections will be achieved more easily,” he wrote. He also recommended that the UJA establish a permanent research unit to collect and analyze data for the allotment committee.

For his analysis of the UPA in 1939–40, Ginzberg considered the expenditures of the four Palestinian agencies involved as a unit: the Keren Hayesod, the Keren Kayemet, the Jewish Agency, and its Bureau for German Immigrants (which was then a separate UPA beneficiary). The surprising result was that fully 65 per cent of the funds were destined for commitments incurred in prior years for purchase of land and agricultural settlement. The remaining 35 per cent was divided among all other purposes, including Youth Aliyah (8 per cent); Labor, Housing and Social Service (7 per cent); Security (6 per cent); Administration and Public Relations (5 per cent); Trade and Industry (5 per cent); Education and Culture (2 per cent); and Immigration and Training of Immigrants (2 per cent). Ginzberg reported that in the 20-year period 1921–41 the Keren Hayesod had received \$20,103,000 from the U.S. and \$21,431,000 from other countries. Receipts of the Keren Kayemet had been \$10,130,000 and \$18,198,000 respectively. “Because of the limited support from diaspora Jewry, neither (Fund) was

able to operate solely on income, as the balance sheets show. One can easily see the opportunities that were lost by the failure of diaspora Jewry to support the development of the Palestinian Homeland more enthusiastically," was Ginzberg's rather gloomy conclusion.²

The allotment committee, notwithstanding the scholarly analyses by its directors of research, was never really in a position to pass judgment on the relative urgency of the overseas needs and of the claims of the contending parties. There was a serious disagreement in 1943, when the UPA claimed 70 per cent of the surplus to be allocated, and the JDC 62 per cent. The committee's decision, granting the UPA 45 per cent, plus \$300,000, was accepted by both sides under protest. The pre-campaign agreement for 1944 called for only \$1,000,000 for the NRS (as there were few refugees arriving in the midst of war); 61 per cent of the first \$14,000,000 to JDC; and 39 per cent to the UPA. After the surplus was allocated, the JDC received 58 per cent and the UPA 42 per cent in that year. In 1944, the UPA claimed equality with the JDC, refusing to sign a UJA contract on the basis of the previous year's formula. When the JDC insisted on 60 per cent, a deadlock ensued and the UPA declared a separate campaign.³

24 Uneasy Partnerships

THE ORDER of magnitude of the campaign results changed dramatically only with the end of the war, when the full scale of the Jewish tragedy became known, and the hope for a Jewish homeland in Palestine bade fair to become a reality. It was only then that American Jewry made the transition, in the words of one observer, "from alms giving to nation building."⁴ In the meantime, the UJA continued as the same uneasy partnership which threatened to break up when the demands and pressures on each of the parties could not be met by the patently inadequate amounts which the UJA provided to them. The JDC's efforts to smuggle funds for relief to persecuted Jews in European lands frequently had to be curtailed because of lack of money.⁵ Concurrently, the Jewish Agency lacked the means to finance purchase of the vessels with which to spirit illegal immigrants away from the coasts of occupied Europe.⁶

Desperate for funds, the Jewish Agency resented what it considered the JDC's privileged position in the apportionment of the UJA proceeds and was persuaded once again that the UPA could do better on its own. Once again, the CJFWF stepped in to try to restore unity. But President Hollander found that this time his efforts at persuasion were to no avail, and he called in an outside party: the War Relief Control Board in Washington, a federal agency created to license voluntary relief activities in wartime. Hollander told the Board that the waste caused by two separate campaigns would harm the national interest, and that the UJA alone should be licensed to conduct a campaign.

The Board accepted Hollander's argument, and its Executive Director, Joseph Brunat, wrote to the UPA Executive Director, Henry Montor, that "an important question of public interest was involved in the activities financed through the UJA."⁷ The UPA, while greatly resenting Hollander's action, had no choice but to comply. The new UJA agreement called for income to be divided on the basis of 57 per cent to the JDC and 43 per cent to the UPA—after deduction, "off the top," of

campaign expenses and an allocation to USNA (United Service for New Americans, the successor to NRS). The same arrangement was retained the following year. Thus the integrity of the UJA structure was preserved, and with it the instrument with which Henry Montor launched his \$100,000,000 campaign two years later. By his success—the 1946 campaign raised \$97,000,000—he achieved the quantum leap that had eluded fundraising on behalf of Palestine ever since Weizmann launched the first Keren Hayesod in America in 1921.

Montor's skill in mobilizing American Jewry's latent capacity for increased giving (as already perceived by Eli Ginzberg in 1941) placed the UJA in a new stance of prominence on the American Jewish scene. The uneasy partnership solidified as the amounts available for distribution became more commensurate to the task, and this in turn strengthened the UJA's position in the communities. The struggle henceforth was less and less among the partners for their share of the total, but increasingly between the UJA and a particular community about their respective shares of the local campaign. Montor incurred the hostility of welfare fund executives over his insistence that it was the UJA which raised the funds, with the federations merely supplying the machinery. He also accused the communities, having incorporated the UJA into their federated campaigns, of benefitting from the appeal of the drama overseas to finance their local operations. The executives contended that, on the contrary, their local community federations conducted the campaigns of which the UJA was a beneficiary. However, the battle lines were not always clearly drawn. William Avrunin, an experienced community executive on the staff of the Detroit Federation, observed in an interview that "in a community like Detroit, the only really saleable item was Israel, except perhaps for the spectre of anti-semitism."⁸

In the course of time, these semantic differences came to express a real conflict in interests between the UJA and the communities: the former's main concern being to extract the maximum amount for the needs of its constituents; the latter, while conceding the urgency of those needs, felt they also had to ensure the maintenance and growth of the local institutions which depended on these same campaigns.

To overcome the concrete disputes over dollars and cents which were apt to accompany these philosophical differences, Montor introduced the practice of pre-campaign budgeting, where the community was asked to enter into an agreement with the UJA prior to the campaign, which fixed the ratio by which the proceeds would be distributed. The formula might call for 50 per cent of the net, or include a sliding scale: 50 per cent of the first million after expenses, then 75 per cent of the next half million, and 90 per cent of everything above that. Such a formula

reflected both the recognition that increased giving was frequently in response to the overseas causes, and also the finite nature of local needs as against the elasticity of those of the UJA and its agencies.

The ultimate weapon in the hands of the UJA, in case no satisfactory agreement could be reached, was to conduct a separate campaign. The separate campaign would, of course, be confined to the locality where no pre-campaign agreement could be arrived at. But although the threat was used frequently enough, the UJA (like the UPA before it) was extremely chary about carrying it out. In 1947 Montor, incensed over Chicago's refusal to grant the UJA a larger percentage, threatened to launch a separate campaign in that city by "setting up a replica of an Israeli refugee camp outside Midway Airport." In the end an agreement was signed. Only once was a separate campaign actually launched in a community with a federated campaign—in New Haven.⁹ Montor was later to remark that "the most important battle in the American Jewish community is the battle over the united campaign." On the same occasion, he declared that it was his conviction that the bulk of American Jews who give the bulk of the money give overwhelmingly for one reason: to support the State of Israel, and therefore the overwhelming bulk of the funds should go to Israel.¹⁰

An eloquent exponent of the opposing view was Isadore Sobeloff, for many years Executive Director of the Detroit Jewish Welfare Federation. He maintained that, when being solicited for funds, a contributor's most important question was not 'how much is needed' or 'what is the money needed for' but 'how much did I give last year?' In any given year, in Sobeloff's experience, a community (just as the individual giver) has as its primary guideline what it did the year before—although there are certain breakthrough years when it is possible to obtain much bigger sums.¹¹

It was in such years—1946, 1948 and 1967—that the UJA managed to overcome the conservative giving habits of which Sobeloff spoke. But the old professional also had some words of caution about the percentages over which the UJA fought so tenaciously. "Sixty per cent of half a million is less than 50 per cent of one million," he was fond of saying. His axiom encapsulated the argument with which the federations countered the UJA's pressure: let us work together for larger totals rather than quarrel over percentages!¹²

As reported by the CJFWF, the receipts of the UPA in 1946 were 125 per cent higher than in 1945, and its disbursements also increased by the same amount. In dollar terms, the amounts were \$32,500,000 and \$14,500,000 respectively—the figures for each year representing actual cash receipts on a calendar year basis.¹³ For 1947, Montor got the annual

UJA conference in Atlantic City in December of 1946 to adopt the unprecedented goal of \$170,000,000. As he later reported to Kaplan, there was considerable opposition to that rather extravagant target. "In order to make the thing more palatable to some of the people, an attempt was made to bring it closer to what some described as a 'reasonable' figure."¹⁴ In the event, "merely" \$120,000,000 was raised in that year. The 1948 goal was set at \$250,000,000; the result was \$150,000,000.

Herbert Friedman, Executive Vice-Chairman of the UJA between 1955 and 1969, saw in Montor the "genius who built the machine He had vision and chutzpah, on which fundraising is built."¹⁵ Montor himself modestly gave credit to David Brown, the JDC official who had been in charge of the Emergency Campaign of 1929, for being the pioneer of modern campaign techniques in the Jewish community. Among other innovations, Brown used full-page newspaper ads and telegrams to individuals to dramatize the events at Hebron, Safed and the Wailing Wall.¹⁶ But there is no doubt about Montor's own role in shaping the UJA into the effective instrument it became for harnessing the resources of American Jewry on behalf of the *Yishuv* and the Jewish state.

Montor's achievement in enrolling such formally non-Zionist personalities as Henry Morgenthau Jr., William Rosenwald and Edward M.M. Warburg as UJA chairmen was reminiscent of Weizmann's success in wooing Louis Marshall and Felix Warburg to support the cause through the Jewish Agency. The difference was that in the late 20s and early 30s the glamour of those names was not enough to ensure Weizmann's cherished goal—a major increase in the flow of funds to the *Yishuv* in Palestine—whereas now the example of these men's generosity was being followed by their peers and thousands of others throughout the community. Indeed, it soon became clear that it was the non-Zionists who led the fundraising drives—a discovery which within a few years was to have far-reaching consequences on the power structure in the community. For even though the number of contributors to the campaigns was steadily increasing, "the game of fundraising," in Herbert Friedman's phrase, "was still being played for big money among a small group of people." He estimated that no more than 20 per cent of the contributors gave 90 per cent of the money, and that as late as the mid-70s, the success or failure of a campaign was determined by the response of 100 people in the largest cities.¹⁷

For that reason, too, the most critical arena in the campaign, as Montor conceived it, was the small parlor meeting to which a wealthy individual invites a dozen or more of his friends. Two or three among

those attending are “pre-solicited” by a UJA professional and then planted among the rest. After a talk by a prominent Israeli guest, the host throws out his challenge: “Most of you give \$2,000 or \$3,000. I would like to see one man get up and give \$20,000 this year!” As had been pre-arranged, one man does get up to announce a startling increase over his gift last year. Others follow suit.¹⁸

Montor’s role in engineering the “quantum leap” was made possible because of the overpowering human and political drama of those years, which broke the ice and opened previously sealed or half-open pockets. The full horror of Hitler’s death camps revealed at war’s end; the survivors knocking at the gates of Palestine, and the climactic passage of the Partition Resolution at the U.N.; the declaration of the Jewish state itself; the sacrifice and victories of the War of Independence—all these combined to give the contributor a sense of personal participation in an heroic period of Jewish history.

As the absolute amounts realized in the campaigns became significantly larger, the rivalry between the two UJA partners became progressively less intense. There was no longer any need for an allotment committee to judge the relative needs; the events in Palestine—soon to become Israel—made it manifest that the cost was overwhelming. The ratio of distribution changed and eventually tipped in favor of the UPA. As the 1940s drew to a close, the JDC paid for the maintenance of potential immigrants to Israel in the DP camps of Europe and the transit camps of Cyprus and Aden; the transport of these and other immigrants to Israel was also financed out of the JDC budget. Also, the JDC was soon to launch a major program for aged and handicapped immigrants designed to relieve the Jewish Agency of the most burdensome cases among the newcomers.

25 Tax Exemption Lost and Regained

THERE WAS one more flare-up in relations between the two partners early in 1948, but this time it was not about percentages. The UJA briefly lost its tax exemption because of certain ineligible items in the Jewish Agency's budget, and the JDC leadership was "furious" when it found out about it.¹⁹

The Jewish Agency budget contained an item labelled "National Organization and Security," which in 1945/6 amounted to some nine per cent of total expenditures of \$42,500,000 by the UPA agencies. As explained in a CJF report on the UPA and its beneficiaries, expenditures in this category included "political activities, soldiers' welfare, care of war invalids, contact with governmental bodies, Arab-Jewish relations and internal security."²⁰ Since the state was not yet in existence, it was necessary that part of the cost of security of the Jewish community be borne by the Jewish Agency. With Arab hostility erupting into open warfare, the burden was such that the 650,000-strong *Yishuv* could not have assumed it alone. In 1948, the amount set aside for "National Organization and Security" in the Agency's budget had grown to \$28,000,000, including \$3,000,000 for the Political Department of the Agency and \$25,000,000 for security needs.²¹ To finance purchases of weapons and ammunition, ships and aircraft, a group of individuals had established a secret fundraising and purchasing apparatus, separate from the UJA.²² The Jewish Agency, however, contributed its share to the current security costs of the community. This was not a secret by any means, as indicated in the aforementioned CJF report. Nevertheless, expenditures for these purposes ran afoul of the Internal Revenue Code. After the matter was brought to the attention of the IRS by Jewish anti-Zionist leader Lessing Rosenwald,²³ the Service took action by suspending the UJA's tax-exempt status.

On April 5, 1948, Henry Montor sent a message of alarm to his "Dear Friend Kaplan:" "There is a situation of the utmost gravity that has arisen. I refer to tax exemption." A letter had arrived from the Treasury that very morning with the ominous news. "I have not had time to assess the full effects," Montor wrote. "But it looks like a matter of highest policy The moment any public hears of this ruling, it will be disastrous for the campaign. I imagine JDC will pull out of the UJA." And further: "If the tax ruling stands, it will mean the collapse of the UJA—and perhaps a new kind of campaign without tax exemption. That will be a terrible kind of campaign to conduct. The proceeds would be minimal. If I mention this possibility, it is not to add to your worries, but to indicate how serious the situation may become—if it is the expressed will of our government as part of the 'squeeze play' against Jewish Palestine." (The State Department, backing away from Partition, had recently submitted its Trusteeship plan to the U.N.) Montor painted a worst-case scenario: "If the ruthless men who are in charge of governmental policy want to go to the limit they might even block Jewish Agency money in this country. They have the power—if they have the will—to do this. I don't know how we could operate under those circumstances—and convince people to give any kind of substantial sums."²⁴

Montor was concerned, too, about the effect of the new development on bank borrowing by communities. Some \$20,000,000 had been borrowed by local federations in order to advance cash to the UJA. "Naturally, they will pay off their banks first before sending us more money. We are hoping to launch an intensive cash campaign [turning pledges into cash]—but now this tax-exemption worry has me puzzled as to the whole status of the campaign. Obviously, this is a subject which is better left undiscussed publicly as long as possible. Because even a hint of what is happening might be catastrophic."²⁵

Some word must nevertheless have leaked out. A worried Henry Bernstein, Executive Director of the UJA of Greater New York (the New York campaign was entirely separate from national UJA), wrote to the Jewish Agency for clarification of the security item in its budget. On April 13, a reply was on its way from Martin Rosenbluth, Director of Information for the Agency in New York. He informed Bernstein that no arms or ammunition were being purchased by the Jewish Agency in the U.S. for shipment to Palestine "as long as the present embargo is maintained." He also pointed out that the item "Security" in the Jewish Agency budget covered a wide variety of requirements and was by no means identical with arms and ammunition. "Included in this item are, for example, medical supplies; tents; trucks; erection of block houses

and other defense structures in hundreds of agricultural settlements and . . . allowances for families.”

Rosenblueth then assured Bernstein that “it is our understanding” that “after the termination of the Mandate and the establishment of an independent Jewish State, its government, instead of the Jewish Agency, will take over the responsibility for the security needs of the *Yishuv*.”²⁶

The file does not record whether these assurances allayed Bernstein’s anxiety. But, far more important, the U.S. tax authorities soon afterward restored the exemption. By a fortunate coincidence, the chairman of the UJA was himself a former Secretary of the Treasury. He consulted with one of his former aides, Randolph Paul, who had been general counsel to the Treasury Department under Morgenthau before going into private practice as a tax attorney. Paul, familiar with the thinking of the IRS, wrote a brief on behalf of the UJA whose logic seems to have impressed the Service. The IRS had charged the Jewish Agency with using philanthropic funds for military purposes. Paul’s line of defense was that this was comparable to the hiring of security guards by a museum to protect its exhibits; the Agency was simply preparing itself to defend the settlements it had founded and nurtured.²⁷ As part of the arrangement entered into by the IRS and the UJA, the Jewish Agency committed itself in writing not to finance any security activities in the future. (Henry Montor’s recollection, in a 1975 interview, was that the agreement called for the State of Israel to pass a law providing that UJA funds would be used only for humanitarian purposes and could not be transmitted directly to the Israel Government. However, the commitment was undertaken by the Jewish Agency and signed by David Ben Gurion, then chairman of the Agency.)²⁸

For Henry Montor and probably also for the lay leadership of the UPA, it was a near-certainty that the Jewish Agency would disappear once the State was declared. After all, the Agency had carried on many quasi-state functions, and it appeared only logical that it would merge into the institutions of the new government. The question was, what would happen to tax exemption in that event.

Montor informed Kaplan that

U.S. tax laws do not permit gifts to foreign governments for tax exemption purposes. Goldstein [Rabbi Israel Goldstein, of the New York Executive, soon to be appointed Agency Treasurer] was supposed to discuss with you the question of devising certain methods whereby the humanitarian aspects of the work could be definitely carried on by ‘public corporations’ outside the ‘state’ or ‘provisional council’ [temporary government]. That means that the

Keren Hayesod or Keren Kayemet, for example, would have to retain title, control and identity. That may mean the complete revision of your methods of accounting and operation and nomenclature. It may mean the establishment of an entirely new corporation—to emphasize it is a philanthropic institution. I need hardly tell you there are plenty of people of ill will in this country—among our Jews as well as in government—who will do everything in their power to look for loopholes. Those loopholes must be plugged before May 15, if you plan any kind of special action as of that date.²⁹

26 Jewish State and Jewish Agency

APPARENTLY IT did not occur to Montor that the Jewish Agency itself, divesting itself of its political functions, might become that public corporation outside the state apparatus which would carry on the humanitarian tasks and thereby remain eligible for tax exemption.

Yet this is precisely what happened. Shortly before the declaration of the State on May 14, the Zionist General Council had decided that the Jewish Agency would remain in business, with responsibility for the financing and organizing of mass immigration as well as the reception of the newcomers in the initial stages of their integration. Some months later, in August 1948, the Council convened again and, in consultation with the Government, agreed on a more specific division of functions among the two. Within a short period, as the influx of newcomers swelled to a flood, the Jewish Agency found itself so short of funds that it could do little more than accommodate the immigrants, first in abandoned Arab localities, then in tent cities where it supplied them with subsistence and simple equipment. Somewhat later, the mode of reception shifted to the so-called *ma'abarot*—camps made up of structures slightly more elaborate than tents, made of wood, corrugated sheet metal or canvas. The financial burden on the Agency at this period was such that even the increased sums made available by the campaign in America were far from sufficient, and more and more of the functions assigned to the Agency had to be financed by the Government, itself under great fiscal strain.

The decision to retain the Jewish Agency was taken by the Zionist General Council without any non-Zionist participation. The Council of the enlarged Jewish Agency had met for the last time in August 1937. Two months after that meeting, the Council's chairman, Felix Warburg, died suddenly, "and it can be said that with his passing the non-Zionist part of the Agency in the United States also withered away."³⁰ A meeting of the Council called for the summer of 1939, following the Zionist Congress of that year, never took place. War was approaching,

and it proved impossible to put together delegations from Europe and America.

By war's end, the three non-Zionist members of the Agency Executive had ceased to take part in its meetings, nor were they involved in the Agency's political activities in the U.S. In Jerusalem, the disappearance of the non-Zionists from the Agency caused no practical change. The term "Jewish Agency" continued to be used, but it was the Zionist Executive which now acted in that capacity. The first post-war Zionist Congress, in December 1946, resolved to consider reconvening the Council of the Jewish Agency and amend its constitution. But the resolution was not acted upon.³¹

How did the establishment of the State and the new role of the Jewish Agency affect the fundraising structure in the U.S., particularly the United Palestine Appeal? On the surface, there was continuity; the mold set in earlier years seemed firmly in place and ready to accommodate itself to the new circumstances. But in the longer run, far-reaching changes would take place, signalled in the fall of 1948 by a struggle for control of the UPA.

The second United Palestine Appeal had been established in 1935 as a joint venture of the Keren Hayesod and the Keren Kayemet (temporarily complemented by the Emergency Fund for Refugees from Germany) and eventually also including the Mizrachi organization. The Keren Hayesod was the financial instrument of the Jewish Agency, while the Keren Kayemet remained directly responsible to the WZO. When the enlarged Jewish Agency ceased to function, the Keren Hayesod also reverted to the control of the WZO (whose Executive was now identical with that of the Agency). In the United States, UPA funds (after deduction of expenses, the allocation to Mizrachi and certain "service payments" to Zionist organizations) were turned over in equal parts to the Keren Kayemet and the Keren Hayesod. Both of these had set up American corporations, whose officers were appointed by American Zionist organizations, mainly the ZOA. Together, the two Funds appointed the officers of the UPA, their joint enterprise.

27 The Struggle for Control

THE LINEAGE and "ownership" of the UPA were thus somewhat moot at this time. But the UPA letterhead circa 1946 displays a Who's Who of American Zionist leadership among its officers. As National Co-Chairmen one finds listed, among others, Rabbis Stephen Wise, Israel Goldstein, James Heller and Abba Hillel Silver; Judges Morris Rothenberg and Louis Levinthal; Emanuel Neumann, Louis Lipsky, Mortimer May and Judith Epstein. (An exception were the "Honorary Chairmen" listed on the stationery, who included prominent non-Zionist personages such as Albert Einstein; Henry Monsky, the President of B'nai B'rith; and Nathan Straus.) Without regard to their formal titles, the leading figures in the UPA were Rabbi Abba Hillel Silver and Dr. Emanuel Neumann. The source of their influence was their prominence in the ZOA as well as their seats on the Jewish Agency Executive, of which Silver was chairman of the American Section.

When the UJA, under Montor's skillful direction and the impact of the post-war events, began to approach the \$100,000,000 mark, the UPA found itself in a key position as the recipient of the funds destined for the *Yishuv*. As of 1948, the UPA funds assumed added importance as a source of foreign currency for the hard-pressed Jewish State. In the fall of that year, Rabbi Silver and Dr. Neumann began to expound the doctrine that the UPA was a purely American organization, controlled by its immediate constituents, namely the American branches of the Keren Hayesod and the Keren Kayemet.³² This was a proposition the Jewish Agency Executive in Jerusalem could not accept. By the end of 1948 a power struggle over control of the UPA and its funds was in full swing. Involved were no less than five sets of "actors," apart from the UPA itself.

DRS. SILVER AND NEUMANN

In order to understand the motives of these two ZOA leaders, it is useful to recall the struggle of Louis Brandeis and his faction over the status of

the American operations of the Keren Hayesod. Their demand then was for maximum local control, with minimum interference by the world body.

The Silver-Neumann claim to American control of the UPA may be seen as another expression of that same aspiration. Indeed, it may be considered as the third in the series of way-stations along the road which led to the reconstitution of the Jewish Agency in 1971. If Brandeis' fight over the Keren Hayesod was the first such attempt and the establishment of the enlarged Jewish Agency another, then Drs. Silver and Neumann were clearly following in the same tradition.

The specific issue over which the Silver-Neumann claim to autonomy for the UPA came into conflict with the interests of the Jewish Agency as perceived by the Jerusalem Executive was the power to appoint the chief officers of the UJA on behalf of the UPA. That prerogative had "for 25 years been left to the UPA," editorialized *The New Palestine*.³³ Conveniently ignoring the fact that until 1939—a mere ten years earlier—the UJA had existed only intermittently, and that the UPA's own continuous existence extended over barely 15 years. The American Zionist leaders who were now pressing their claim for local autonomy were manifestly insensitive to the shift in power which had occurred with statehood: the center of gravity had shifted to Israel, and the new State's needs and interests had become paramount. Perhaps Dr. Silver was still under the impact of his recent role at the United Nations, where without the support of American Jewry the State would not have come into existence.

Dr. Silver, supported by his colleague Dr. Neumann, was determined to prevent the reappointment of Henry Montor as chief executive officer of the UJA on behalf of the UPA. Montor had resigned from his position as Executive Director of the UPA in September, after accusing Dr. Silver and his followers of using their positions in the UPA to foist their political and social philosophy onto the Israeli system. The UPA Board accepted Montor's resignation, which also entailed his removal from the UJA, since it was the UPA which designated one of the two UJA Executive Directors (the other representing the JDC). But Montor was not a man to make a quiet exit: instead, he organized a Committee of Workers and Contributors which demanded a reorganization of the UPA to make it more representative. One of Montor's charges had been that the UPA was controlled by the Zionists alone, to the exclusion of the bulk of the contributors. This charge became the rallying point for the newly-founded Committee, where eighty members came from some thirty communities.

The UPA Board accepted a CJFWF offer to mediate between the UPA and the Committee. In the negotiations, in which the chairman of the Jerusalem Executive also participated, a formula for restructuring the UPA's governance was agreed upon. Henceforth, representatives of the communities would constitute 40 per cent of the Board, with the balance remaining with the Zionist organizations.

This was the end of the first stage in what turned out to be a two-stage crisis. The second stage began soon afterwards, when it became clear that the UJA's chairman, Henry Morgenthau Jr., considered Montor indispensable to the success of the campaign, and would not agree to head the 1949 drive without him as director. Montor was ready to retract his resignation and apologize for his outburst, and the Jerusalem Executive now urged Silver to accept the temperamental executive back into the fold. But the Cleveland rabbi was adamant: "No more Montor," he vowed to his colleagues.³⁴ On this issue he pitted his will against that of the Executive as a whole.

THE JEWISH AGENCY EXECUTIVE

The interest of the Executive was most directly at stake. The UJA funds, now jeopardized by the delay in appointing the campaign leadership, were its main source of income. But there was more than money at issue. Dr. Silver as chairman and Dr. Neumann as a member of the American Section of the Executive should have been bound by the decision of the majority. Yet their contention was that the controversy in which they were engaged was of no concern to the Agency; that the UPA was an autonomous American body which had the right to appoint the top personnel of the UJA without the Jewish Agency's veto or approval. This argument was totally unacceptable to the Agency Executive, which saw in it a threat to its vital interests. It took the unusual step of holding a plenary meeting in New York early in 1949; such meetings had previously been held only in London or Jerusalem. In the course of the meeting, the majority reiterated that Morgenthau should be asked by the UPA to serve again, with the right to name the chief executive officer of his choice. Drs. Silver and Neumann, certain that this meant Montor's return, resigned from the Executive.

But Dr. Silver had not played his last card. He persuaded the UPA executive committee to reject the Agency's request. At this point the Agency Executive made good its earlier assurance to Morgenthau that it was still in charge. As one member put it, the real reason for the Jerusalem group's flight to New York was to show who was boss. The

American Section's legal counselor, Maurice Boukstein, set up a new American corporate entity called the Jewish Agency for Israel, Inc. Its purpose was to supplant the UPA as the JDC's partner in a new UJA agreement, which would eliminate the UPA altogether. When the UPA executive committee realized what was happening, it yielded at last and asked Morgenthau to serve, knowing full well that he would appoint Montor as UJA Executive Director. With Dr. Silver's followers replaced by new blood, the UPA continued in existence as the JDC's partner in the UJA, while Maurice Boukstein's new creation, the Jewish Agency for Israel, Inc., was held in abeyance for another occasion.

THE GOVERNMENT OF ISRAEL

The Government was bound to be sensitive to the threat to the free flow of funds to the Jewish Agency. The controversy delayed the start of the 1949 UJA campaign, and with it the arrival of desperately needed dollars for the Agency's budget. Equally important, the income from the UPA constituted a major share of the foreign currency available to the Government.

Apart from the Government's interest in the outcome, there was also a party-political aspect to it. The ZOA maintained close links with Israel's "bourgeois" General Zionist Party, the chief opposition group to the Mapai-led Government. For the Mapai Party, it was irksome that men so openly identified with the opposition should control the tap to the vital flow of dollars. Eliezer Kaplan, the Minister of Finance who remained on the Agency Executive as its link with the Government, came along when the time came for the Executive to travel to New York to set things right.

MONTOR AND MORGENTHAU

What motivated Henry Montor in his battle with the leaders of the UPA? In the organized community, it is rare to find a professional executive in open opposition to the lay leadership. True, in the Zionist movement the dividing lines between the two categories of leadership had become somewhat blurred. Men such as Louis Lipsky, Dr. Emanuel Neumann and others who had devoted their lives to the Zionist cause would shift easily from the status of professional to that of "lay leader." Nevertheless, Montor's "rebellion," (as Dr. Neumann called it) was outside the norm of organizational behavior.

For years before the "rebellion," Montor's letters to Eliezer Kaplan were studded with derisive remarks about American Zionist leaders. His main complaint was that they did not pull their weight in raising the funds.³⁵ This was also one of the reasons for Montor's resignation as reported by the press. Montor thus gave no less than four interrelated reasons for stepping down:

- the inactivity of the Zionists in fundraising for Israel;
- their control of the fundraising machinery, and concurrent absence of representation by the communities;
- the abuse of that control to influence the social and political constellation in Israel;
- the drawing off of UPA funds for the financing of political programs outside the Jewish Agency.

In the 1976 interview, Montor cited mainly the latter reason for his "rebellion" a generation earlier: He had been "against robbing of UJA funds by miserable parties in Israel and the United States," he recalled.³⁶

Here Montor was referring to the practice of allocating UPA funds to the so-called "Constructive Enterprises" of political parties in Israel before the bulk of UPA income was divided up between the Keren Hayesod and Keren Kayemet, and of making "service payments" to American Zionist organizations. It was a practice of which Montor thoroughly disapproved. As he put it in a letter to Kaplan: "The ZOA is again receiving \$54,000 and the Mizrahi Organization of America and the Poale Zion are each receiving \$9,800 as service charges. The only service they perform is to give me the opportunity of speaking to their officers at the time when they require additional payments on their allocations."³⁷

These arrangements to which Montor objected were to a large extent the result of agreements among the parties that made up the WZO. The Mizrahi was a founding member of both the first and the second UPAs, and in return had given up its own fundraising in America. This set a precedent for subsequent arrangements with other parties which, by holding out the threat of independent campaigns, were able to secure allocations from the UPA.

Montor, realizing that he was powerless on his own to bring about a change in the status quo, enlisted the UJA Chairman, Henry Morgenthau, as his ally. Morgenthau travelled to Jerusalem in October of 1948 and was given a courteous hearing by the Jewish Agency Executive. He insisted that the Jerusalem Executive assert its control over the American Section and see to it that all UJA funds destined for Israel be transferred there without any deductions for American bodies. Unless

this were done, he said, he would head a new campaign which would turn over its funds to the Government of Israel without benefit of tax exemption.³⁸ Morgenthau apparently had unlimited confidence in the Jerusalem Executive; it was only the American Zionists who needed to be restrained.

Later that year, when it seemed certain that Montor would not be renamed to the UJA post, Morgenthau announced he would step down as well. The two left the UJA together on December 31 to form a new investment unit within the Palestine Economic Corporation.³⁹ However, it was a short-lived venture, as they were both called back to their UJA positions before two months were up.

It was perhaps Eliezer Kaplan's cold-blooded appraisal that Morgenthau as head of the UJA was worth an extra \$20,000,000 to Israel that tipped the scales in favor of Montor's return.⁴⁰ Morgenthau's prestige derived, of course, from his role as Secretary of the Treasury in Roosevelt's wartime cabinet, where he acted as spokesman for the Nazis' Jewish victims at a time when the Jewish people had few such advocates in high places. Scion of a wealthy German-Jewish family and son of the American Ambassador to Turkey in World War I, he had a deep interest in Israel and, under Montor's tutelage, was an active and dedicated UJA Chairman.

As for Montor himself, the combination of professional skill and arrogance which was his hallmark engendered both dislike and respect. His loyalty was to his mentors in Israel (mainly Kaplan, but also other figures whom he admired, such as Golda Meyerson and Moshe Sharett) rather than to those who were above him in the ZOA—he was too close to their petty quarrels and vanities to acknowledge their merits. Nor was Silver alone among the Zionist leaders in his dislike of Henry Montor. The latter himself thus described to Kaplan his relationship with Louis Lipsky: "Since I have had the temerity on several occasions to express views at variance with those of Mr. Lipsky, I am in the uncomfortable position of enjoying his cordial dislike."⁴¹

Having scored a brilliant victory over those determined to displace him from the top job at the UJA, Montor was soon to leave that organization voluntarily. In January 1951 he became Executive Vice-President of the newly created Bonds for Israel organization and was succeeded at the UJA by Joseph J. Schwarz, until then Executive Vice-President of the JDC. Before long, Montor was embroiled in a bitter dispute over the timing of the two campaigns with the UJA leadership, who suspected him of "liquidationist tendencies." Peace was not restored until David Horowitz, Governor of the Bank of Israel, came to the U.S. to mediate.⁴² Later that spring, Ben Gurion's triumphal American tour

on behalf of Bonds provoked acute jealousy in UJA circles. Only when BG stressed that UJA and Bonds were both vital to Israel were the ruffled feelings temporarily assuaged.⁴³

The following spring Mrs. Meyerson, not long ago a UJA superstar, came on a tour for Bonds which conflicted head-on with the UJA spring campaign. Both Ambassador Eban and Foreign Minister Sharett attempted conciliation, but the *Jerusalem Post* quoted a Bond leader as saying there was "No Hope for Peace with UJA."⁴⁴ It was only at the Jerusalem Economic Conference in October of 1953 that both Montor and Schwarz spoke of unity and announced a *modus vivendi*: UJA-Federation campaigns were to be conducted in the spring; local bond drives in the fall. But the ambitious target the Bond drive had set for itself—sales of \$500,000,000 in three years—called for aggressive tactics, and the friction started all over again. In 1955 Montor resigned from Bonds to go into private business. He founded a Wall Street firm, Henry Montor Associates, which was unsuccessful in attempts at private investment in Israel. Simultaneously, he became active in a new association called American Friends of Israel, which was intended to offer American Jews a forum for relations with Israel outside the Jewish Agency/WZO structure. This venture also proved unsuccessful. Some years later, Montor transferred his business activities to Rome, Italy, where he died in 1984.⁴⁵

THE FEDERATIONS AND THEIR COUNCIL

The principal interest of the federations in the controversy was to keep the UJA intact and to avoid a renewed break-up into its component parts which would engender tensions and waste on the local level. As on earlier occasions, the CJFWF saw itself mandated to mediate between the factions. But the Council also had another interest: to ensure some degree of contributor participation in the disbursement of the funds. While it did not claim a role for itself, the CJFWF did favor placing representatives of its member federations on the Boards of the beneficiary agencies. The Jewish Agency no longer had any non-Zionist component, and there was as yet no move afoot to reorganize its structure. It appeared reasonable, therefore, to approach the UJA and/or its constituents. As early as 1947, the Council had discussions with the JDC and the UPA and obtained their consent for a change in the administrative structure of the UJA. To quote a later CJFWF document:

The reorganization plan was brought about through agreement between a committee representing welfare funds in the largest cities, and the JDC and UPA. It was endorsed by the General Assembly of the CJFWF in February 1947 and contained the following provisions:

1. An executive committee of the UJA to be formed, made up of 18 representatives from the JDC, 18 from the UPA, and 18 from the communities.

2. The administrative committee of the UJA to consist of six representatives from the JDC, six from the UPA and six from the communities.

3. Persons chosen to represent the communities to be acceptable to the JDC and UPA. . . . Neither of these committees proved to be active. The first and only meeting of the Executive Committee of which we have any record took place in June of 1949, in connection with the 1949 campaign. In effect, campaign policy has been made by the UJA Campaign Cabinet.⁴⁶

But in the fall of 1948, the controversy swirling around the UPA offered a renewed opportunity for the federations to become involved. Montor was accusing the Zionists of exercising untrammelled control without pulling their weight in raising funds; the logical corollary was that they should take in as partners those who raised the funds in the communities. This was the demand of the Committee of Workers and Contributors, and the UPA Board acceded to it. The Committee at first insisted on 50 per cent—the UPA offered 30 per cent. By compromising at 40 per cent for the community representatives and 60 per cent for the Zionist funds, the Board managed to safeguard the Zionist majority while yet offering the communities participation. The formula became part of the agreement reconstituting the UPA, and the Council seemed to emerge strengthened from the process: while succeeding in mediating an intractable controversy, it had also secured representation for its membership in the spending of Israel-bound funds. Rabbi Israel Goldstein hailed the agreement in terms that soon turned out to be extravagant. "Settlement of the UPA controversy . . . has safeguarded the Zionist Council resolution vesting final authority for disposition of funds in the Jerusalem head offices . . . of the Jewish Agency. At the same time, the governing bodies of the UPA are now broadened so as to include 40 per cent representation from community welfare funds federations."⁴⁷

But some of the columnists in the Yiddish press who were close to the Zionist leadership sounded a discordant note. Ephraim Auerbach wrote in the *Morning Journal*: "The agreement portends the rise of the money collectors as the makers of the ideology of American Jewry. With the rise of the welfare funds and centralized philanthropy, the professional money collectors have been set in the saddle."

And Samuel Margoshes warned in the *Day*: "What is really involved here is a collusion . . . against the whole Zionist movement, [which is] seeking to grasp sovereignty . . . over all American Jewry. The real intention of the Montor group is to do away with the two Funds . . . curtail the influence of Zionism on the American scene. The assimilationists assume the guise of being for Israel in order to destroy American Zionism."⁴⁸

The agreement foundered before it became operational when it became clear that the Silver-Neumann faction in the UPA would still not have Henry Montor back, and that Henry Morgenthau would not continue as chairman. It is true that the final resolution of the dispute, which called for the return of the two men, also provided that the agreement concerning community representation be implemented. But by that time the UPA was no longer the same organization. It had become a "wraith" once again, and the federations did not bother to claim their share in its management. Although the Jewish Agency Executive had merely intended to outmaneuver the stubborn American Zionist leaders, it had in effect also dealt a blow to the aspirations of the federations. For clearly there was no point for them to join in the "governance" of an organization which, in the words of Gottlieb Hammer, was "essentially no more than an intermediary in the flow of funds to the Jewish Agency."⁴⁹

Once the articulate and purposeful Zionist leadership had been neutralized in the governance of the UPA, the organization lost its *raison d'être*, which was essentially to represent the Zionist interest in the UJA nexus. But it was the Zionist interest as these American Zionist leaders saw it, and for that they were disavowed by their colleagues in Jerusalem.

The UPA's formal structure was retained—its name changed to the United Israel Appeal in 1952—and the funds continued to flow through it on the way from UJA to the Jewish Agency. But in practice, the UJA dealt directly with the Agency in everything that concerned the campaign; and the Agency transacted most of its own business in the U.S. through its American Section.

Part VII

Into the Era of Statehood

28 Israel's Needs Grow— Campaign Income Declines

THROUGHOUT THE 1950s the United Israel Appeal remained inactive, while fundraising for Israel continued unimpeded. The somewhat complex system—some thought needlessly complex—whereby the UJA was a beneficiary (or partner, depending on whose perspective) in local federated campaigns, then distributed its share of the funds to its partners (or constituents) seemed to be working smoothly. The controversy over who should control the UIA had been resolved in a manner that was as ingenious as it was simple: the UIA had been all but eliminated!

Some troublesome questions remained, however. If the UIA was dormant, then who constituted the UJA together with the JDC? Also, the UIA still divided its receipts from the UJA 50–50 among the Keren Hayesod and the Keren Kayemet—as it had done since long before the era of the State. Was this justified?

That all was not well within the UJA nexus soon became apparent when, in the 1950 campaign, receipts dropped to \$82,000,000 and declined by another million a year later. Montor himself seemed to feel that the potential of the UJA was about exhausted and saw the wave of the future in the sale of Bonds (a revival of Brandeis' idea of diaspora investment in infrastructure and industrial ventures). As the 50s progressed, the UJA did not rescale its former peaks. In 1952, its receipts were down to \$64,000,000 and stayed at that level in 1953.¹ It was clear that contributors, after the emotional impact of the struggle for statehood had passed, no longer responded with the same enthusiasm to Israel's needs. True, immigration figures showed a steep decline. But the number arriving each year was not in itself a measure of the need. To provide the earlier arrivals with housing and jobs, schooling and medical care, required larger sums than transportation and initial reception.

In the Agency Executive, there was handwringing and helplessness amidst futile efforts to find a few extra millions. At the height of mass immigration, the Absorption Department pleaded for setting lower monthly quotas, as there seemed to be no way of continuing to accommodate 25,000 people a month. Later on, when winter storms swept away flimsy huts in the *ma'abarot*, Agency officials had to face demonstrations by angry immigrants clamoring for more solid shelter.

In spite of UJA efforts to bring the picture home to the American contributor, the campaigns faltered. Even "Operation Ali Baba," the dramatic airlift of 125,000 Iraqi Jews to Israel via Cyprus in 1951, had no visible effect on that year's campaign.² One result was that the Government turned to Bonds as a new and more promising source of funds and foreign currency. However, there was no intention to abandon the UJA—or the Jewish Agency—as long as they were still able to add to Israel's resources. The idea was to enlarge the overall pool of resources, not substitute one technique for another. For that reason, too, the perennial argument in the U.S. about the advantages of "free funds" (UJA) over bonds which had to be repaid did not pre-occupy the Israelis, who urgently needed the dollars now, regardless of whether they had to be repaid half a generation later.

Meanwhile, the Agency Executive sought to enlarge its share of the UIA's receipts by limiting the share of the Keren Kayemet, whose 50 per cent entitlement dated back to the pre-State days when the purchase of land by the Fund and its preparation for agricultural settlement was a top priority for the *Yishuv*. This was no longer the case; the Government had set up its own Land Authority to administer the tracts of abandoned Arab lands that fell into Jewish hands as a result of the war.

Questions were also being raised in the U.S. about the role of the Keren Kayemet. Dr. Nachum Goldmann told a meeting of the Jerusalem Executive that American Jewry did not understand what it meant to buy land when there is a State of Israel.³ When Goldmann learned that the KKL (Keren Kayemet LeIsrael) was now buying land from the Government, he warned that this would cause bitterness in the U.S. He proposed that, in a year when the needs of immigration were so great, the KKL's share in the UIA be suspended. But the Director General of the KKL, Dr. Abraham Granovsky, pointed out that only the Zionist Congress could change the status quo, and he reminded the Executive that the Fund was contributing \$5,000,000 annually to the Agency's Agricultural Settlement Department. In a thorough discussion of the KKL's role it became clear that the Government wished to maintain the status quo with the KKL turning over part of its income in return for title to land.⁴ Later that month, Hammer informed the

Agency Treasurer that the KKL had gone to American banks for a \$50,000,000 loan. Hammer advised that the KKL's request to the banks conflicted with the UIA's own pending loan application; "You can't sell the same horse twice," his cable concluded tersely.⁵

The Executive was now determined to change the status quo. The Treasurer's argument that the Agency now required five times the pre-State amount, whereas the KKL's needs had gone down with the establishment of the State, carried weight with the Zionist General Council, which decided that the KKL would have to give up its equal partnership status in the UIA. It would instead receive an allocation from the Jewish Agency budget, commensurate with its actual needs. In addition, the KKL was permitted to carry on its "traditional" collections in the U.S., such as sale of tree certificates, inscriptions in the "Golden Book" and sale of stamps to Jewish school children. A ceiling was set on these activities; and any amount raised in excess of it would be turned over to the UJA. These decisions were later ratified by the Zionist Congress.

MULTIPLE APPEALS

As a further means of maximizing its share of campaign income, the Jewish Agency joined with other groups in combatting the threat represented by "multiple appeals." The problem of competing campaigns on the American scene went back to the early years of the Keren Hayesod, and indeed was one of the reasons for the founding of the first UPA. But now that the UIA was the exclusive tool of the Jewish Agency, other Israeli causes were pressing their claims—and their campaigns—with renewed vigor. In the forefront were such time-honored aspirants to the American dollar as the institutions of higher learning, Hadassah and the Histadrut, each with its own infrastructure and carefully nurtured constituency. The beneficiaries—or principals—of these campaigns were playing a visible and often vital role in Israel, and their demand for access to the American contributor could scarcely be denied. But an attempt could be made to control that access, by coordinating campaign timing with the UJA and by setting ceilings, abided by voluntarily.

But there were also many fringe groups collecting money in the U.S. for what were claimed to be Israeli institutions. According to one source, their number approached 300.⁶ Pressure for restraining action came especially from the welfare funds, though the UJA also realized that the multiple campaigns constituted a major threat to its campaign.

Consequently, the Jewish Agency Executive decided, at its New York Plenary in February of 1949, to set up a Committee on Control and Authorization of Campaigns under its American Section, to which representatives of the Israel Government, the UJA, the UPA and the JDC were being co-opted.⁷ (The CJFWF was being kept at arms' length; it was invited to send a delegate to the group only two years later.)

The Committee issued a list of thirteen authorized campaigns. Although many requests for authorization were received, there were few changes in its approved list over the years. The trouble with this arrangement was that the Committee lacked teeth for enforcing its decisions, and at the subsequent Plenary in Jerusalem that spring the Americans on the Executive asked that Israel adopt a law controlling appeals, or at least a procedure for governmental approval. One suggestion was that unauthorized emissaries be denied exit visas, and that a joint Agency-Government body be set up in Israel to deal with enforcement.⁸

Later in the year, a two-day conference devoted to the problem recommended a licensing and control system, with a five-man licensing board involving government ministries along with the Agency.⁹ But when a year passed and these recommendations were not translated into action, the CJFWF took the offensive again. In anticipation of its 1950 General Assembly, the Council disclosed a plan for replacing the UJA with a General Israel Fund to include all of the major causes raising money for Israel.¹⁰ The plan provoked a prompt and furious reaction, which dissuaded its sponsors from submitting it to the General Assembly.

However, the CJFWF was able to persuade the Hebrew University and its sister institutions of higher learning, the (Haifa) Technion and the Weizmann Institute of Science, to merge their fundraising efforts in the U.S. into a joint appeal. The new body was called UIT (for University-Institute-Technion) and its function was to approach the communities once a year on behalf of all three beneficiaries. This solution, while considered second best to having the universities included in the UJA or UIA, appeared satisfactory for a while until Meyer Weisgal, the temperamental President of the Weizmann Institute, decided to withdraw from the arrangement.¹¹ UIT became UT: the University-Technion Joint Maintenance Appeal. The appeal for maintenance (current operational) funds was conducted jointly, but each of the partners conducted its capital funds campaign separately, within limits set by the communities. To cope with the mounting needs of these institutions in Israel, the Jewish Agency also made direct allocations out of its budget in Israel. (See Flow of Funds chart on page 154.)

THE CONSTRUCTIVE FUNDS

By the early 1950s, the system whereby the so-called Constructive Enterprise Funds of political parties became perennial beneficiaries of the UPA had become institutionalized. Already in the first UPA of 1925 the Mizrachi was one of the constituents, taking part also in the subsequent joint appeals. The religious character of the movement, with its schools, Yeshivot and cultural programs, tended to de-emphasize the political aspect and legitimized its participation in the campaign. But the precedent set by Mizrachi eventually came to serve several other parties as well. Before long, five party funds were included as beneficiaries of the UPA, in return for refraining from fundraising of their own in America.

The agreements with each of these beneficiaries provided that funds allocated by the UPA-UIA must not be used for political purposes. They were permitted to spend up to 15 per cent of their allocations in the U.S., with the balance to be paid out to them in Israeli currency. In 1955, the total amount allocated to the five beneficiaries out of UIA income was \$1,930,000, as follows:¹²

1. World Confederation of General Zionists—\$750,000

The Constructive Enterprise Fund of the World Confederation of General Zionists divided its income equally between the enterprises of the General Zionist Party and those of the Progressive Party, which were the two Israel constituents of the World Confederation. The General Zionist share in turn was disbursed through a subsidiary fund known as *Hamifde Ha-ezrachi*. This body spent the bulk of its funds on care of immigrants, housing projects, youth clubs and the Kfar Silver Agricultural School. Other activities included support of nurseries and kindergartens, a cooperative department and a loan fund.

The Progressive Party engaged in essentially similar activities through its *Mifalei Hamiflaga Haprogressivit* (Enterprises of the Progressive Party).

2. The Mizrachi Palestine Fund—\$750,000

As the central financial instrument of the Mizrachi and Hapoel Hamizrachi movements, the Fund supported rural settlements affiliated with these movements; participated in the budgets of their women's organizations; helped defray capital costs of religious edifices; and financed youth and sports clubs as well as loan funds.

3. World Agudat Israel—\$160,000

Its Constructive Enterprises in Israel included the independent religious school system (*Chinuch Atzmai*) as well as children's villages, hostels and clubs, and religious publications.

4. World Union of Poale Agudat Israel—\$181,875

The largest single allocation of the Orthodox Workers Movement's Fund was for support of certain Youth Aliyah institutions and other Orthodox-oriented youth activities. Immigrant housing and cultural activities also figured on its list of expenditures.

5. Tel Hai Fund (Herut and Revisionists)—\$90,000

This Fund's beneficiaries were mainly the Herut-sponsored National Labor Organization; its Betar youth movement, and farm villages.

The three Labor parties (Mapai, Achdut ha'Avoda and Mapam) had no Constructive Enterprise Funds and consequently did not receive any allocations from the UIA. However, these parties shared in the social service, health and settlement programs of the Histadrut, which conducted its own fundraising appeal in the U.S., officially known as the National Committee for Labor Israel but also called the *Gewerkshaften* (Trade Unions) campaign. While that campaign applied to local welfare funds for support, the Histadrut leadership was consistently unwilling to merge it into the UIA. The reason given was that it wished to preserve its direct contact with the American Jewish labor movement.

The UIA allocations to the Constructive Funds, which had earlier evoked the protests of Montor and Morgenthau, continued to cause unease among those familiar with UIA expenditures. To provide some reassurance to contributors the CJFWF, as part of its information service to the communities, disseminated a "Fact Sheet" in 1956 explaining the historical background of these allocations and emphasizing the largely educational and social welfare character of the activities financed by them. Nevertheless, the 1960 agreement between the Jewish Agency in Jerusalem and the reorganized Jewish Agency for Israel, Inc. in New York provided that the American organization would not make allocations to the Constructive Funds and that the Jewish Agency would not request such allocations.

But the parties represented on the Executive were not ready to see themselves deprived of this important source of income. Their "constructive activities," no matter how non-political, represented an important aspect of the services they rendered to their membership, and in some cases an essential part of the delivery of services to the entire community. The Jewish Agency proposed to make its allocations directly to the institutions concerned, rather than to the roof bodies. But again, some of the roof organizations (Constructive Funds) were not willing to see themselves eliminated as the financial patrons of their institutions. After a valiant initial effort by the Agency to enforce the new rules, a gradual reversion to the old system of global allocations seemed inevitable.¹³ In 1966, an attempt was made to abolish the allocations altogether and face the risk of separate campaigns. But before this could be implemented, the 1967 war broke out, an emergency campaign got underway, and no final decision was taken.

REAPPORTIONING UJA INCOME

The agreement constituting the United Jewish Appeal was renegotiated annually, until a definitive version was arrived at in 1954 which was retained without change for the next thirty years. (A supplementary letter later defined the nature of the Israel Emergency Fund, destined almost in its entirety for UIA.)

By that time, the inequality of the two parties in the disbursement column was firmly anchored in the agreement, and the JDC no longer challenged the UIA's paramountcy. On the other hand, the Jewish Agency also understood the special needs of the JDC, which occurred periodically, particularly in North Africa and Eastern Europe. In the 60s, the same agreement was renewed for five years at a time until it was finally superseded by a new text in 1984. The following were among the main provisions of the 1954 contract:

- 1) The agreement included the New York Association for New Americans (NYANA—successor to the National Refugee Service) as a signatory but not as an equal partner in the proceeds. Instead, the allocation to NYANA was determined by a committee of five (two each named by JDC and UIA, who together agreed upon a fifth) which also was to "determine all questions of policy and operations of NYANA."

- 2) After the expenses of UJA and allocation to NYANA were deducted, the net funds received by the UJA were to be distributed as follows:

Of the first \$55,000,000—67 per cent to the UIA and 33 per cent to the JDC.

Of all funds beyond \$55,000,000—87.5 per cent to the UIA and 12.5 per cent to the JDC.

3) Funds directly received by the signatories were to become a part of the UJA pool, except for funds deriving from wills and bequests.

4) The JNF (Jewish National Fund = KKL) was entitled to retain proceeds from its "traditional collections" up to an amount of \$1,800,000, after deduction of expenses not to exceed \$300,000.

5) The agreement called for two national chairmen of the UJA, one to be designated by JDC and one by UIA, but the Board of Directors of UJA shall elect a General Chairman and other campaign officers. Details of implementing the annual campaigns were to be the responsibility of an executive committee and a campaign cabinet designated by the General Chairman. [This meant that the UJA was autonomous in the running of the campaign itself.]

6) The UIA agreed to accept Israel Bonds as part of its share, meaning that contributors could turn the bonds over to the UJA in payment of their pledges.

A further important financial provision was that "it is contemplated that UJA will borrow funds during the term of the agreement" and that "the proceeds of such borrowings will be turned over to UIA by UJA." The amounts equivalent to repayment of loans and interest by UJA would then be deducted from the allocation to UIA.

This provision made for a certain asymmetry in the arrangement, acknowledging the greater elasticity of the needs of the UIA, through its beneficiary, the Jewish Agency, which at certain times would call for borrowing to make up for the shortage of funds. This asymmetry was to be found also in the later codicil to the agreement providing for an Israel Emergency Fund, which would alter the percentage division in the agreement without abrogating the agreement itself.

THE EMERGENCY FUND

An Israel Emergency Fund was first instituted in 1956 when immigration from North Africa required unforeseen expenditures. It called for the regular UJA campaign to be supplemented by a second campaign, conducted concurrently by means of a separate pledge card, or a second line on the standard card (techniques varied in different

communities). The donor would be assured that his second gift was destined exclusively for the emergency in Israel, but he would not be permitted to make the second pledge unless he contributed at least the equivalent of the previous year's gift to the regular campaign. This was intended to protect the regular campaign, which the JDC and the local philanthropies depended on for their funding, against attrition in favor of the emergency campaign.

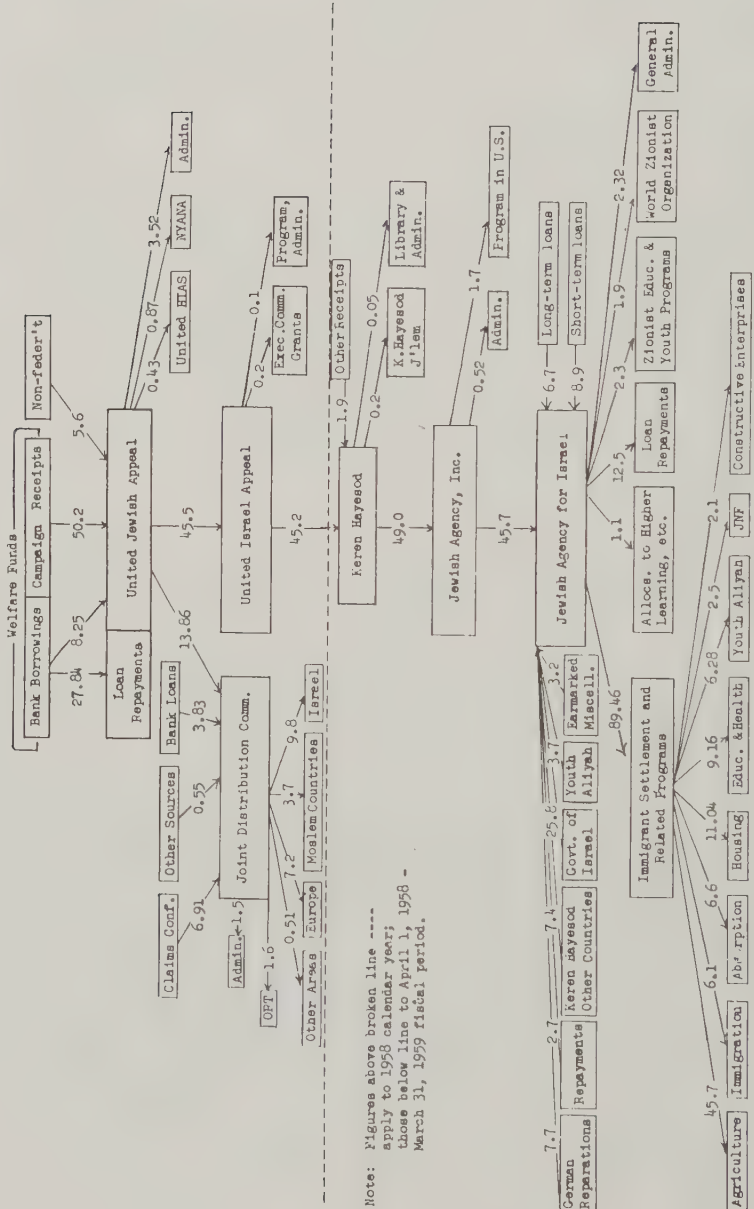
As the years passed, the Emergency Fund became a device to ensure more money than called for by the basic agreement for Israel's almost permanent state of emergency. By then the leadership of both the UIA and the JDC were able to attain the same results by more direct means. In the late 70s, the emergency fund device was all but abandoned; only a few communities still used it for pragmatic reasons. UJA Regular and Emergency Fund income was treated as a single pool and divided by accord between the UIA Chairman and the JDC President; the JDC receiving an amount sufficient to cover its needs, and the balance going to the UIA for the Jewish Agency.

In 1984 a new agreement was negotiated—the first in thirty years—which took account of the greatly increased annual income of the UJA. The new formula called for the JDC to receive 12 per cent of the first \$200,000,000 of net distributable income in the previous UJA fiscal year and 25 per cent of the balance. Based on \$265,000,000 available for distribution in 1983, this amounted to \$41,000,000 for the JDC in 1984. A guarantee of \$30,000,000 was provided for, to minimize the downside risk for the JDC.

Moreover, several new and separate appendages to the campaign which directed UJA funds to the Jewish Agency alone arose in place of the Emergency Fund: Project Renewal, the Israel Education Fund and the Debt Retirement Program designed to help the Agency overcome the debt burden of prior years.

Above all, the new agreement reflected the change in the relationship between the two partners which had come about in the generation since the late 40s: the old rivalry and competition for the UJA dollar had long since been replaced by a relationship of mutual confidence which expressed itself both in a common approach to the raising of funds and their allocation, and in wide-ranging cooperation in the field.

OVERSEAS CASH FLOW - 1958
(in millions of dollars)



Note: Figures above broken line ---- apply to 1958 calendar year; those below line to April 1, 1958 - March 31, 1959 fiscal period.

29

The Flow of Funds

THE CHART on the preceding page affords a graphic view of the route taken by the contributor's dollar to its final destination; via UJA, UIA and the Jewish Agency. It also shows how funds from sources other than the UIA flow through the Jewish Agency nexus. The flow chart traces these monies in 1958, the fiscal period just before the reorganization of the Jewish Agency in New York.

Although the chart is largely self-explanatory, limitations of space made it necessary to abbreviate and, in some cases, oversimplify. The notes which follow are therefore offered as an aid to interpreting the categories of income and expenditure shown, as well as the relationships among them.

Income

1. *UJA* income from welfare funds consisted of both bank borrowings and campaign receipts. Of the former, more than three-fourths went for loan repayments to banks of their share of the consolidation loan taken out in 1954.

At the end of 1953, Israel's external debt amounted to about \$400,000,000, of which \$100,000,000 was due to mature in 1954. This short-term debt had for years been a very difficult problem for the government. It had been undermining the credit of the government of Israel, had necessitated excessive costs for debt service, and had presented a great obstacle to the carrying out of orderly planning processes in the government economy. The government of Israel calculated that it would require \$75,000,000 in order to meet its most pressing short-term obligations and to bring its financial situation under control. The philanthropic agencies were asked to advance this amount in the form of a five-year loan.

The plan provided for transferring the proceeds of such loans to the Jewish Agency. The Jewish Agency, in turn, exchanged the American dollars in Israel for pounds. As a result, the Jewish Agency secured Israel pounds to finance its programs, and the Israel government gained access to American dollars to pay off its most pressing short-term loans.

A total sum of \$65,000,000 was raised by the UJA in this loan program, through loans by Jewish federations and welfare funds. In most instances, the monies were borrowed from local banks on the credit of the welfare funds themselves, sometimes with individual endorsers. They were to be repaid over a five-year period by deductions which the communities would make from their collections, against allocations to the UJA.¹⁴

Many communities re-financed their bank loans (Consolidation Loan) in 1958 and also negotiated new loans to keep up the flow of cash to the UJA. After payment of principal and interest on the old loans totalling \$27,840,000, \$8,250,000 in new loan funds were made available to the UJA. This was added to the \$50,200,000 received from federated campaigns and \$5,600,000 received from smaller communities where non-federated campaigns were conducted.¹⁵

Apart from the Consolidation Loan in the U.S., the Agency continued to borrow through various channels, including a debenture issue offered in Israel by the Keren Hayesod, commercial loans from banks in England and loans from the Israel Government's development budget. Such long and short-term borrowing amounted to 14 per cent of total income.

2. *The Joint Distribution Committee's* main source of income, apart from the UJA, was the Conference on Jewish Material Claims Against Germany (Claims Conference). These funds were earmarked mainly for rehabilitation of Jewish communities in Europe. "Other Sources" included contributions received from countries outside the U.S. The JDC borrowed from banks to finance current operations: the amount shown constitutes net borrowings during the year.

The high point for JDC income was reached in 1948 at \$72,000,000, including \$63,000,000 from the UJA. Subsequent years, with the decline in UJA receipts, saw a reduction in JDC income, until a low point of about \$21,000,000 came in 1952. Income increased again in 1954 as the JDC became the major beneficiary of the Claims Conference, having been entrusted with the distribution of the bulk (67 per cent) of Claims Conference funds for relief and rehabilitation programs on behalf of victims of Nazi persecution.

3. *The United Israel Appeal* at the time was not an operating agency. This is reflected in its modest budget; its main function was to transmit UJA funds to the Jewish Agency. The UIA's program expenditures were for information activities through motion pictures and publications.

4. *The Keren Hayesod* was being retained as another stage in the transmittal of funds on the basis that it might one day be needed again; but after the 1960 reorganization of the Jewish Agency, the Keren Hayesod was eliminated from the American fundraising scene. However, the Zionist Archives and Library in New York continued to be financed through the Keren Hayesod.

5. *The Jewish Agency, Inc.* was established in the wake of the Silver-Neumann affair as a branch of the Jewish Agency for Israel (WZO) in Jerusalem. As such, it sponsored certain Zionist educational, cultural, information and youth programs in the U.S. When the Jewish Agency, Inc. became independent of the WZO as part of the 1960 reorganization, most of these programs were transferred to the American Zionist Council and the American Zionist Youth Foundation.

6. *Of the Jewish Agency for Israel's* total operating income of \$115,000,000, 43 per cent was from UJA through the United Israel Appeal. The balance was derived from the following sources:

7. *German Reparations.* The Jewish Agency was entitled to 18 per cent of the income received by the Israel Government from the West German Government as reparations payments. Although, under the terms of the agreement, reparations payments could be used only for purchases in Germany, an arrangement with the Israel Government enabled the Agency to receive part of its share in cash. The agreement provided for payment by Germany to Israel of 3,450 Deutsche Marks (\$821,000,000) over a period of from 12 to 14 years as from the signing of the agreement in September 1952. Of this total, \$715,000,000 was for "global recompense" to Israel for the cost of integration of refugees from territories formerly under German rule. The remainder was for the account of the Claims Conference, for which Israel reimbursed the Conference in annual installments.

8. *Repayments.* These were collections on loans made to farmers and other beneficiaries of the Agency's resettlement programs.

9. *Keren Hayesod Other Countries.* These were campaign receipts from countries other than the United States.

10. *Government of Israel.* Long-term loans from the development (capital investment) budget for the Agency's Agricultural Settlement Department.

11. *Youth Aliyah.* These were funds raised by women's groups (mainly Hadassah in the U.S.) for the Agency's youth immigration and education program.

The Agency thus had total income from all sources of \$111,870,000, of which 41 per cent, or \$45,700,000, consisted of UIA income in the U.S. The Keren Hayesod's collections worldwide, outside the U.S., contributed 6.7 per cent (\$7,400,000). New loans and an allocation from the Israel Government accounted for the bulk of the balance.

Expenditures

Our chart shows that of the Agency's total expenditures of \$109,580,000, 81 per cent, or \$89,460,000, went for immigrant settlement and related programs. Another 14 per cent went for loan repayments, allocations to higher learning and general administration. This leaves a mere five per cent for the World Zionist Organization and its programs (which were included in the Agency budget). Some further details on the expenditures follow:¹⁶

1. *Agricultural Settlement.* The Jewish Agency's program of immigrant absorption placed its heaviest emphasis on agricultural settlement. More money was spent by the Agency in this area than for any other purpose. Ideologically, settling Jews on the land was a basic Zionist ideal. Economically, it represented the Agency's biggest contribution to the economy as a whole. The settlers placed on the land by the Agency since 1948 were producing half of all the food grown in the country by 1958.

The Department of Agricultural Settlement's 1,550 employees made up more than a third of the total Jewish Agency staff. They included about 550 agricultural instructors and another 600 technical personnel in planning, surveying, water installations, etc. Administrative personnel numbered 350. The political head of the Department was Levi Eshkol, concurrently Finance Minister in the Government. Its professional director was Dr. Raanan Weitz, one of Israel's top agricultural planners.

Altogether, 478 farm villages (settlements) were under the Department's care. This number included every settlement founded since 1948, as well as a portion of those founded earlier. With the Department's guidance and support, each settlement normally went through three stages before it became self-supporting:

- Preparation, when the initial investments in buildings, equipment and livestock were made, and intensive training was given to the new farmers. This period called for the heaviest outlay.
- Adjustment, which might take a number of years when production is increased as skills are acquired and funds for additional investments are made available.
- Consolidation, the final stage of dependency, when all the investments made should enable the settlement to reach full production, and the members to support themselves and their families by their labor.

Subsequent capital requirements were expected to be met through normal credit facilities. General responsibility for crop planning, etc. shifts to the Government's Ministry of Agriculture. (The Department coordinates its work with the Ministry through a Joint Center for Agricultural Planning.)

By 1958, none of the post-1948 settlements had as yet severed ties with the Agency, but there were 65 villages in the consolidation stage. (Direct investments remain the property of the Jewish Agency until a final agreement is worked out whereby the capital invested is charged to the settlers as loans, to be repaid over a long period.)

The 478 villages under the Department's auspices comprised about 32,000 farm units, with an average of 67 families per village. This was more than 60 per cent of the 50,000 units in 720 farm villages throughout the country. Between May 1948 and December 1955, the percentage of newcomers who went to farm settlements on arrival was 18.6, or 144,243 immigrants out of 778,204. The breakdown by type of settlement was as follows: 11.5 per cent to moshavim, 4.2 per cent to kibbutzim, and 2.9 per cent to Youth Aliyah groups.

2. *Immigration.* The Immigration Department did most of its work outside of Israel. It was responsible for implementing the immigration quota set by the Executive and for coping with sudden mass movements caused by such unforeseen developments as the Sinai campaign of 1956, which resulted in large-scale emigration from Egypt; or the emigration from Poland that same year. Its officials arranged for medical and administrative processing in the countries of origin (where feasible), or in transit countries; for maintenance en route; and for transportation. Sea-going and air transport was chartered where necessary. The Department maintained offices in a number of European, Asian, African and American locations.

3. *Absorption.* The Absorption Department was responsible for: disembarkation and transportation of immigrants from ship or plane to temporary or permanent places of settlement; supply of essential household equipment and small grants of cash and food; health insurance and welfare services during the initial period; accommodation of professional personnel and their families in special hostels; aid in finding employment; Hebrew courses (*ulpanim*) for adults.

The Department was also in charge of maintaining the transit camps (*ma'abarot*) which still housed a substantial number of immigrants who had arrived in previous years, as well as maintaining a clearing camp for social welfare cases. Rehabilitation of social cases often involved grants and loans for shops and similar facilities. To help families move out of the transit camps, loans were granted toward purchase of housing.

As part of the absorption costs, the Department contributed to a scholarship fund for secondary and vocational education for young immigrants. It also contributed to a fund which gave grants to newcomers too old to qualify for social security benefits. It paid for maintenance of retarded and other special-care children in institutions; and for community centers—where immigrant youngsters past school age were offered recreational facilities and instruction. The Department also made allocations to other organizations, such as immigrant associations and youth and women's organizations serving the needs of the newcomers.

4. *Housing.* The Agency's allocation for housing had a dual purpose: to help provide permanent housing for the earlier arrivals still housed in transit camps and other temporary quarters; and to contribute to the cost of housing new immigrants. The Agency financed part of a loan fund to enable transit camp families to purchase apartments, mostly in public housing projects, and it paid part of the cost of new houses built by the Housing Division of the Ministry of Labor.

5. *Health and Education.* In 1956-7 the Jewish Agency began to contribute to the cost of such services to new immigrants—previously borne by the Government.

6. *Youth Aliyah.* The Youth Aliyah Department maintained immigrant youngsters in agricultural settlements and educational institutions to which the Department paid fixed rates for maintenance expenses, clothing, medical care, etc., and also furnished instructors and professional educational assistance.

On September 30, 1957, there were 12,137 children in the Youth Aliyah program. In addition, some 1,300 children attended day centers while staying with their families. These centers, financed jointly with other bodies, offered pre-vocational and agricultural training. Youth Aliyah also operated a child guidance clinic as well as a special facility for children with emotional problems.

The Agency contributed 56 per cent of total costs of the Youth Aliyah program; Hadassah 27 per cent; and other organizations and sources in the U.S. and elsewhere, 17 per cent.

The expenditures of the Youth Aliyah Department were in two categories: direct services (30%) and allocations to other organizations (70%). The latter broke down as follows:

Institutions affiliated with:	
Histadrut	29%
Mizrachi	18%
Agudat Israel	10%
Progressives	8%
Pioneer Women	3%
Herut	2%
General Zionists	1%
WIZO	1%
Independent Religious	2%
Non-affiliated agricultural schools	20%
Medical and private institutions	6%

7. *Jewish National Fund (Keren Kayemet le-Israel)*. Since the JNF ceased to be a direct beneficiary of the UJA campaigns in 1952, it received an annual grant of about \$3,000,000 from the Agency to help finance its afforestation and soil reclamation program. This was in accordance with a decision taken by the 23rd Zionist Congress in 1951 which terminated the status of JNF as an equal partner in the UPA.

8. *Institutions of Higher Learning*. Among the expenditures outside the category of immigrant settlement allocations were the Institutions of Higher Learning. The Hebrew University and the Weizmann Institute received approximately \$600,000 each and the Technion \$250,000.

Zionist education and youth programs, which later became part of the separate WZO budget, consisted of the Youth and Hechalutz Department, the Department of Education and Culture in the Diaspora and the Department of Religious Education and Culture in the Diaspora.

9. *World Zionist Organization* expenditures as shown in the chart included mainly the Department of Organization, dealing with the branches of the Zionist Organization throughout the world and responsible for preparing the sessions of the Zionist General Council and the Zionist Congress. A Press and Information Department produced broadcasts to Jews outside Israel, films, and information materials.

10. *General Administration* included the office of the Controller as well as the cost of offices abroad.

30 Perspective: The UIA as a Source of Foreign Currency

VIEWING THE record of transmittals to the Jewish Agency by the UIA solely in the perspective of earlier—or later—income tells only part of the story. Comparing those transmittals with the dollars earned by exports in the same period gives a broader view of the role of UIA income in the country's overall foreign currency budget. Such a comparison highlights the crucial role played by the UIA's remittances even in years when receipts in the U.S. were relatively low.¹⁷

The table below points up the relationship during a three-year period in the early 50s:

Balance of Trade (in millions of \$)

<u>Year</u>	<u>Imports</u>	<u>Exports</u>	<u>Trade Deficit</u>	<u>UIA</u>
1951	343.3	46.8	296.5	50.0
1952	309.6	43.4	266.2	44.6
1953	286.7	59.6	227.1	44.2

The following table for foreign currency income from all sources for the fiscal year 1954–55 (April 1 – March 30) shows the place of philanthropic funds in relation to all the other sources of foreign currency at Israel's disposal during that year. (Of the total \$78,300,000 from Jewish organizations, an estimated 85 per cent came from the U.S.) The amount was relatively high that year because Israel received a major part of the proceeds of the \$50,000,000 consolidation loan taken out by the UJA through the communities to help the Government consolidate its short-term debts. It was also the year in which delivery of German reparations goods reached a peak (the figure shown represents the value of actual deliveries during the period). "Personal Transfers" includes gifts in currency as well as restitution payments to individuals.

“Other Receipts” are mainly capital investments.

Foreign Currency Income 1954/55 (in millions of \$)

Exports, visible	88.2
Exports, invisible	15.7
Jewish Organizations	
Currency	73.4
Goods	4.9
Sale of Bonds	37.9
U.S. Grant-in-Aid	44.9
German Reparations	94.7
Personal Transfers	24.2
Other Receipts	14.0
TOTAL	397.9

Income from philanthropic sources in that year exceeded the total of U.S. economic assistance to Israel, which came to about \$45,000,000. After reaching a peak of \$70,000,000 in 1952-53, the amount declined each successive year. U.S. officials justified that reduction by what they viewed as Israel's economic progress, and also as part of overall reductions in the worldwide program of foreign aid. The aid program provided Israel, on the one hand, with dollars with which to purchase essential commodities in America, and on the other hand, with technical advice on how best to use these funds (“Point Four” Program). The technical assistance program also paid for Israeli technicians to spend from three months to one year of advanced study in the U.S.

A distinctive feature of the U.S. grant was the legal requirement for “counterpart funds” which required beneficiary countries to match every dollar received with its equivalent in their own currency. When the grant-financed goods arrived in Israel's ports, they were released to the importer or ultimate consumer against payment in pounds which, deposited in the “counterpart fund,” were then used by the Government to finance local expenditures of development projects.

Part VIII
New Directions in
Diaspora–Israel Relations

31

The Reorganization of 1960

THE 1950s were for Israel a decade of slow and often painful consolidation, following the startling climaxes of the late 1940s. The era of mass immigration brought in its wake material and social problems which necessitated new infrastructures. Housing was the first necessity; but the imperative of speed in providing living quarters meant temporary accommodations and frequently minimum space for large families. Trained personnel were needed for social services. From the tent cities and transit camps whole new communities (development towns) were improvised. The spurt in population size, coupled with the dearth of foreign currency, made for shortages of essential commodities, necessitating rationing. Although agriculture remained the core occupation ideologically, its scope for expansion was limited, and jobs for new immigrants had to be created in new industries and services. In all of this, the Jewish Agency was slated to play a central role. But the actual extent of its participation was determined by the flow of funds from the campaigns. And that flow had slowed down considerably since the beginning of the decade.

Even though by 1952 the JNF was no longer a partner in the UIA, the Keren Hayesod received less than \$30,000,000 on behalf of the Jewish Agency in that year. Six years later (as the "Flow of Funds" table shows) UIA income was still \$45,000,000. The campaigns were raising somewhat more than in 1952, but it was clear that contributions in the U.S.—and the rest of the world, for that matter—had not kept pace with the constantly expanding needs in Israel and the tasks assigned to the Jewish Agency.

In 1964 the UJA launched a new venture, the Israel Education Fund. Its aim was to provide the means for the construction of educational facilities; mainly secondary schools but also kindergarten classes and community centers—in brief, buildings for instructional purposes not provided for under state law. The Fund was organized in accordance with a 1964 ruling of the Internal Revenue Service. The IEF accepted only substantial gifts, and only from donors who already made their

pledges to the UJA or did not previously contribute. In many cases a single individual donated an entire school complex through the Fund. An agreement laying down the ground rules for the new campaign was signed by the UIA, UJA and JAFI, Inc. in April 1965; in the two decades since then, according to the UIA's 1985 annual report, 580 projects were initiated with a total value of \$61,000,000. (An additional 134 projects were financed through Keren Hayesod in other parts of the world.)

Although of unquestioned significance for Israeli education, the IEF has not been a major factor in overall UJA receipts during those years, nor was it intended to be.

But while the scope of American contributions to the Agency appeared to have reached a plateau, there were stirrings in the organizational relationships among the partners in the common enterprise. These stirrings found their outlet in pressure by the community welfare funds for more information on the way funds were being used in Israel, and eventually for more direct participation in the decision-making process.

The re-structuring of the UPA in 1949, which was to have given the welfare funds 40 per cent membership on the Board of Directors, had remained a dead letter. In any event, there would have been no practical significance to the communities' participation in a UPA (later UIA) devoid of any meaningful role. An indication of the low estate to which the UIA had fallen in those years was the failure to appoint a new Executive Director when the incumbent, Ellis Radinsky, died in 1955. Gottlieb Hammer, as Executive Director of the American Section of the Jewish Agency, served in a supervisory capacity.

But the status quo resulting from the collapse of the Silver-Neumann front in 1949 was a precarious one, and there were forces at work both in Israel and in the U.S. which were determined to bring about change in a situation rife with contradictions.

In Israel, the WZO was under attack by none other than Prime Minister Ben Gurion himself. While his verbal onslaughts were aimed mainly at the diaspora Zionist leaders who failed to translate their convictions into practice through aliyah, he did not spare the Zionist movement as a whole. In one of his speeches he compared the movement to a scaffold which should be dismantled once the building was up. And the country was being built not by Zionists, but by immigrants.¹ But as a pragmatist, Ben Gurion also understood the role of the Jewish Agency in the transfer of much-needed dollars and in organizing immigration, which he had defined as the State's first priority, after security. And the WZO now was the Jewish Agency. Ben Gurion therefore went along with the consensus which enacted the law granting a special status to the

WZO-Jewish Agency in 1952. But his disenchantment with the WZO was nurtured by the drastic decline in immigration which set in that same year. By then the camps of Europe had been cleared out, the airlifts from Yemen and Iraq had run their course, and remaining Middle Eastern and East European sources seemed to have dried up. Now was the time for the WZO to draw on its adherents in the free countries of the West. Its inability to do so only increased the Prime Minister's scorn. At the same time, the Jewish Agency's income-producing potential also proved inadequate to the need.

Upon Ben Gurion's temporary retirement to the Negev at the end of 1953, the pressure he exerted let up. Two years later, when he returned from his Negev retreat to rejoin the Government, Ben Gurion had other things on his mind: Egypt was being armed by the Soviet bloc, and the Sinai Campaign was on the horizon.

Among the members of the Jewish Agency Executive, there was one who recognized the weakness of the WZO's position and sought to prop it up by widening its base. Dr. Nahum Goldmann, who, upon Dr. Silver's resignation, had become Chairman of the American Section and was later elected President of the WZO, proposed to enlarge the WZO by co-opting non-political Jewish organizations which would then be eligible to appoint members to the Executive. Like Weizmann before him, Goldmann had to fight for his ideas among his Zionist colleagues on the Executive, most of whom felt comfortable being in sole control. By the time some of Goldmann's ideas were adopted, in modified form, they had lost much of their significance. Their main purpose was to lend legitimacy to the WZO as representative of the Jewish people as a whole by including in it such "non-Zionist" groups as the Reform and Conservative movements, the Maccabi World Union (Sports) and the World Sephardi Federation. But Ben Gurion, who had stubbornly denied the WZO's representativeness, had by then finally retired from the scene, and the WZO was once more in the process of being separated from the Jewish Agency. Dr. Goldmann was well aware that his scheme for adding non-Zionist groups to the WZO would not make the Jewish Agency more representative of its contributors.

Nor was this a major issue for the Israeli public. The Agency was deeply rooted in the Israeli scene, and few people questioned who or what was behind it. It was in the diaspora, and especially in America, that such questions were being asked more and more searchingly. The CJFWF was in the forefront of the questioners; it had established an Institute for Overseas Studies, under a professional economist, for the specific purpose of probing into the way American Jewish funds were being spent overseas. Studies on the Jewish Agency and its programs

were being issued seriatim; often these papers did not merely supply information but raised questions as well.

The CJF's involvement also expressed itself in study missions by its Board members to Israel. Unlike the missions conducted under the auspices of the UJA, these were not designed to stimulate enthusiasm for larger donations, but to discuss matters of concern and to gather information for dissemination to its membership. At the conclusion of one such mission in 1958, the CJFWF established a Committee on Jewish Welfare Fund-Israel Relations which became the focus for further preoccupation with the Jewish Agency and its programs. The Committee also carried on discussions with Dr. Goldmann about instituting "more effective machinery for cooperation and exchange of views with the Agency than had heretofore obtained." The Committee's chairman, Irving Kane of Cleveland, presented a report at the Council's 28th General Assembly in November 1959, in which he first recalled the history of the CJF's involvement and then gave some specific recent instances:²

Certain questions have been raised by communities which we in turn have brought to the attention of Agency officials both here and in Israel. These questions have dealt with substance as well as structure. For example, as early as 1955 the Council discussed with Dr. Giora Josephthal who was then Treasurer of the Jewish Agency, the advisability of separating the philanthropic activities of the Agency which take up nearly nine-tenths of its budget, including immigration, absorption programs such as housing and welfare activities, and agricultural settlement, to separate these from those programs amounting to roughly ten per cent of the budget which would be more properly classified as activities of the World Zionist Organization. The Agency did not consider this approach as practicable at the time

We have also taken the view that the Agency's expenditures outside of Israel that are not connected with its immigration program, and especially expenditures in the United States, be re-examined to see whether they can be financed from other sources. This involves primarily educational and cultural programs which the Agency finances in this country.

Kane then reported on "a proposal for some modification of the structure of the Jewish Agency."

Dr. Nahum Goldmann, who is the President of the World Zionist Organization and also the Chairman of the Executive of the Jewish Agency, obtained authority from these bodies to establish an advisory group to the Agency which would, in the first instance, be composed of American Jews. The reason for bringing such a group into existence, as he explained it, was to get broader participation of non-Zionist leaders as well as Zionists to reflect more fully American Jewish interest and opinion, and to give the Israelis the benefit of these more extensive views.

The Council then made its own proposal:

A delegation of Council officers first met with Dr. Goldmann last year to suggest to him the possibility of the Agency's participation in the Large Cities Budgeting Conference which now includes ten national and overseas agencies. This, to our mind, would be a logical and desirable relationship. It would mean that the Council would in no way become part of the structure of the Jewish Agency, but would retain its character as the representative of the community welfare funds dealing with an independent functional agency—as we do with other agencies.

Dr. Goldmann did not feel the Agency was in a position to enter into this relationship. Instead, he broached his own plan for an advisory body and urged the Council to participate.

. . . Our group then met with Dr. Goldmann again and conveyed to him . . . that the use of an Advisory Committee composed of the President's Conference would not serve the purpose desired. However, Dr. Goldmann decided that he would ask the President's Conference to constitute the advisory group . . . The Committee concluded that the CJFWF should not join this advisory group, if formed. The JDC and other organizations also declined to join.

The Committee adopted a resolution reiterating that "a constructive change in the organization of the disbursement of American Jewish philanthropic aid for Israel is highly desirable."

Kane concluded by reporting that "it does not appear now that the President's Conference proposal will be implemented. Instead, we will explore other possibilities for relating American Jewry to more direct involvement in how the money our Welfare Funds provide is utilized."

In a follow-up communication to the Committee, Kane wrote that the Council was being guided by the following principles:

A. A reorganized structure and procedure for the disbursement of American Jewish philanthropic funds should ensure ultimate American responsibility and control. This principle is already observed in other major overseas services by JDC as an American organization, including its Malben program in Israel, and by such other organizations as Hadassah working in Israel.

B. Other activities of the WZO—educational, cultural, organizational—should be separated from the direct expenditures for immigrants in Israel . . .

C. In cases where philanthropic funds from the United States are used to support the welfare services of other organizations, the principle that philanthropic programs must be completely separate from political activities should be fully safeguarded

D. Expenditures for cultural, educational, and other activities of the Jewish Agency in the United States should be separated from the Jewish Agency budget, and should be transferred to direct American auspices and financing.³

The above constituted, by and large, a fairly complete blueprint for the reorganization project which was soon to be implemented. It is doubtful, however, whether pressure of this sort from the CJFWF would in itself have brought about any significant change in the “disbursement of American Jewish philanthropic funds for Israel” had it not been for another simultaneous development on the tax exemption front.

Twelve years had passed since the last serious threat to the UJA’s tax exemption had been successfully parried, but the memory of it still chilled the bones of those who had been privy to it. This time there was no fear of sudden suspension, nor was there anything the Israelis had done to jeopardize the UJA’s status. Rather, it was a ruling by the Internal Revenue Service in a case entirely unrelated to Israel which put the UJA’s tax deductability into question. An application by an American group called Friends of Churchill College (in Great Britain) for tax exemption under Article 501 (c)(3) of the Internal Revenue Code had been denied by the Service. The reason: the Friends served as a mere “conduit” for funds on behalf of a non-American beneficiary, whereas the law intended that the beneficiary must be an *American* organization, in full control of its expenditures.

The implications of the ruling for the UJA and its beneficiaries were fairly clear: the Jewish Agency, which was spending the funds, was not an American body; the UJA was American but did not spend the funds it was raising, and the United Israel Appeal, while American, fitted the definition of a “conduit.” Clearly, a drastic change was required so the

tax exemption would not be open to challenge. At this point it appeared that the U.S. Internal Revenue Service might be the *deus ex machina* which would accomplish what Justice Brandeis, Chaim Weizmann, Abba Hillel Silver and the Council of Jewish Federations had failed, each in its own way, to bring about.

There followed several months of "difficult and heart-searching" discussions with the leaders of the Jewish Agency in Israel, whose main spokesman was Dr. Dov Joseph, the Canadian-born lawyer who was now its Treasurer. Only a short while before, Dr. Goldmann had been offering such modest concessions as making the Presidents' Conference an advisory body to the Agency; now, by dint of a U. S. Government regulation, the Americans were to be given absolute control. Gottlieb Hammer, who was involved in these discussions as Executive Director of the American Section of the Jewish Agency, recalls that some of the Israelis were dejected enough by the new development to think of going out of business and turning over the Agency's responsibilities to an American organization like the JDC.⁴

Such radical measures turned out to be unnecessary. Working discreetly and with meticulous attention to every legal requirement, the Agency's New York attorney, Maurice Boukstein, produced a compromise formula which was acceptable to both the Israelis and the U.S. Treasury.⁵ Under Boukstein's plan, the Jewish Agency for Israel, Inc. (incorporated in New York at the time of the 1949 crisis) would become the "principal," carrying responsibility for spending the money raised in the U.S., while the Jewish Agency in Jerusalem would become its "agent."

According to Hammer,

This arrangement was a huge and very bitter pill for our friends in Israel to swallow. They did it only after we convinced them there was absolutely no other choice. Thus we managed to conform to the tough new interpretation of the Internal Revenue Code and preserve our tax exemption without disrupting the Agency's ability to perform its functions efficiently and effectively.

The procedure would be for the Treasurer of the Jewish Agency to come to the United States, present his budget to the Board of Directors of the Jewish Agency for Israel, Inc., and ask for approval. The Board would review his budget, decide which items it wished to support and vote a budget of its own, which it would transmit to Israel along with the funds for implementation.

For the plan to work, there had to be a very strict accounting by the Jewish Agency-Jerusalem to the Jewish Agency, Inc. in New York that the funds were expended in accordance with the budget

sent by the American organization. To this end the Jewish Agency, Inc. would establish an office in Israel for a representative who would be in permanent residence there.⁶

At the same time, the corporate structure of the Jewish Agency for Israel, Inc. was reorganized. It was separated entirely from the American Section of the WZO, with which it had previously been identified. Gottlieb Hammer remained the Executive Director of the Jewish Agency for Israel, Inc. (JAFI Inc.) which was soon to be controlled by a new and expanded Board of Directors.

One effect of the reorganization was to erect a wall that clearly divided the financing and administration of WZO activities—public relations, political action, Zionist education, recruitment of Americans to go on aliyah to Israel, etc., from the philanthropically supported humanitarian and social services provided in Israel by the Jewish Agency for Israel, Inc., for which exemption from U.S. income tax exemption was absolutely vital.⁷

The details and principles of the reorganization were set forth in a set of by-laws for the JAFI Inc. and in a formal agreement between the latter and the Jewish Agency for Israel in Jerusalem. There was also an exchange of correspondence with the Commissioner of Internal Revenue which formed part of the understanding with the IRS on the basis of which the tax exemption was assured.⁸

The by-laws provided that the new JAFI Inc. be made up of two members: the UIA and the Jewish Agency-American Section (WZO). But at the corporation's annual meeting, the UIA was granted 14 votes to the American Section's seven. Similarly, of the 21-member Board of Directors, 14 were to be designated by the UIA and seven by the American Section. Ostensibly, this put the WZO in the minority, with the UIA firmly in control. But then the question arose, whom did the UIA represent at this juncture? In its second incarnation (in 1935), the UPA was a purely Zionist body, with the American branches of the Keren Hayesod and Keren Kayemet as its constituents. Then, at the UPA annual conference in November of 1948, it was decided to cede a 40 per cent share to representatives of the communities; but that provision was never implemented due to the UPA's loss of status as a result of the crisis. Now the 40 per cent clause was reactivated, with the dual effect of reviving an inactive UIA and providing for the long-delayed participation of the communities. But still, the reorganization did not result in Zionist loss of control. The UIA was 60 per cent Zionist, and the 14 Directors it would name to the JAFI Inc. Board would reflect that

proportion. Together with the seven Directors appointed by the WZO, the composition of the Board would assure a comfortable margin for the Zionist camp. In actuality, the 14 men (no women!) chosen to represent the UIA were all distinguished community leaders as well as generous contributors to the UJA. Some of them were formally affiliated Zionists, some were not; but all of them had a long record of commitment to Israel's cause.

The seven designees of the WZO included the six members of the American Section plus the Treasurer of the Jewish Agency.

By all reports, the meetings of the Board were characterized by a spirit of harmony and good will, with the distinction between the two groups almost imperceptible. Voting was on a personal rather than an affiliational basis.

The agreement was designed to safeguard the interests of the (Jerusalem) Agency while ensuring full compliance with the American legal requirements. These were some of its provisions, which have essentially remained unaltered to this day:⁹

- The agreement was to be in force initially until December 31, 1963, and was automatically renewable for five-year periods thereafter, unless either party notified the other 12 months prior to expiration that it did not wish to renew the agreement.
- The JAFI Inc. (the Domestic Organization) was to be the recipient, through the UIA, of income of the UJA inuring to the UIA, and the body responsible for the disposition of such funds.
- The Domestic Organization is desirous to implement its purpose by employing the facilities of the Jerusalem Agency and wishes to appoint the Jerusalem Agency as its operating agent.
- The Domestic Organization will not expend funds in Israel except through facilities of the Jewish Agency; it will use its funds solely for the financing of the activities of the Agency.
- The Israel representative (of the Domestic Organization) will participate in the preparation of the programs and observe the operations of the Jewish Agency; he will receive the funds of the D.O. and ascertain that they are expended for the purposes designated.
- The Jerusalem Agency may co-mingle funds of JAFI Inc. with those from other sources.
- The budget of the Jerusalem Agency is to contain only items considered appropriate under the provisions of the statutes governing tax exemption in the U.S.

- All other items heretofore included in the budget of the Jerusalem Agency will be handled outside the budgetary framework of the Jerusalem Agency, by a separate budget and separate accounting.
- The Domestic Organization will not make allocations to constructive funds sponsored by political parties, and the Jewish Agency will not make a request for such allocations.
- The two organizations will jointly work out a long-term borrowing policy aimed at consolidating and reduction of indebtedness.
- If funds are used in a manner inconsistent with these conditions, the Domestic Organization may withhold funds and terminate, upon six months' notice, the Agency's designation as its agent; the determination to be made by the Board of Directors.

In a letter to the Commissioner of Internal Revenue preceding the signing of the agreement, the lawyers for JAFI Inc. and the UJA assured the Commissioner that the Domestic Organization had the power to allocate, reallocate or withhold allocation of its funds as it saw fit, regardless of any disagreement with its operating agent.

Although the agreement was formally signed only in October, the Domestic Organization was in effect reorganized immediately following a letter to the Commissioner dated 30 March 1960 in which the principles of the reorganization were set forth. As of April 1, 1960 the Domestic Organization ceased to function as the representative of the Jerusalem Agency in the U.S. It consequently deregistered as an agent of a foreign principal under the Foreign Agents Registration Act of 1938.

The question of registration under this Act was to give rise to an unpleasant episode three years later, when a Senate Committee headed by Senator William Fulbright (D-Ark.) uncovered the fact that the WZO-American Section had neglected to register as a foreign agent under the 1938 statute. The Committee used this as an opening to submit the complex Jewish Agency-WZO relationship and the UJA as well to extensive, often unfriendly investigation.¹⁰ Rumor had it that Sen. Fulbright was resentful over alleged Jewish opposition to his appointment as Secretary of State in the Kennedy administration and that the investigation, with its numerous public sessions attracting a fair amount of media interest, was an outgrowth of that resentment. Whether or not there was any basis to these rumors, the UJA-UJA-JAFI, Inc.-Jewish Agency nexus came out unblemished, and only the WZO-American Section received a scolding for not having registered. But although the probe petered out without any action being taken, it caused considerable anxiety while in progress; and it underlined the importance, for both Americans and Israelis, of strict adherence to the

legalities. Withal, it facilitated the task of Maurice Boukstein and others on the American side to impress the Israelis with the need to take the JAFI, Inc. agreement seriously, and not to see the change in corporate structure as merely a necessary evil occasioned by the policy of the Internal Revenue Service.¹¹

At the same time, the Board and officials of the JAFI, Inc. understood that the new arrangement, in vesting the power to withhold funds in the American body, represented a revolutionary change in the accustomed procedure, and that an abrupt attempt to invoke that power would undermine the confidence of the Israelis and possibly permanently mar the already delicate relationship.

While the separation of the Agency budget from that of the WZO was stipulated in the agreement, the functional division between the two bodies was still some time away; meanwhile the Zionist Executive in Jerusalem continued sitting as the Jewish Agency Executive as well. The Board of Twenty-One, which adopted budgets for JAFI Inc. in New York on the basis of the reports of its Consultant on Programs in Israel, Dr. Isador Lubin, was far removed from the scene. Dr. Lubin visited Israel periodically and between visits was represented in Jerusalem by a deputy. The modest staffing of the Jerusalem office precluded more than a sample monitoring of the Agency's many-faceted programs; moreover, the Agency continued to be sensitive about the new arrangement, and more intensive probing by the American *shlichim* (emissaries) was apt to meet with distinct coolness on the part of their Israeli hosts.¹²

But the fact that the "Inc." Board discussed the programs for which it budgeted, often in great detail, created a forum in which contributors and community leaders who were not part of the Zionist structure were given a role, for the first time since the demise of the 1929 Agency. It was clearly a step in the direction of a renewed partnership, though it was still a somewhat awkward one.

The Agency continued to suffer from a severe shortage of cash as the campaigns remained static. The structural reorganization had done nothing to change that situation. The first financial report of the new body, prepared after 10 months of activity, showed that out of \$26,000,000 credited to UIA by JAFI Inc. during that period, fully \$21,000,000 went for payment of interest and capital on outstanding UJA refunding loans. Small wonder that Dr. Joseph, the Treasurer, was "beside himself."¹³

The opportunities for prudent lending by banks to communities in return for UJA guarantees had been more or less exhausted. It also became apparent that certain federations found it difficult to overcome their dislike of borrowing and were using the proceeds of the next

campaign to pay off the banks even before the loans came due. This played havoc with the cash flow to the Agency. The communities were then persuaded to let the UIA negotiate the borrowings centrally, with assistance of the local federations and their leaders, many of whom were known as solid risks to the local bankers. In the course of time, a unified loan program was worked out, with countrywide future receipts of the UJA as the collateral and annual repayments generally not exceeding 20 per cent of its anticipated income.

Gottlieb Hammer then secured a new source of finances in the form of loans from American insurance companies for immigrant housing in Israel. Since it was not the practice of these companies to make direct loans for housing abroad, the technique conceived by Hammer was to set up an American company which would obtain the loan. The capital and interest were to be repaid over a period of 15 years out of the allocations of the JAFI, Inc. to the Jewish Agency for immigrant housing. The interest rate was approximately six per cent. If the scheme sounds complex, the results were impressive: between 1962 and 1964, \$70,000,000 was thus obtained from eleven insurance companies, while a group of individual investors headed by Jack Weiler put up \$100,000 each to form the share capital of the housing corporations. Some 17,000 apartments were purchased with these funds, both new units and existing flats. The housing units themselves served as collateral; they were registered in the name of the newly-founded American companies and then leased to the JAFI, Inc. which turned the apartments over to the Jerusalem Jewish Agency, as its agent, for distribution to new immigrants at subsidized rentals.

In 1965, the ever resourceful Hammer negotiated with the same insurance companies to borrow \$50,000,000 for 15 years at 5 1/2 per cent. This money was used to consolidate \$45,000,000 in short-term loans borrowed earlier by the UJA and the communities.¹⁴

32 The UIA Revitalized

THE ERA of the "Inc.," as the Jewish Agency for Israel, Inc. was known (to the extent that it was known at all), was to last for only six years, from 1960 to 1966. In retrospect, this period was but another transitional stage, another way-station—the next to the last—on the road to the reconstitution of the Jewish Agency. Now there remained just one more stage to be reached until a lasting and more effective institutional form for the partnership could be attained. That stage was the revitalization of the United Israel Appeal.

The Silver-Neumann crisis of 1948–49 had dealt the UIA a crippling blow, and its separate identity had been further eroded with the establishment in 1960 of the Jewish Agency for Israel, Inc. The latter's function, as the American principal controlling the expenditures in Israel of UIA funds, should have belonged to the UIA itself, but it was only six years later that the JAFI, Inc. and the UIA were consolidated into a single corporate body named United Israel Appeal. Not only was the UIA thus revitalized, but it emerged with a far broader form of representation, ready for its future role as the main instrument of the American Jewish community in its relationship with Israel and the Jewish Agency.

Would it not have been simpler to allot that role to the UIA already in 1960, rather than go through the cumbersome procedure described in the preceding chapter? The answer is a qualified "yes." In Jewish organizational life the simplest way is not always the most efficient, or feasible. Traditions which must be honored stand in the way; divergent interests must be accommodated; personalities propitiated; and the importance of names and symbols must not be underestimated. This has been true especially of the Zionist organization, itself a conglomerate of ideological and political factions. Nor could the American Jewish community at large be considered a model of cohesiveness; its structure was diffuse and non-hierarchical, subject to informal checks and balances which militated against central authority.¹⁵

The earlier episodes of collaboration between Zionists and non-Zionists, UPA and JDC, had ended in a return to separate and competitive activity and did not result in a more permanent relationship of trust among the onetime—and future—partners. Even the experience of the enlarged Jewish Agency, which came about after a six-year period of negotiations, brought about disillusionment. Upon this legacy, it was difficult to build new structures radically different in their conception from what had gone before. Therefore the “Inc.,” in retrospect, must be viewed mainly as a useful transitional phase.

But whatever its advantages, the “Inc.” also suffered from some serious congenital defects. First among these was that, in spite of the factors within the community pressing for reform, the birth of the “Inc.” was the result of outside pressures. Without the U.S. Internal Revenue Service acting as the catalyst, it would certainly have taken much longer for these internal organic developments to lead to effective change.

Secondly, the new structure was conceived in the offices of the legal counsel for the Jewish Agency in New York. Rather than evolving through a communal process, it was presented, ready-made, to the parties concerned. Moreover, it was fashioned with the legal requirements of the U.S. Government uppermost in mind, and the need for tact in relations with the Jewish Agency as another prime consideration. The claims of those who had been pressing for reform were a tertiary factor.

Thirdly, the non-Zionist members of the “Inc.” Board of 21 (later enlarged to 27), while chosen on the basis of background and qualifications, were nevertheless appointed rather than elected as representatives of a visible constituency. They were well aware of the criticism being directed against the Board as being a “self-perpetuating” group and were distinctly relieved when a more democratic mode of selection was eventually adopted as part of the consolidation with the UIA.¹⁶

The decision to retain the “Jewish Agency” nomenclature for the new body was based primarily on legal and financial considerations, and it caused endless confusion. As Mr. Boukstein later explained it, a radical change of name might have affected the Jewish Agency’s relationship with the banks with which it had major loans outstanding; and it was preferable not to “rock the boat.” At the same time, retention of the old name made it possible for the Jerusalem Agency to minimize the impact of the change vis-a-vis its own constituency (mainly the Israel public and the various instances of the WZO). Could anyone blame the

Director of the Treasury Department, Y. Giladi, for writing to a subordinate after the 1960 reorganization that "nothing has changed?"¹⁷

However, Dr. Dov Joseph, Treasurer of the Jewish Agency and Giladi's boss, found out soon enough that something had, in fact, changed. Shortly after the reorganization took effect, he phoned Gottlieb Hammer, Executive Vice-Chairman of the "Inc." to assure himself that he could continue to count on Hammer's loyalty. Hammer, previously Executive Director of the Jewish Agency—American Section, and in that capacity subject to the Treasurer's orders, explained that he was henceforth bound by the decisions of his new principals, the Board of the "Inc." Dr. Joseph, as Hammer tells it, was "outraged."¹⁸

When Dr. Joseph resigned his position shortly afterward to take up a Government post, he was replaced as Treasurer by a young lawyer from South Africa, Louis Pincus, whose only previous public position had been as Managing Director of El Al. The fact that the then ruling Mapai (Labor) Party chose a virtual unknown to a post whose previous incumbents had all been high in the party hierarchy is in itself an indication of the decline in the Agency's status at the time. Pincus succeeded in turning the situation around, partly as a result of historic events but also owing to the attitudes and personal attributes he brought to the assignment. While his predecessor and others on the Executive had viewed the reorganization as a necessary evil foisted upon the Agency by the income-tax laws of the U.S., Pincus displayed a positive attitude toward the JAFI, Inc. As ex-officio member of its Board, he made frequent trips to the U.S. where he gained a realistic picture of the constellation of forces within the American Jewish community. His conclusions doubtless were similar to those of Weizmann in his day: that much useful energy was being wasted by confrontation, and that co-optation of wider circles in the community would harness more resources on Israel's behalf. At the meetings of the JAFI, Inc. he was able to note that differences with those active in the local welfare funds were marginal rather than substantial, and that through further adaptation of the existing machinery a sense of participation could be conveyed to all those involved. Upon Moshe Sharett's death in 1965, Pincus was named acting chairman of the Jewish Agency Executive. He was elected chairman by the Zionist General Council in January 1966.

On the American side, too, the personality factor played an important role. Just as the role of personalities in determining the course of events has always intrigued students of history, so the student of Jewish organizational dynamics is constantly faced with the problem of what weight to attach to this or that "leader" in propelling the communal machinery forward. Two men in particular stand out as

having played determining roles, Dewey D. Stone and Max Fisher. Dewey Stone was Chairman of the UIA, then of the JAFI, Inc., and again of the UIA until 1967.¹⁹ Stone demonstrated considerable diplomatic skill in chairing these bodies and in smoothing over differences among their Zionist and non-Zionist members. With his staunchly Zionist background, he enjoyed the confidence of the Jewish Agency leadership, but his record of community involvement outside the Zionist circle also qualified him as a compromise candidate for the chairmanship of the "Inc." At the same time, Stone was somewhat handicapped by the fact that his consuming interest in Israel remained the Weizmann Institute of Science, which received his major attention and financial largesse.

Stone was conscious of the Israelis' sensitivity to changes of name and structure, and he was careful to avoid stepping on toes. On one of his visits to Israel shortly after establishment of the "Inc." he was asked by journalists whether it was true that American Jews were about to run the Jewish Agency. He was emphatic in denying any such intention.²⁰

The key personality on the Inc. and UIA Boards was Max Fisher.²¹ A Detroit oil man and industrialist, Fisher had been President of his local federation and of the CJF; Chairman of the UJA and of the Executive Committee of the American Jewish Committee. After the 1971 reconstitution, he became the first Chairman of the Jewish Agency's Board of Governors. The Detroit leader's broad spectrum of affiliations, combined with business acumen and astute judgment (as well as a record of giving consonant with his considerable wealth), cast him as the natural counterpart of Louis Pincus in the negotiations for the reconstitution of the Jewish Agency. A comparison with the Weizmann-Marshall negotiations leading up to the 1929 enlarged Jewish Agency comes to mind, although Pincus certainly did not have the political stature of a Weizmann, while Fisher lacked the verbal skills (sometimes bordering on verbosity) of a Louis Marshall. For that matter, neither Stone nor Fisher were natural-born orators; they were better at talking sense to their audiences, mostly in brief addresses, than in firing up their enthusiasm through oratory.

One area of initial disagreement between Stone (representing the Zionist viewpoint) and Fisher (speaking for the communities) was over the role of the CJF. In the early Board discussions on the change of name, Stone argued that, since "the name United Israel Appeal is the property of the Zionist Movement," the Board committee which was being appointed to conduct these talks should first deal with the American Section (of the WZO-Jewish Agency) and only then broaden the discussion to include the CJF. (The latter, Stone reported, had been exerting pressure for a change both in name and in structure.) Stone also

suggested that the Council be approached "not as an agency but as people who are individual contributors and important members of communities."²²

To this Fisher objected. "The Jewish Agency won't exist, and the UJA won't exist without the strength we get from the grass roots," he warned "Fortunately we have a group to deal with, and that is the Council of Jewish Federations, which is where the communities are working." Fisher proposed that the UIA committee conduct its talks simultaneously with the CJF and the Zionist groups, including the American Section.²³

After the CJF leadership was brought into the discussions, Stone reported that it was creating no difficulties. "I am now happy that the judgment that the Council would respond to cooperative efforts on our part has proven true; and of course with Max [Fisher] as active in the Council as he is and as the general chairman of the United Jewish Appeal and as a member of our group, it has been wonderfully easy to develop these mutual interests. I think that this is only a beginning."²⁴

Fisher concurred, with obvious satisfaction. "As a result of these discussions, people have gotten more closely together, and points of tension were eliminated," he reported. "I think we have a whole new atmosphere. There is a better understanding; there is a feeling of trust, and the result is we can move forward, and I think we could do it with a tremendous amount of good for ourselves." Reflecting the Council's point of view, he urged the Board to "see if we can't come through with reorganization and change the name and do it all together."²⁵

Pincus was at first opposed to the idea of changing the structure, probably out of concern for the delicate balance between Zionists and non-Zionists which Boukstein had so carefully built into the "Inc." "Let us deal with the question of the name and not tie it in with the structure, which is a far more complicated question," was his recommendation.²⁶

But on this issue Dewey Stone sided with Fisher, who felt the situation had to be faced and the pressure from the communities dealt with, so that "we can involve more people and make ourselves a more democratic institution." Pincus was overruled; the structure would be changed, while leaving intact the prevailing balance between Zionists and communities, as reflected in the Board of 27. Fisher, reporting on the committee's proposal to adopt the name of United Israel Appeal, asked that he be permitted to announce the planned changes at the CJF General Assembly in November (1965), where he was to be the principal speaker on "overseas responsibilities." He later read this statement to the Assembly in Montreal:²⁷

For the past year, a series of informal discussions between representatives of the CJFWF and the JAFI, Inc. has taken place in order to consider further the questions of change of name and the corporate reorganization of the JAFI, Inc. I am pleased to tell you that an agreement in principle has been reached among those directly concerned regarding these two questions.

The proposed arrangement provides for a streamlined organizational structure and insures the active participation of the communities without prejudice to the interests of all the parties concerned. The matter will soon be submitted formally to the governing bodies of the organizations involved for their approval This marks another chapter in the continuing maturation between our local organizations and federations and the Jewish Agency for Israel.

In reporting on the Montreal meeting to the "Inc." Board the following month, Fisher spoke enthusiastically about the new rapport with the Council:

I think we have made tremendous strides. We started talking about this five years ago, and how far apart we were then. I do not believe anybody in this room would have dreamed that this thing could have been worked out five years ago I think this is one of the healthiest and most constructive steps that the American Jewish community has ever taken.²⁸

Fisher left no doubt that he was determined to see the communities and their Council actively involved in the new structure. He reacted angrily to Stone's suggestion that the trustees of the new organization be chosen by a nominating committee, "in exactly the same way as the original 21 of JAFI, Inc.: a group of us sat down and agreed upon a list of twenty-one people." Fisher responded that this was not what the Council of Federations had in mind. "They were trying to reconstitute a constituent body to which the Board of Directors would report. This would be a vital and active group that they would report to."

Fisher also called for rotation in the new set-up as against self-perpetuation. "First of all, the communities will have to rotate There will be new faces, and people pass out of the picture as far as the communities go, and will pass out of the picture as far as the Zionist organizations are concerned."²⁹

But in the end Fisher had to be satisfied with the proposal as Gottlieb Hammer presented it to the "Inc." Board for a vote on April 26, 1966:

We are inviting at this time the various Federations and Welfare Funds to suggest to our nominating committee the names of those individuals, leaders in their own communities, whose commitment and dedication to the concept of overseas needs would qualify them to serve on the United Israel Appeal Board. The persons ultimately nominated and elected will serve as individuals. We hope these persons will be able to reflect the interests and views of their communities as well as bring back to their communities their insights on the needs and services in Israel. This, I think, gives you some inkling of how we visualize this Board [of trustees] of 200. It will not be an operating Board in a sense of dealing with specific problems. This will be left to the Board [of directors] of 27. But we hope to involve the communities . . . by giving these people the feeling that they do know what is being done . . . We have tried to get a broad basis of representation, particularly for the small and medium-sized communities, and with rotation we hope to bring them in at one point or another. While 200 may sound like a large number, it is 100 from the communities [the other 100 being designated by the Zionist bodies].³⁰

Approval of the changes by the "Inc." Board was only the first step; a whole array of interested parties had to give formal consent before the consolidation could be consummated. Heading the list were the banks and the insurance companies to whom the JAFI, Inc. owed money; the reasons why their creditor should want to change names in mid-loan had to be made persuasively clear to them. Then came the JDC and the UJA; they had to consent to the continuance of the campaign agreement with the consolidated corporation. The Jewish Agency-American Section and the Keren Hayesod also had a legal standing and had to approve the move. Finally, the Internal Revenue Service was apprised and raised no objection.

On June 9, 1966, some forty years after it first saw the light of day, the United Israel Appeal was born for the third time. Legally, it was more than a "revitalization" of the old body, or a merger with the awkwardly named JAFI, Inc. What was involved, as attorney Boukstein reminded the first meeting of the new Board of Trustees on that afternoon, was a consolidation of the UIA and the JAFI, Inc. into one corporation, which then changed its name to United Israel Appeal. Mr. Boukstein went on to explain that, under its new by-laws, the new corporation now consisted of these elements:³¹

Two hundred individuals who shall be known as Trustees and of whom 100 shall be designated by the Zionist Organizations (The ZOA and Hadassah, each 25; Labor Zionists, 17; Religious Zionists of America, 12; United Zionist-Revisionists of America, 2; United Labor Zionist, 2; Americans for Progressive Israel, 2).

The remaining 100 are to be selected in consultation with Federations and Welfare Funds in various cities in the U.S. and they are designated by a nominating committee appointed by and under the authority of the Board of Trustees.

In addition, there are ten Trustees at Large . . . designated by the same nominating committee.

Then there is a corporate member of this corporation, which is the Jewish Agency-American Section, Inc.

There are also twenty-seven directors, eighteen of whom are elected by the Board of Trustees and nine are designated by the Jewish Agency-American Section.

Dewey Stone, who chaired the meeting, concluded its formal part on a light-hearted note: "I sincerely trust that . . . from this point on, I will never again hear from anyone anywhere, Jew or non-Jew, the question of confusion about the Jewish Agency. I trust the name United Israel Appeal, which has had so much dignity and stature for so many years, will once again be a household name mentioned frequently and always with good will."

Whether or not Stone was aware of it, the significance of the occasion went considerably beyond getting rid of confusion over a name. In the first place, the United Israel Appeal had become the determining factor in the expenditure of its share of UJA funds, in place of the now defunct JAFI Inc. And equally important, the UIA had ceased to be an exclusively Zionist instrument; America's Jewish communities—the grass roots, in Max Fisher's term—now had a sizable share in it. The UIA's new structure was designed, as had been that of the "Inc." before it, to preserve the influence of the Zionist parties which once dominated it; and to give the WZO, through its American Section, a veto power in case of need. But it was also provided with sufficient checks and balances to prevent domination by one faction over the other and to bring about a cooperative relationship among all the Board members without regard to their affiliation, or lack of it. This is what had happened with the JAFI, Inc., and it was about to happen again with the UIA. As an extra balancing factor, Boukstein had added the ten "Trustees at Large," whose vote would be decisive in case of a situation where the two sides would be lined up against one another. This was never the case; instead, the ten

extra votes eventually gave an advantage to the community side in determining the character of the UIA.

Justice Brandeis, in waging his losing battle for more American control of funds raised in the U.S., could hardly have imagined the circumstances by which this goal would one day be reached. But whatever the forces that were at work, by 1966 the struggle that Brandeis had initiated was on the way to being won.

Two important elements were still missing from the new arrangement. One was the direct link between the UIA and community representation. Contrary to the spirit of Max Fisher's plea, it was a UIA nominating committee which had chosen the 100 community representatives, even though they were selected from a panel submitted by their own communities. The second shortcoming concerned the role of the UIA in the decision-making process of the Jewish Agency. As was true of the "Inc." before it, the UIA's role was to allocate funds for budget items submitted by the Jewish Agency and administered by its Executive. The UIA had an office in Israel to oversee expenditures of its funds, but there was no direct participation by the American group in planning the programs of the Agency itself. Almost before the ink on the consolidation papers was dry, Max Fisher and his associates in the Council of Jewish Federations resumed their quest for closer community involvement in expenditures in Israel.

33 1967—The Diaspora Response

THE REFERENCE, in the previous chapter, to the Jewish Agency for Israel Inc. as another “way station” invites a look back at the earlier landmarks on the road to the Jewish Agency’s reconstitution.

The first such landmark was Justice Brandeis’ attempt to retain a measure of control over funds contributed in America to the newly established Keren Hayesod. It came to an end at the ZOA Conference in Cleveland in June 1921 which adopted this resolution:

We regard the Keren Hayesod as the central fund of the Zionist Organization under the control of the Zionist Congress . . . it being understood that the controlling interest of the Keren Hayesod shall be vested exclusively in the Zionist Congress and its legally constituted authorities and instrumentalities.³²

The issues which Brandeis had raised became temporarily submerged as the Keren Hayesod began to function in the U.S. and later became part of the UPA. But they soon surfaced again in somewhat modified form in Weizmann’s project for the enlarged Jewish Agency (way station number two).

The third landmark was the Silver-Neumann controversy of 1948–49, which should be seen in this context as another attempt by American Zionist leaders to retain some control over the disposition of American funds for Israel. This was the Brandeis story all over again; like Brandeis before him, Silver was cut down by the Zionist power center.

After that controversy was resolved, the status quo prevailed for a decade until the fourth way-station was reached in 1960. This time there was an abrupt change of course as a new American-based organization named the Jewish Agency for Israel, Inc. was given control over expenditures of UJA-UIA funds.

Although the new arrangement was largely an accommodation to the requirements of the Internal Revenue Service, it nevertheless laid the groundwork for the reconstitution of the Agency a decade later. In 1966 the UIA took the place of the Jewish Agency for Israel, Inc. as the

American body in charge of expenditures of UJA-UIA funds in Israel, and this was the last in the series of interim steps toward the reconstitution of the Jewish Agency and the UIA's role in it.

But it took a major event in the larger context of Israel's existence to provide the final impetus to the restructuring of the Agency—the June War of 1967, and the diaspora response to it.

The upsurge in the diaspora's contributions to Israel represented a true quantum leap, far surpassing in boldness the Montor-engineered leap of 1946. Among the figures that mirror the impact in financial terms, the most striking are these: in 1966, the net amount made available to the Jewish Agency from worldwide campaigns was \$60,000,000; in 1967, it was \$346,000,000. The unprecedented display of solidarity on the part of world Jewry during Israel's crisis brought home the increasing irrelevance of the distinction between Zionists and non-Zionists; it was a time when the slogan adopted by the UJA, "We Are One" had true significance. The wave of enthusiasm engulfing everything related to Israel broke down traditional attitudes; and the results of the campaigns were such that the customary organizational rivalries gave way to close cooperation. The much-disputed ratio between local and overseas allocations became a thing of the past as the UJA's Israel Emergency Fund tipped the scales once and for all in Israel's favor. In 1967, the welfare funds raised \$145,000,000 through their regular campaigns, of which UJA received the usual 50 per cent. But an additional \$173,000,000 was pledged to the Emergency Fund, all of which was earmarked for UJA. (In 1968, the respective amounts were \$153,000,000 and \$80,000,000).³³ There was no quibbling by the welfare funds over the principle that all monies collected over and above the regular campaign proceeds should go to UJA. Consequently, a CJF delegation which visited Israel in September 1967 was able to report that "we found the warmest of welcomes, based upon new recognition of the extraordinary work our federations and welfare funds had accomplished for the Israel Emergency Fund (in cooperation with UJA) and, even more fundamentally, a new understanding of the continuing central role of our community organizations in American and worldwide Jewish life."³⁴

Since Israel's requirements grew even faster than did UJA receipts as a result of the war, the pressure soon resumed for a new round of loans. The self-imposed restrictions on borrowing were lifted, and the UIA asked the community leaders to approach their banks again on its behalf. At a meeting called at UIA headquarters, it was agreed unanimously that a single five-year loan for \$65,000,000 should be negotiated nationwide by the UIA, of which 40 per cent would be assigned to New York and the rest to local communities. As Gottlieb

Hammer proudly recalls, the nation's bankers once again proved their faith in the American Jewish community.³⁵

Indicative of the spirit of cooperation seeking an outlet in tangible form even before the new structure was worked out was the Conference on Human Needs (COHN), which took place in Jerusalem in 1969 under joint Government-Agency auspices. The diaspora delegates, professional and lay specialists in such fields as housing, agriculture, education and welfare, held several days of discussions on Israel's problems and programs in those areas with their Israeli counterparts. The latter apparently came away from the conference convinced that here was a model for future association with diaspora Jewry.

The new symbiotic relationship was perhaps best exemplified by the fact that the same individual, Max Fisher, was at the time both President of the CJFWF and Chairman of the United Israel Appeal. Clearly, Dewey Stone's remark of two years earlier that the UIA was "the property of the Zionist movement" no longer applied.

A new era was dawning as well in relations between the UIA and the JDC; an agreement between them dated August 10, 1967, called for a joint survey committee to explore possibilities of eliminating overlapping activities and effecting other economies in their respective budgets.³⁶ Members of the UIA Board (Fisher, Weiler, Lubin) had for some time been serving on the JDC's policy-making Administrative Committee; before long top JDC leaders were to be represented on the UIA Board as well.

The sharp rise in income from the UIA made of the Agency once again a factor of significance in the financing of immigration, absorption and welfare programs (after cash transfers for its budget had been as low as \$40,000,000 annually earlier in the decade). Paradoxically, the initial effect of the war had been to jeopardize, rather than buttress, Jewish Agency autonomy. The Agency's role in handling the flood of volunteers during the crisis had been criticized; the fact that most of these young people soon returned to their countries of origin was seen as a wasted opportunity for tapping a ready reservoir of potential immigrants. Consequently, it appeared to some officials that the Government should become more deeply involved in the Agency's policies and operations. Since the early 1960s, when Agency funding had been on the decline, the Ministries of Housing, Health, Education and Welfare had carried much of the responsibility for immigrant integration in their respective fields, with financing from Government budgets. In 1968 the Government decided on the creation of a Ministry of Immigrant Absorption with which the Agency would henceforth have to share its central function. The *modus operandi* provided for continued Jewish Agency responsibility

for the staging of immigration abroad, while the new ministry was to deal with most areas of reception and integration within the country. The first incumbent was Yigal Allon, and it was anticipated that his Ministry of Immigrant Absorption would eventually unite under one roof the "absorption" functions not only of the Agency but also of the various ministries—and to do so more effectively. But this was not to be; the Agency was able to marshal a potent argument in support of its continued independent existence in the fact that contributions of American Jewry (and of some other communities as well) must be disbursed by a non-governmental, voluntary organization in order to benefit from tax exemption. Concurrently, the UJA-UIA leadership in the U.S. protested vigorously against any plan to transfer additional responsibilities from the Agency to the Government, arguing that it would jeopardize the fundraising structure in the U.S. Their reasoning proved convincing, above all to the Prime Minister, who was well aware of the weight of the Agency's contribution to the country's overall resources. The UIA allocations for 1967/68 amounted to a record \$183,443,000, accounting for a major share of social welfare, health and education expenditures (in addition to immigrant housing, absorption and agricultural settlement) at a time when Israel's own resources were strained to the breaking point by the war effort. In writing to Louis Pincus about the decision to establish the Ministry of Absorption, Prime Minister Levi Eshkol assured the Jewish Agency chairman that "the Government did not intend to take on responsibility relating to needy immigrants and refugees, which has always been the responsibility of world Jewry."³⁷

The integrity of the Agency was maintained, but it was apparent that more diaspora involvement would strengthen the Agency in its stance vis-a-vis the Government in the future. The time had come, in the words of Louis Pincus, "to give world Jewry, which raises the funds for Israel, a direct say in the way the funds are spent" and thereby to infuse the Agency itself with fresh vigor and legitimacy.³⁸

34 Towards Reconstitution— American Jewry Comes Into Its Own

THE BASIC plan for the reconstitution resulting from the negotiations between Max Fisher, representing the UIA and its Committee on Reconstitution, and Louis Pincus on behalf of the Jewish Agency, was approved by the Zionist General Council in July 1969. The plan provided for the separation of the structure and functions of the Jewish Agency and World Zionist Organization: the Jewish Agency was to deal with "practical" work in Israel and the WZO with Zionist, organizational and educational tasks in the diaspora. Like its predecessor, the reconstituted Jewish Agency was to consist of three parts—an Assembly, a Board of Governors and an Executive—with 50 per cent of the members of the Assembly and Board of Governors designated by the WZO. A vexing problem which had beset the earlier Jewish Agency—the designation of the non-Zionist members—was to be resolved by having the other 50 per cent of the membership designated by the principal fundraising organizations functioning in the diaspora on behalf of Israel.

It was under this provision that 30 per cent of the Assembly and the Board of Governors of the new Agency were to be designated by the United Israel Appeal in the United States (the remaining 20 per cent were assigned to the world fund raising campaigns of the Keren Hayesod). And by recommendation of the UIA's Committee on Reconstitution, the UIA would not limit itself to its own ranks in selecting its representatives to the Assembly but would also draw on leaders outside its orbit, in the communities.³⁹ This would enable the UIA to function as the effective mediating link between the community at large and the Jewish Agency, a function which would greatly enlarge its scope and role in American Jewry.

Since the plan called for the WZO to renounce its exclusive control of the Agency (as legitimized by the 1952 Status Law) and to become once again a mere partner in it, a certain amount of opposition on the Zionist side was to be expected. One such opposition voice was that of Dr.

Judah J. Shapiro, an American sociologist and leading Labor Zionist, who wrote that "the Zionists have lost the Jewish Agency to the fundraisers, as of June 1969" [the month the Zionist General Council approved the reconstitution.] At that meeting, "the non-Zionists inherited Zionism," Shapiro contended. "This improbability has not only become possible, it has actually occurred, formally, legally and by Zionist abdication."⁴⁰ Shapiro expressed his views as an individual. Among the parties, the Revisionists (Herut) objected to the entire idea⁴¹, while the World Confederation of General Zionists (mainly Hadassah) accepted the basic need of bringing new forces into the Agency but opposed a separate WZO. Dr. Emanuel Neumann, who belonged to the World Union of General Zionists (affiliated with the Liberal Party in Israel) and whose experience reached back to the early Keren Hayesod period, provided some reassurance: the non-Zionists of today, he said, are much closer to the Zionists in their devotion to Israel than were their predecessors forty years ago. "Our partners are Jews just as we are."⁴²

A main concern of the WZO and the parties represented in it was the future financing of the organization after the proposed separation of functions. Here the UIA Committee on Reconstitution showed itself sympathetic to the WZO's predicament: its proposal was that the WZO budget be fixed at 10 per cent of the Jewish Agency's total income, with the details of its expenditures to be left entirely to the WZO itself. These funds would come primarily from Keren Hayesod campaigns outside the U.S. The Committee's composition, representing as it did all of the interests involved, ensured that its recommendations would carry weight. Its members were: Emanuel Neumann, Charlotte Jacobson (Zionist parties); Max Fisher, Dewey Stone, Melvin Dubinsky (UIA); Louis Stern, Louis Fox (CJFWF); Gottlieb Hammer and Philip Bernstein (professional Directors of the UIA and CJF respectively).⁴³

There were strong reservations among the Zionists about letting professionals serve on the reconstituted Jewish Agency Executive. The members belonging to the Confederation of General Zionists considered this a "major unresolved problem" after most other provisions had been agreed upon.⁴⁴ Their concern may have been based on the experience of the 1929 enlarged Jewish Agency, where salaried professionals were delegated by the American non-Zionists to represent them on the Executive. This was an unsatisfactory arrangement for the Zionist political elite, who saw their peers in the top lay leadership of American Jewry and not in its professionals, however competent. Further in the background lay unpleasant recollections of the "officials of the Baron [Rothschild]" who enforced the great philanthropist's economic decrees vis-a-vis the colonies he supported, and in the process earned the

undying aversion of the *Yishuv* to anything that smacked of diaspora officialdom. In the current situation, opposition to a major role for the professionals was also expressed by then Prime Minister Golda Meir, either because she was privy to these memories of an earlier period or for other reasons of her own.⁴⁵

Apart from the concern about finances, the WZO's main objectives in the negotiations were to prevent a shift of control of the Jewish Agency to the non-Zionists, and to secure adequate representation for all the component parts. With this in mind, the membership of the Assembly was initially fixed at 296, with half (148) to be nominated by the WZO, to ensure that all of the members of the Zionist General Council would be included. Similarly, the membership of the Board of Governors was originally fixed at 38 and then raised to 40, with the aim of having the members of the Zionist Executive constitute the Zionist half of the Board of Governors. The 50-30-20 ratio was operative not only as regards the Zionist/non-Zionist relationship, but also geographically: there were 20 Zionists, twelve American non-Zionists and eight from other countries on the 40-member Board. Only in the Executive, which holds weekly meetings, did the ratio not apply. Its members, elected *ad personam* by the Board of Governors, were to be responsible for the day-to-day operations of the Agency in Israel, subject to control by the Board.⁴⁶

Another item in the negotiations was the future fate of the Jewish Agency-American Section in New York. Maurice Boukstein drew attention to the fact that this body had \$120,000,000 in notes outstanding with twenty financial institutions, and that once again it was undesirable to change the name. The structure would therefore be retained intact, but its function would be confined to financial transactions on behalf of the Treasury of the "new" Jewish Agency, with control vested in the reconstituted Executive. A new non-profit corporation would then be organized in New York to carry on the functions of the WZO, to be called the World Zionist Executive—American Section and to be controlled by the Executive of the WZO.⁴⁷

In the Reconstitution agreement, the WZO was to be assigned responsibility for the "fulfillment of Zionist programs and ideals," and the Jewish Agency for immigration and absorption; welfare and health services in relation to absorption of immigrants; support of education and youth activities, particularly Youth Aliyah; absorption in agricultural settlements and immigrant housing.

Prolonged negotiations were required until all these provisions, along with many others which were to form part of the agreement, were agreed upon. The WZO's negotiations with the UIA's Reconstitution Committee were paralleled by similar talks with the Keren Hayesod fundraising bodies throughout the world, which were accorded 20 per cent of the total representation in the Assembly and Board. The term "non-Zionist" was studiously avoided in this context; nor would it have been appropriate in connection with the UIA, with its Zionist component, and even less so with reference to the Keren Hayesod.

The Agreement for the Reconstitution of the Jewish Agency was initialled in Jerusalem by a Planning Committee consisting of delegates of all three parties in August 1970, and it was formally ratified at the Founding Assembly in June 1971. It has been periodically amended, but the basic principles underlying it have remained intact.⁴⁸

Part IX
Epilogue

35

1971 and After

THE JEWISH Agency agreement of 1929 had established the principle that the National Home was the enterprise of the Jewish people as a whole. The enlarged Agency was to be the instrument for implementing that principle through a partnership of Zionists and non-Zionists, in which both partners would jointly hold the pursestrings.

The 1971 Reconstitution agreement revalidated that principle, after it had been for more than three decades in disuse. Though its main purpose was to reform the Jewish Agency, the Reconstitution also entailed major changes for the UIA, placing it in a pivotal position on the organizational map, with its influence reaching into wide areas of the American Jewry-Israel relationship. Simultaneously, it was to play these many-faceted roles:

- As the principal of the Jewish Agency, which functioned as the UIA's agent in Israel;
- As the partner of the JDC in the UJA; representing the cause of the Jewish Agency and, in a wider sense, of Israel itself;
- As the partner of the WZO in the Jewish Agency; indeed, the largest diaspora partner, with 30 per cent of the representation, as against 20 per cent for the rest of the world's Jewish communities represented by the Keren Hayesod. This meant that it designated 30 per cent of the Jewish Agency Assembly and the Board of Governors.
- The UIA's own governing bodies became increasingly representative of the community federations, while still including delegates of the various Zionist organizations.

UIA leaders have played key roles on the governing bodies and committees of the Jewish Agency. Two former UIA chairmen, Max Fisher and Jerold Hoffberger, went on to become chairmen of the Jewish Agency Board of Governors; a third, Melvin Dubinsky, became chairman of its Budget and Finance Committee and was succeeded in that post by Raymond Epstein, another UIA leader. (Fisher, Hoffberger and Epstein are also former presidents of the CJF.)

Notwithstanding this breadth of interest and influence, the UIA did not emerge as the major power center within the nexus of agencies involved with Israel. Paradoxically, the UIA's very representativeness is probably the main reason for this. The UIA's interlocking leadership, drawn from federations as well as Zionist groups, the UJA and JDC, with the Jewish Agency also represented on the Board, has not only blurred earlier ideological differences but has also checked any tendency by the UIA to assert its primacy over other parts of the system. Instead, the UIA sees itself as a kind of buffer, or intermediary, between the fundraising community and the implementing body in Israel.

The UIA is no longer a fundraising body; its resources for raising money have been allowed to atrophy since the founding of the UJA in 1939, and the UJA agreement with the JDC was renewed and brought up to date as recently as 1984. In Israel, on the disbursement side, the UIA could hardly function except through the facilities of its agent, the Jewish Agency. Here, too, a new agreement reaffirming that binding tie was approved by the UIA Board in late 1985.

The reconstitution of the Jewish Agency ushered in the final stage of the UIA's disengagement from the WZO. Where once the Zionist movement had been in complete control of the UIA, it was now represented only by the minority of the Board appointed by the American Zionist groups. Informally at least, the UIA had become the instrument of the communities; in terms of the Brandeis-Weizmann controversy of half a century earlier, the Keren Hayesod (in America) was no longer a Zionist fund.

The Reconstitution came about just before the Soviet Union temporarily opened its gates in 1972 to permit the exit of 72,000 Jews, more than 90 per cent of whom arrived in Israel. The U.S. Congress, through the State Department, allocated generous amounts of financial aid for their resettlement, with the UIA acting as the recipient of these grants. These funds were included as part of the UIA's budgetary allocation to the Jewish Agency, which in turn administered them in accordance with terms worked out between the State Department and the UIA. The funds were spent for transportation and other needs in transit; for programs of initial care and maintenance; housing; education and vocational retraining. During the twelve-year period, 1973 to 1985, Congress appropriated more than \$300,000,000 to the UIA for the resettlement in Israel of Russian and other Eastern European refugees; as well as for help to Jews from Iran and from Ethiopia.¹

The UIA sees itself rendering an important service to the American Jewish community in its role as the recipient of U.S. Government grants. Irving Kessler, who succeeded Gottlieb Hammer as Executive Vice-

President in 1974, takes special satisfaction in a report submitted to the Congress by the General Accounting Office which "fully confirms the care with which the UIA has administered the expenditure of grant funds in Israel."² For that reason, too, the UIA aims to ensure strict Jewish Agency compliance with the U.S. regulations which prohibit expenditure of tax-exempt funds in the Occupied Territories; its annual reports stress that no UIA funds are spent in these areas.

The American members of the Board of Governors were determined to make their influence felt in the management of the Jewish Agency's debt. As early as 1969, with the debt at \$352,000,000, the UIA had tried to persuade the Agency to institute a debt reduction program.³ But with the outbreak of the Yom Kippur War and the increased burdens on the Agency, more borrowing became necessary. The program was adopted only after the new structure was in place for a decade; by that time the accumulated indebtedness had reached \$650,000,000. A debt ceiling was imposed in 1982, and the actual reduction program began rather modestly with the sale of certain assets, supplemented by annual allocations for debt retirement. By 1986, the debt had been reduced by \$150,000,000.

The debt reduction program had been recommended by one of six Commissions created by the Board of Governors in 1981 to review the ten-year progress of the reconstituted Jewish Agency. Other Commissions dealt with Goals and Objectives, Governance, Aliyah, Education and Management. Their deliberations became known collectively as the "Caesarea Process" (after the seaside resort where the initial meetings took place). The recommendations which emerged from the process furnished, in the first instance, material for discussion at several sessions of the annual Assembly, and eventually resulted in a series of administrative and programmatic reforms.⁴

The Reconstitution also made itself felt in matters of personnel, where it soon became clear that the WZO's "party key" no longer held undisputed sway. Repeatedly, community leaders on the Board of Governors refused to accept Zionist party candidates for department heads, insisting instead on selecting "the best man for the job." Following the 1978 Zionist Congress, the diaspora leaders claimed the right to screen the candidates for Treasurer nominated by the Zionist parties and chose Labor's Akiva Lewinsky over the Likud's Yoram Aridor. Some years later, "the new power of the diaspora communities was made even more manifest . . . when they succeeded in replacing Raphael Kotlowitz as head of the Aliyah Department."⁵

On the other hand, the encounter at Board and Committee meetings have made for a spirit of camaraderie and a greater understanding of one side by the other. The Caesarea conference, in particular, with its extended period of intense discussions, did much to bridge the psychological gap which had separated the two factions.

But the time for Brandeis' vision of a single non-political Zionist organization uniting all supporters of Israel had not yet come. The Chairman of the WZO took pride in getting his non-Zionist colleagues (who preferred to be called "community leaders") to subscribe to the (1968 WZO) Jerusalem Program; but its provisions were non-controversial enough to be endorsed by Jewish men and women everywhere. While most of the community leaders had reached a sympathetic understanding, and frequently acceptance, of the Zionist position on such matters as Aliyah from the West and Jewish education, the close rapport did not prevent new points of friction and disagreement from arising.

Among the community leadership, the sense of being delegated by a constituency distinct from the WZO was heightened by the creation of "Jewish Agency Committees" in the federations, modelled on the Jewish Agency Committee of the CJF itself. In late 1985 there were twenty such committees functioning throughout the country, and more were being formed as local federation leadership became increasingly eager to learn the details of Jewish Agency expenditures. The committees have furnished a platform, not only for reports from returning delegates to Assembly and Board of Governors meetings, but also for the airing of questions and dissenting views by committee members or rank-and-file contributors.

While the annual Jewish Agency Assembly attended by hundreds of delegates and alternates has become the central event in the world Jewish community, limitations of time and logistics preclude exhaustive discussion at the Assembly of some of the topics preoccupying the delegates. Consequently, the Jewish Agency committees of the CJF and its member federations have become supplementary forums in which the state of the Agency is discussed. A recurrent theme at these forums has been the role of the WZO, and the rationale for its continued control of 50 per cent in the Jewish Agency's governing bodies. A subsidiary theme is the call for more thorough separation of personnel between WZO and Jewish Agency departments and for stricter adherence generally to the provisions of the Reconstitution Agreement. The community leaders also would like to see a strong Executive Director providing central authority to the Agency's loose departmental structure; meanwhile, as

Jerold Hoffberger put it, "because of so many vested interests . . . we have created an entity wherein the parts are stronger than the whole."⁶

The political party structure of the WZO and its connection with a "philanthropic" body such as the Jewish Agency are not easily explainable at the American grass roots level. There is little patience with the historic aspect of the WZO's role; what is demanded, instead, is pragmatic adaptation of historic forms to new circumstances. There clearly emerges from these discussions a desire to see the Jewish Agency as an independent voluntary body, divorced from party politics, with an Israeli constituency drawn from wider strata of civic life than the political parties represent.

The response of WZO representatives to such demands is that the 50-50 formula embodied in the reconstitution agreement must remain a permanent feature of the partnership, not subject to negotiations. The recommendations of the Caesarea Process, in part adopted by the Agency, are pointed to as evidence of the WZO's readiness for reform, within the confines of the 1971 agreement. And the WZO spokesmen are apt to remind their audiences that the partnership is, after all, an unequal one: the WZO in many ways acts as surrogate for a sovereign state; while the UIA and the Keren Hayesod represent voluntary communal organizations.

The UIA services the Jewish Agency committees with information, and its staff and Board members are often present at committee meetings as resource persons. On such occasions the logic of the UIA's buffering role becomes manifest: the Agency is thereby spared being exposed directly to the criticism of twenty committees; criticism which often calls for, primarily, up-to-date and accurate information. The presence of the UIA also insulates the UJA from direct contact with the communities in matters concerning the Jewish Agency: such criticism having the UJA as its address might well have an adverse effect on its image—and consequently its fundraising.

The call for reform more radical than is contained in the recommendations of the Caesarea Commissions has not been confined to the United States. In 1985 Mendel Kaplan, a South African member of the Board of Governors, sent a letter to Prime Minister Peres calling for a thorough-going revision of the Jewish Agency and WZO structures in the direction of a non-political Israel-Diaspora partnership. Kaplan's proposals, which had the support of a number of additional Board members, drew heavy fire from the WZO partners but otherwise received little serious consideration.⁷ But the circulation of these proposals itself is indicative of how far both the UIA and the Keren Hayesod have drifted from being subject to WZO discipline.

Back in the U.S., the UIA Board resolved to let the communities designate delegates to the Assembly directly, rather than nominate a panel from which the UIA itself selected the delegates, as had been the practice since the reconstitution. The Assembly meanwhile grew from 298 to 398 members, of which the UIA's 30 per cent share is now 119. This number includes the 22 members of the Board of Governors whom the UIA appoints (who are also delegates to the Assembly) as well as the ten delegates appointed by the UIA "at large." The remaining 87 delegates are elected by the federations, through a formula based on a combination of population size and record of fundraising.

Beyond that, the federations also called for greater representation of the communities on the UIA Board, as a key to influencing Jewish Agency policies. The UIA Board was consequently enlarged first to 39, and then, in a revision of the by-laws in 1986, to 63 members. More representation was given both to additional communities and to the UJA (12 members).

Moreover, the Zionist appointees include representatives of the three major religious streams (who are now all affiliated with the WZO), thereby broadening the composition of the UIA Board from that angle as well.

Of 12 members "at large" to be appointed by the UIA Board of Trustees, an informal understanding provides that six are to come from Zionist ranks. Added to the 13 Board members selected by the WZO-American Section, this makes for a Zionist representation of 19 on the new 63-member UIA Board.

Apart from its allocating role and its influence on the Board of Governors, the UIA from time to time has urged a particular course of action upon the Agency through resolutions of its own Board of Directors. This is in line with its expressed desire for a "greater input on questions (in Israel) which impact on world Jewry." Thus a resolution on religious pluralism insisted on equal treatment for all clients of the Agency "regardless of religious preference."⁸

In the perspective of the decade and a half since its signing, the Jewish Agency reconstitution agreement emerges as yet another milestone, rather than as the final chapter in the story of the institutional relationship between Israel and American Jewry. There is no evidence that the 50-30-20 formula of 1971 has outlived its usefulness, either because the dividing line between "Zionists" and "community leaders" has disappeared or for other reasons. On balance, the reconstitution formula, with the UIA at a pivotal point, has made for the attenuation of differences through overlapping of leadership and commingling of constituencies. It has made possible the unified

approach to Project Renewal, in which federations, UJA, UIA and Jewish Agency have all coordinated their efforts around a single objective, together with Israeli local authorities and Government ministries. And the Jewish Agency Assembly itself is an annual cooperative enterprise on a large scale.

A test of the effectiveness of the reconstitution lies in the availability of funds for the Jewish Agency's operations. In 1971/72 (fiscal year ending March 31), the year the agreement was signed, UIA cash receipts from the UJA came to \$186,000,000. This was the largest amount ever with the exception of 1968, when the Six-Day-War emergency drove UIA receipts to a then unprecedented \$214,000,000. In the 1980s, the UIA has consistently provided more than three-fourths of the Jewish Agency's annual operating budgets, which stood well above the \$400,000,000 mark. Thus in 1984/85, the Agency spent \$408,000,000 (\$389,000,000 for its regular budget and \$29,000,000 for Project Renewal) of which \$331,000,000 came from the UIA. In addition, the UIA expended \$19,000,000 for servicing its debt, which brought the total to nearly \$350,000,000 for the fiscal year.⁹

In 1939, the UIA (then UPA) received \$2,800,000 from the proceeds of the newly established UJA. Two years later Judge Morris Rothenberg, co-chairman of the United Palestine Appeal, addressed a campaign audience in an apologetic vein: "Many of our workers had hoped that by this time the continuous grind of fundraising campaigns would no longer be necessary; that they might relax from their long service in this field in the gratifying contemplation of the contribution they had made to a new and historic chapter in the life of our people."¹⁰ In 1947, the UPA's share in the UJA amounted to \$41,600,000. As of 1986 the workers still have not relaxed. And the amount the UIA transmitted to Israel was close to tenfold that of 1947.

Notes

Part I

1. This account is based on the German-language Report of the Keren Hayesod head office to the 12th Zionist Congress which met in Carlsbad in September 1921 ("Die Amerikanische Hilfsaktion,") pp. 16 ff. (Doc. 2169, Central Zionist Archives) Also, Henry H. Rosenfelt, *This Thing of Giving* (New York, 1924), p. 14.
2. See Yehuda Bauer, *My Brother's Keeper* (Philadelphia, 1974), p. 3. Also Oscar Handlin, *A Continuing Task: The AJDC 1914-1964* (New York, 1964) and Abraham J. Karp, *To Give Life: The UJA in the Shaping of the American Jewish Community* (New York, 1981)
3. Keren Hayesod Report to 12th Congress, *loc. cit.*
4. *Ibid.*
5. Rosenfelt, pp. 16 ff.
6. *Ibid.* p. 21
7. Bauer, pp. 6-7
8. Melvin I. Urofsky & David W. Levy, *The Letters of Louis D. Brandeis* vol. 3 (Albany, 1973), p. 215
9. Melvin Urofsky, *American Zionism from Herzl to the Holocaust* (New York, 1976), p. 142
10. Brandeis to Magnes, 18 Sep. 15. In Urofsky & Levy, *Letters . . .* The Zionists had joined with the AJRC in undertaking to send a relief ship to Palestine, pledging 20 per cent of the \$125,000 total cost. (*Ibid.*)
11. Bauer, p. 8
12. Rosenfelt, p. 30
13. Morton M. Berman, *The Bridge to Life: The Saga of the Keren Hayesod* (Tel Aviv, 1970), p. 12
14. Report of WZO Organization Department to 12th Zionist Congress, p. 117

15. Story told by Weizmann in his autobiography, *Trial and Error* (London, 1949), p. 325
16. For the role of the American delegation to the London Conference, (*Jahreskonferenz*) see Report of the Organization Department to the 12th Zionist Congress, p. 123.
17. A resolution to that effect was formally adopted at the 13th Zionist Congress meeting at Carlsbad in August 1923 (Proceedings, p. 354)
18. Text of Manifesto in English-language Report of Keren Hayesod to 12th Zionist Congress, p. 5
19. Keren Hayesod Report to 13th Zionist Congress, (Proceedings, p. 85)
20. The term is used in the Report of the Keren Hayesod Commission to the Plenary Session of the 13th Zionist Congress
21. Proceedings of 13th Zionist Congress, p. 87
22. Alpheus T. Mason, *Brandeis: A Free Man's Life* (New York, 1946), pp. 241 ff.
23. Yonathan Shapiro, *Leadership of the American Zionist Organization 1897-1930* (Urbana, 1971), p. 162
24. Julius Simon, *Certain Days* (Jerusalem, 1971), p. 107 Simon was a member of the three-man Reorganization Commission sent to Palestine in 1920 to look into the activities of the Zionist Commission and make recommendations to the Zionist Executive. The Commission's report on the mismanagement it uncovered discomfited Weizmann and gave ammunition to Brandeis. (Urofsky & Levy, vol. 4, p. 526) Report of Commission (in German), (CZA Doc. 2170)
25. The members were, in addition to Weizmann: Prof. Albert Einstein, Shmaryahu Levin, Menahem Ussishkin and Ben-Zion Mossinsohn.
26. Shapiro, p. 168
27. Brandeis to Mack, 8 April 21 and to Frankfurter, 10 April 21, in Urofsky and Levy, *Letters . . .* vol. 3. See also notes, p. 549
28. Emanuel Neumann, *In the Arena: An Autobiographical Memoir* (New York, 1976) p. 51
29. Shapiro, pp. 141 ff. See also Weizmann, *Trial and Error*, p. 326
30. Brandeis to Frankfurter, 26 April 21. Urofsky & Levy, vol. 4, p. 553. See also Mason, p. 459
31. Shapiro, p. 147
32. *Ibid.* pp. 114-119
33. *Ibid.* p. 141. See also Zelig S. Chinitz, "The Jewish Agency and the Jewish Community in the United States," (Unpublished Master's Essay, Columbia University), p. 30
34. Shapiro, p. 166

35. Report of Proceedings of 24th Annual Convention of ZOA (Cleveland, August 1921), p. 171
36. Weizmann, p. 333
37. Maurice Samuel, *Level Sunlight* (New York, 1953), p. 25
38. Halpern, Ben. "The Americanization of Zionism, 1880-1930" *American Jewish History*, Sept. 79

Part II

1. German-language Report by Head Office of Keren Hayesod to 12th Zionist Congress, pp. 13 ff.
2. Keren Hayesod Report to 13th Zionist Congress (Carlsbad, Aug. 1923), p. 21
3. *Ibid.* p. 24
4. *American Jewish Year Book* (AJYB) vol. 27, p. 132
5. *AJYB*, vol. 28, p. 23
6. Chaim Arlosoroff, *Die Kolonisationsfinanzen der Jewish Agency* (Berlin, 1923) pp. 66-67
7. *Ibid.* p. 70
8. Weizmann, p. 289
9. Proceedings of 12th Zionist Congress, p. 563
10. Keren Hayesod Report to 15th Zionist Congress, p. 9 (CZA Doc. 3557)
11. Simon, p. 152
12. Proceedings of 13th Zionist Congress (Resolutions), p. 354
13. Proceedings of 12th Zionist Congress pp. 548 ff (Georg Halpern)
14. Keren Hayesod Report to 16th Zionist Congress, p. 8
15. Proceedings of 12th Congress, p. 553 (Dr. S. Rappaport)
16. *Ibid.* p. 570
17. *Ibid.* p. 572
18. Weizmann, p. 333
19. Shapiro, p. 18
20. *Ibid.* p. 185
21. Keren Hayesod Report to 12th Zionist Congress, p. 23
22. Julius Haber, *The Odyssey of an American Zionist* (New York, 1956), p. 183
23. *Ibid.* pp. 185 ff.
24. *AJYB*, vol. 25, p. 69
25. *AJYB*, vol. 26, p. 74

26. Joseph C. Hyman, "25 Years of American Aid to Jews Overseas," *AJYB*, vol. 41, p. 148
27. Joseph P. Schultz (ed.), *Mid-America's Promise: A Profile of Kansas City Jewry* (Kansas City, 1982), p. 216
28. Weizmann, p. 275
29. *AJYB*, vol. 28, p. 497
30. *Ibid.*
31. Herbert Parzen, "The United Palestine Appeal," in *Herzl Yearbook VII* New York, (1971), p. 363
32. Charles Reznikoff (ed.) *Louis Marshall, Champion of Liberty: Selected Papers and Addresses* (Philadelphia, 1957), vol. II, p. 748
33. *Ibid.* pp. 749-750
34. *Ibid.* pp. 750-760
35. *Ibid.* pp. 760-761
36. From "The United Palestine Appeal: A Brief Review of its Formation and Results," by Emanuel Neumann, published in pamphlet form by UPA (N.Y., June 1926)
37. Keren Hayesod Report to 15th Zionist Congress, August 1929, p. 27
38. Parzen, p. 374
39. Keren Hayesod Report to 16th Zionist Congress (Proceedings, pp. 130-131)
40. *AJYB*, vol. 26, pp. 131-132

Part III

1. *AJYB*, vol. 30, pp. 326 ff.
2. *Reports of the Experts Submitted to the Joint Palestinian Survey Commission*, pp. 56-58
3. *Ibid.* pp. 14-15
4. *Ibid.* p. 434
5. *Ibid.* pp. 436-437
6. *Ibid.* p. 439
7. Chinitz, p. 62
8. *Reports to Joint Survey Commission*, pp. 464 ff.
9. Recommendations reprinted in *AJYB*, vol. 30, pp. 55 ff.
10. *New Palestine*, 19 July 1929
11. Proceedings of the Non-Zionist Conference Concerning Palestine, 20-21 October 1928, pp. 54-55 (quoted in Chinitz, p. 63)
12. Reznikoff, p. 786

13. See Harry L. Lurie, *A Heritage Affirmed: The Jewish Federation Movement in America* (Philadelphia, 1961)
14. *Ibid.* p. 38
15. *Ibid.* p. 41
16. *Ibid.* p. 47
17. *Ibid.* p. 57
18. *Ibid.* p. 424
19. *Ibid.* pp. 104 ff.
20. *Ibid.* pp. 121, 426
21. Philip Bernstein, *To Dwell in Unity: The Jewish Federation Movement in America Since 1960* (Philadelphia, 1983), pp. 8–9
22. *Ibid.* pp. 13–14
23. Based on Schultz, *Mid-America's Promise*
24. Henry Feingold, *Zion in America* (New York, 1974), p. 205
25. Schultz, p. 331
26. Ben M. Selekman, "Federations in the Changing American Scene," *AJYB*, vol. 36, p. 68
27. Maurice J. Karpf, "Jewish Community Organization in the United States," (quoted in Lurie, p. 424)
28. Weizmann, p. 410
29. Report of the Emergency Fund for Palestine, Sept. 1, 1929–Dec. 31, 1934 (Jerusalem, 1936) (CZA Doc. 5253)
30. Parzen, p. 379
31. Report of the Emergency Fund, (CZA Doc. 5253)

Part IV

1. *Jewish Daily Bulletin*, 25 Feb. 30, quoted in Parzen, p. 380
2. Parzen, p. 379
3. Urofsky, *American Zionism . . .*, p. 328
4. Parzen, p. 375
5. *Ibid.*
6. Abraham J. Karp, *To Give Life: The UJA in the Shaping of the American Jewish Community*, (New York, 1981), p. 61
7. Urofsky, *American Zionism . . .*, p. 339
8. Parzen, p. 376
9. Evyatar Friesel, in Simon, *Certain Days*, p. 368
10. "The Allied Jewish Campaign for the Joint Distribution Committee and the Jewish Agency for Palestine," (CZA Doc. 6773), p. 3
11. *New Palestine*, 21 Feb. 30

12. *Ibid.* p. 108
13. Pamphlet, "Allied Jewish Campaign . . ." p. 10
14. *Ibid.* p. 15
15. *New Palestine*, 7 March 30
16. *Ibid.* p. 156
17. Report on Washington conference in *New Palestine*, 14 March 1930, pp. 160–164
18. *Ibid.* 4 April 30
19. *Ibid.* 25 July 30
20. *Ibid.* 30 Jan. 31
21. *Ibid.* 24 Oct. 30
22. Parzen, p. 382
23. *Ibid.*
24. *New Palestine*, 6 Nov. 31
25. Oscar Handlin, *A Continuing Task: The American Joint Distribution Committee 1914–1964* (New York, 1964), p. 54. Hyman, "25 Years of American Aid to Jews Overseas," *AJYB* 41 (1939–40), p. 165
26. *New Palestine*, 9 and 16 Oct., 6 Nov. 31
27. Keren Hayesod Report to the Second Council of the Jewish Agency, 1931 (CZA Doc. 3869)
28. *New Palestine*, 6 Nov. 31
29. Keren Hayesod Report to 4th Meeting of JA Council and 19th Zionist Congress (Lucerne, 1937)
30. Menahem Kaufmann, "The Non-Zionists in the American Jewish Public 1939–1948: Attitudes and Actions" Doctoral Dissertation (in Hebrew), The Hebrew University of Jerusalem, 1978, p. 17
31. See, for example, Weizmann, *Trial . . .*, p. 415
32. Kaufmann, pp. 1 ff.
33. *Ibid.* p. 34
34. Urofsky, *American Zionism . . .*, p. 379
35. Chinitz, pp. 133 ff.
36. Hyman, p. 169
37. *Jewish Morning Journal*, 29 Oct. 35 (quoted in Chinitz, p. 140)
38. Resolutions of the 19th Zionist Congress (Jerusalem, 1936)
39. Keren Hayesod Report to 19th Zionist Congress and 4th Council of Jewish Agency
40. Parzen, p. 384
41. *Ibid.* p. 386
42. Eli Ginzberg, "Report to the Allotment Committee of the UJA for 1941," p. 9
43. Montor to Kaplan, 8 Jan. 37 (CZA S 53/89A)

44. Kaplan to Montor, 8 Sept. 37 (S 53/89A)
45. Montor to Kaplan, 20 May 37 (S 53/89A)
46. *Ibid.*
47. Montor to Kaplan, 8 Jan. 37 (S 53/89A)
48. Kaplan to Montor, 8 Sept. 37 (S 53/89A)
49. Montor to Kaplan, 5 April 48 (S 53/333)

Part V

1. *AJYB*, vol. 40, p. 112
2. Karp, p. 68
3. Herbert Agar, *The Saving Remnant* (New York, 1960), quoted in Parzen, p. 388
4. Elisha M. Friedman, *Inquiry of the United Jewish Appeal* (New York, 1941), p. 17
5. Kaufmann, pp. 94 ff.
6. Interview with Henry Montor, conducted by Menahem Kaufmann for Oral History Project, Hebrew University Institute of Contemporary Jewry, on 15 April 1976. (p. 22 of transcript)
7. Montor to Kaplan, 19 Jan. 39 (CZA S 53/89A)
8. Kaplan to Montor, 2 Feb. 40 (S 53/89A)
9. Friedman, pp. 17–18
10. Minute by Montor, (CZA S 53/241)
11. Kaufmann, pp. 140–141
12. A. H. Silver, "The Cause of Zion Must Not be Minimized," Text of address in *New Palestine*, 31 Jan. 41
13. Friedman, pp. 110 ff
14. Silver, "The Cause of Zion . . . "
15. Friedman, p. 1
16. *Ibid.*
17. *Ibid.* p. 4
18. *Ibid.* p. 131
19. "The UPA Campaign of 1941," *New Palestine*, 27 Dec. 40
20. *Ibid.*
21. Silver, "The Cause of Zion . . . "
22. *Ibid.*
23. Lurie, p. 140
24. *Ibid.* pp. 150 ff.
25. *New Palestine*, 31 Jan. 41, p. 26; also Kaufmann, p. 100

26. Memo by CJFWF President Sidney Hollander to Member Agencies, 31 Dec. 40, (CZA S 53/399)
27. Lurie, p. 152
28. *Ibid.* p. 154
29. Kaufmann, p. 101
30. "Three Agencies Agree on 1941 UJA," *New Palestine*, 14 March 41
31. *Ibid.* p. 4

Part VI

1. Eli Ginzberg, *Report to the Allotment Committee of the United Jewish Appeal for 1941* (New York, 1942)
2. *Ibid.* p. 61
3. Kaufmann, pp. 318 ff.
4. Slogan used at National Planning Conference for Israel in Washington, 27–29 Oct. 50, (Report by J.Z. Lurie in *Jerusalem Post*, 27 Oct. 50)
5. See Yehuda Bauer, *American Jewry and the Holocaust: The American Jewish Joint Distribution Committee, 1939–1945* (Detroit, 1981)
6. See Ruth Klüger & Peggy Mann, *The Last Escape: The Launching of the Largest Secret Rescue Movement of all Time* (Garden City, 1973)
7. Brunat to Montor, 23 Jan. 45, (CZA S–53/332)
8. Interview with William Avrunin by Menachem Kaufmann for Oral History Project of Inst. of Contemporary Jewry, Hebrew University, 29 March 76
9. See Hagith Rieger Shlonsky, "Growth and Decline of Voluntary Associations: A Comparative Study of Zionist Organizations in New Haven" (Ph. D. Thesis, Yale University, 1960)
10. Montor interview with M. Kaufmann for Oral History Project, 15 April 76
11. Sobeloff interview with M. Kaufmann, 20 June 77
12. See Bernstein, *To Dwell in Unity*
13. CJFWF Budgeting Bulletin on United Palestine Appeal, April 1947 (CZA S 53/398)
14. Montor to Kaplan, 5 Dec. 46, (CZA S 53/333)
15. Friedman interview with M. Kaufmann, 7 Dec. 75
16. Montor interview with Jeffrey Hodes, 14 Oct. 75
17. Friedman interview with M. Kaufmann, 7 Dec. 75
18. *Ibid.*
19. Gottlieb Hammer interview with M. Kaufmann, 17 March 75

20. CJFWF Budgeting Bulletin on United Palestine Appeal, 1947
21. *Ibid.*
22. For details, see Leonard Slater, *The Pledge* (New York, 1970)
23. Friedman interview with M. Kaufman, 7 Dec. 75
24. CZA S53/333
25. *Ibid.*
26. Letter from Martin Rosenbluth of Israel Treasury Office, New York, to Henry C. Bernstein, Executive Director, United Jewish Appeal of Greater New York, 13 Apr 48 (CZA S53/333)
27. Gottlieb Hammer, *Good Faith and Credit*, (New York, 1985), p.95
28. Minutes of Executive, 19 July 48
29. Montor to Kaplan, 5 April 48, (CZA S 53/333)
30. Michael Heymann, "The Enlarged Jewish Agency of 1929: Its Establishment and Disintegration," *Forum*, Winter/Spring 1985/86
31. *Ibid.* p. 34
32. Minutes of N.Y. Executive, 10 Jan. 49 (CZA Z5/16)
33. *New Palestine*, 11 March 49
34. Minutes of N.Y. Executive, 10 Jan. 49
35. For example, letter to Kaplan, 5 April 48: "It should not shock you to know that the well-known Zionists are not our biggest supporters or givers. Wherever there is an old-time Zionist, there we have trouble." (CZA S 53/333)
36. Montor to Kaplan, 19 Jan. 39, p. 4 (CZA S 53/89 A)
37. Montor to Kaplan, 5 Dec. 46 (CZA S 53/333)
38. Minutes of Executive, 11 and 28 Oct. 48 (CZA 46/1)
39. *Palestine Post*, 4 Jan. 49
40. *Palestine Post*, 10 May 49
41. Montor to Kaplan, 19 Jan. 39 (CZA S 53/89A)
42. *Jerusalem Post*, 10 & 19 March 51
43. *Jerusalem Post*, 3 Jan. 51
44. *Jerusalem Post*, 31 Aug. 52
45. For biographical details on Henry Montor see *Jerusalem Post*, 5 Dec. 52 and 29 Aug. 55
46. CJFWF Memo to Jewish Welfare Fund-Israel Relations Committee by Irving Kane on "American Structure for Major Jewish Philanthropic Aid to Israel," 6 Jan. 60, p. 4
47. *Palestine Post*, 17 Dec. 48
48. Press Digest in *New Palestine*, 24 Dec. 48
49. Hammer, p. 131

Part VII

1. Arnold Gurin, "Financing of Jewish Communal Programs," *AJYB* vol. 55 (1954)
2. Interview with Herbert Friedman, conducted by Menahem Kaufmann for Oral History Project, 7 Dec. 75 (p. 71 of transcript)
3. Minutes of Jewish Agency Executive, 13 May 49
4. Minutes of Executive, 29 April & 7 May 49
5. Minutes of Executive, 15 May 49
6. Jesse Zel Lurie in *Palestine Post*, 6 Sept. 49
7. Minutes of Executive, (Plenary Meeting in N.Y.), 28 Feb. 49
8. *Ibid.*
9. Minutes of Executive, 16 Aug. 49
10. *Jerusalem Post*, 21 Nov. 50
11. *Jerusalem Post*, 21 May 54
12. CJFWF Israel Fact Sheet No. 34, "Constructive Enterprises of Party Organizations," Oct. 56. Also Council Reports, Sept. 60, "Financing of Welfare Programs ('Constructive Enterprises') of Israeli Parties"
13. Based on notes of the author, who served as Resident Representative of JAFI, Inc. in Jerusalem, 1961-66
14. S.P. Goldberg, "Jewish Communal Services," *AJYB* vol. 56 (1955), pp. 258-59
15. Data from CJFWF Israel Fact Sheet No. 54, Oct. 60
16. Data from Israel Fact Sheet No. 42, "The Jewish Agency (IV): Agricultural Settlement," Feb. 58; and from additional issues in series.
17. Data from Israel Fact Sheets No. 3 ("The Balance of Trade,"), 18, 28, 45.

Part VIII

1. *Divrei ha-Knesset (Knesset Record)*, Debate on Status Law, 7 May 52. For an analytic account of Ben-Gurion's relationship with the WZO at that period see Charles S. Liebman, *Pressure Without Sanctions* (Rutherford N.J., 1977), pp. 132-145. Also Oscar Handlin, "Ben Gurion Against the Diaspora," *Commentary*, March 1961
2. CJFWF Assembly Papers, 28th General Assembly: Report by Irving Kane, Chairman, to National-Local Relations Committee, 14 Nov. 59
3. CJFWF Memo by Irving Kane to Jewish Welfare Fund-Israel Relations Committee, 6 Jan. 60
4. Hammer, p. 143

5. *Ibid.*
6. *Ibid.*
7. *Ibid.*, p. 144
8. Maurice Boukstein Papers in CZA, file A 370, Box 15/1
9. *Ibid.*
10. For an account from the Agency's perspective, see Hammer, ch. 11
11. *Ibid.* p. 145
12. Recollections of the author
13. Hammer, p. 117
14. CZA file A 370, Box 22/12
15. See E. Stock, "In the Absence of Hierarchy: Notes on the Organization of American Jewry," *Jewish Journal of Sociology*, Dec. 1970
16. Meeting of JAFI, Inc. Board of Directors, 8 Dec. 65 (Minutes in UIA files)
17. Y. Giladi to Y. Sahar, 12 Nov. 61 (CZA S 62/19c)
18. Hammer, p. 145
19. For a biographical sketch, see G. Hammer, "Dewey David Stone: An Appreciation" in Nathan M. Kaganoff (ed.), *Solidarity and Kinship: Essays on American Zionism—In Memory of Dewey David Stone* (Waltham, 1980). Also Abba Eban, "Dewey David Stone: Prototype of an American Zionist," *American Jewish History* Sept. 1979
20. *Jerusalem Post*, 20 April 60
21. For Fisher's role in these events, see Zelig Chinitz, *A Common Agenda: The Reconstitution of the Jewish Agency* (Jerusalem, 1985)
22. Meeting of JAFI, Inc. Board of Directors, 3 June 65 (pp. 50–52 of transcript, in UIA files)
23. *Ibid.* p. 54
24. Minutes of Meeting of JAFI, Inc. Board, 17 Sept. 65, p.50
25. JAFI, Inc. Minutes, 26 Oct. 65, pp. 43, 44
26. Minutes, 3 June 65, p. 50
27. Minutes, 8 Dec. 65, pp. 39, 40
28. *Ibid.* p. 44
29. *Ibid.* pp. 37 ff.
30. Minutes, 26 April 66, pp. 26 ff.
31. Minutes of Meeting of UIA Board of Trustees, 9 June 66
32. Keren Hayesod Report to 12th Zionist Congress, p. 13
33. *AJYB*, vol. 71 (1970), p. 182
34. E. Stock, "The Reconstitution of the Jewish Agency: A Political Analysis," *AJYB*, vol. 73 (1972), p. 189
35. Hammer, p. 127
36. Memo from S. Haber and G. Hammer to Louis Broido and Dewey Stone, (chairmen of JDC and UIA respectively), 7 Dec. 67 (CZA S 62/90)

37. Eshkol to Pincus, 16 June 68 (S 62/90)
38. Entry on Jewish Agency, *Encyclopedia Judaica*, vol. 10, col. 14
39. Charlotte Jacobson to Louis Pincus, 19 Aug 69 (CZA S 62/757)
40. Judah J. Shapiro, "Dezionizing the Jewish Agency?" *The New Middle East* (London), August 1969
41. Chinitz, *A Common Agenda*, pp. 26, 28
42. Before members of Jewish Agency and WZO Executives resident in U.S., 6 May 69 (Minutes in Pincus file, CZA S 62/757)
43. Hammer to Giladi, 29 Jan. 70 (CZA S 62/841)
44. Dr. Israel Goldstein to Louis Pincus, 16 Oct. 69; also cable to Pincus, 19 Aug 69 (CZA S 62/757)
45. See Hammer, p. 151
46. See Appendix B of *A Common Agenda* for an organizational chart of the Reconstituted Jewish Agency; appendix A for text of revised Covenant between Agency and Israel Government
47. Minutes of Ad Hoc Committee of Executive to consider corporate structure of WZO after reconstitution (CZA S 62/777)
48. The text of the Agreement, as amended by the June 1985 Assembly, can be found in Elazar & Dortort, *The Jewish Agency: A Handbook Revised Edition* (Jerusalem, 1985), p. 108

Epilogue

1. UIA Annual Report 1985, p. 6
2. UIA Annual Report 1982, p. 7
3. G. Hammer to M. Fisher, 23 Oct. 69 (CZA S62/841)
4. For the Reports of the Caesarea Commissions, see Elazar and Dortort, pp. 117 ff.
5. *Ibid.*, p. 62
6. Address to Assembly, quoted in *Jerusalem Update*, WZO Department of Information, July 1985
7. A former chairman of the Executive and the WZO, Joseph Almogi, published a stinging attack on the Kaplan proposals in the Winter 1985 issue of *Forum* ("Giving Top Priority to Zionism," p. 1). A somewhat milder rebuke appeared over the signature of Uzi Narkiss, chairman of the WZO Information Department, in *Jerusalem Update*, July 1985
8. *JTA Daily News Bulletin*, 27 April 86
9. Source: UIA Annual Reports
10. *New Palestine*, 31 Jan. 41, p. 21

Chronology

- 1904—Jewish National Fund (JNF) established
- 1906—American Jewish Committee founded by men who led American Jewish relief campaign following 1903 Kishinev pogrom
- 1908—Palestine Office opened, under Dr. Arthur Ruppin, representing World Zionist Organization in Jerusalem
- 1912—Hadassah founded under leadership of Henrietta Szold
- 1914—American Jewish Committee sponsors American Jewish Relief Committee to raise funds for war relief in Europe and Palestine. Joint Distribution Committee (JDC) organized to distribute proceeds.
- 1917—Balfour Declaration issued
- 1918—Zionist Commission replaces Palestine Office
- 1919—Louis D. Brandeis, American Zionist leader, visits Palestine
- 1920—San Remo Conference awards League of Nations Mandate for Palestine to Great Britain
- Jahreskonferenz* of Zionist Organization in London decides to establish Keren Hayesod as worldwide fund raising drive for National Home
- 1921—Dr. Chaim Weizmann, President of Zionist Organization, opens Keren Hayesod campaign in America. Brandeis opposes central WZO control over Keren Hayesod but is defeated. Together with his supporters, he resigns from leadership of American and World Zionist organizations.
- 1923—Dr. Weizmann begins six-year negotiations for enlarged Jewish Agency to involve non-Zionist leaders in upbuilding of National Home.
- 1925—JDC plans to launch nationwide United Jewish Campaign to include Keren Hayesod, but latter withdraws over lack of mention of Palestine in campaign material. Launches United Palestine Appeal instead, jointly with Hebrew University, Hadassah and Jewish National Fund.

- 1927—Joint Zionist/non-Zionist Survey Commission established to lay down tasks for proposed Jewish Agency. Sends team of experts to Palestine.
- 1929—Enlarged Jewish Agency established, with 50 per cent participation of non-Zionists.
Emergency Campaign for Palestine launched for victims of Arab riots in Hebron and elsewhere as UPA in decline.
- 1930—Allied Jewish Appeal on behalf of Jewish Agency and JDC falls short of goal as depression affects fundraising.
- 1931—American Palestine Campaign on behalf of Jewish Agency; JDC campaigns separately.
- 1935—United Palestine Appeal revived, on behalf of Keren Hayesod, Keren Kayemet (Jewish National Fund) and Jewish Agency's Emergency Appeal for German Refugees
- 1936—United Jewish Appeal on behalf of UPA and JDC; breaks up after one year.
- 1939—UJA reconstituted; in addition to UPA and JDC it includes National Refugee Service (NRS).
- 1946—UJA's first \$100 million campaign
- 1948—State of Israel declared; UJA sets \$250 million goal.
- 1949—ZOA leaders Silver & Neumann lose control of UPA; Jewish Agency confirms Montor and Morgenthau as heads of UJA.
- 1952—United Palestine Appeal becomes United Israel Appeal
- 1960—Jewish Agency for Israel, Inc. (JAFI Inc.) formed to control expenditure of UIA funds through Jewish Agency.
- 1964—Israel Education Fund (IEF) established
- 1966—JAFI Inc. merged with UIA, which assumes control over funds and retains Jewish Agency as its agent in Israel.
- 1967—Six-Day War brings about dramatic increase in UIA receipts from UJA campaign.
- 1969—Zionist General Council approves draft agreement for reconstituting Jewish Agency, worked out between Louis Pincus for WZO and Max Fisher for UIA.
- 1971—Agreement signed for Reconstituted Jewish Agency, providing for sharing of control among WZO (50%); and UIA and Keren Hayesod (30 and 20% respectively) representing fundraising leadership in diaspora communities.

Glossary of Organizations

(* These organizations are no longer active.)

Actions Committee—see Zionist General Council

***Allied Jewish Campaign**—The first “United Jewish Appeal:” a nationwide campaign for \$6,000,000 conducted jointly by Jewish Agency and JDC in 1930. Only \$2,500,000 in pledges was obtained, and the experiment was abandoned after one year.

America-Israel Cultural Foundation (AICF)—One of the original 13 campaigns authorized by the Jewish Agency Committee on Control and Authorization of Campaigns to raise funds in the U.S. Formerly known as Norman Fund (Keren Norman); also known in Israel as Keren Sharett.

American Council for Judaism—Anti-Zionist membership organization

American Jewish Committee (AJC)—Founded in 1906 to defend Jewish rights. Shortly after the outbreak of World War I the Committee established the American Jewish Relief Committee, which in turn gave rise to the Joint Distribution Committee. Louis Marshall, the Committee’s chairman until his death in 1929, negotiated the establishment of the Jewish Agency with Chaim Weizmann.

American Jewish Joint Distribution Committee (AJDC or JDC)—founded in 1914 as the distributing arm for funds raised for overseas relief by the American Jewish Relief Committee and two other ad hoc fund raising bodies. The Jewish community in Palestine was among the beneficiaries. Since 1939 a partner in the United Jewish Appeal.

***American Jewish Relief Committee**—Established in 1914 by American Jewish Committee in cooperation with other national agencies to raise money for emergency relief to Jewish war sufferers.

***American Palestine Campaign**—After the break-up of the Allied Jewish Campaign (see above) in 1930, the Keren Hayesod raised funds in the U.S. under that name on behalf of the Jewish Agency. Hadassah and the Mizrahi Palestine Fund were also included as beneficiaries.

***American Zion Commonwealth**—A public stock company through which American Jews were asked to invest funds in Palestinian real estate in the 1920s, rescued from financial failure by the United Palestine Appeal.

American Zionist Council—Federation of American Zionist organizations.

***American Zionist Emergency Council**—Coordinating body of American Zionist groups during World War II and in the period leading up to statehood.

***Central Relief Committee**—Raised funds in Orthodox community for overseas relief in World War I which it turned over to JDC for disbursement.

Council of Jewish Federations and Welfare Funds (since 1974, Council of Jewish Federations)—Roof organization of community federations, with about 220 member federations in U.S. and Canada.

Development Corporation for Israel (DCI)—official name of Israel Bond campaign in the U.S.

***Emergency Fund for Palestine**—Special campaign on behalf of victims of 1929 riots, conducted through the facilities of Keren Hayesod.

***General Zionists**—(later Liberal Party) Middle class party whose Constructive Fund, *Mifde Ezrachi*, was a beneficiary of the United Palestine Appeal and now receives allocation from Jewish Agency.

Gewerkshafte Campaign—Informal name of Histadrut Campaign (see also National Committee for Labor Israel).

Hadassah - The Women's Zionist Organization of America—Largest Zionist membership organization; raises funds among its members for the two Hadassah Hospitals in Jerusalem and for the Youth Aliyah program of the Jewish Agency.

***Hebrew Immigrant Aid Society (HIAS)**—see United Hias Service.

Histadrut—Israeli labor union founded in 1921, with affiliated medical care system, old age homes, vocational schools etc. supported by funds obtained in U.S. by National Committee for Labor Israel (another of the authorized campaigns).

Israel Bonds—see Development Corporation for Israel

Israel Education Fund (IEF)—Continuing supplementary campaign for educational facilities conducted by UJA since 1964.

Israel Emergency Fund—supplementary campaign conducted by UJA to finance special needs in Israel, with proceeds earmarked for Jewish Agency.

Jerusalem Post (formerly Palestine Post)—Israel's English-language daily.

Jewish Agency—shorthand for Jewish Agency for Palestine (Israel), established in 1929 as a partnership between World Zionist Organization and leading non-Zionists to represent world Jewry in building of Jewish National Home. Since 1948, its main task is to conduct immigrant welfare and resettlement programs with funds raised worldwide; reconstituted in 1971 to give United Israel Appeal and Keren Hayesod the 50% share in governance formerly held by non-Zionist individuals. Its governing bodies are an annual Assembly, a Board of Governors, and an Executive.

***Jewish Agency for Israel, Inc. (JAFI, Inc.)**—Established in 1960 as American body in control of expenditures of UIA funds in Israel. It allocated funds for expenditures through the Jewish Agency in Jerusalem, which served as its agent. Merged with United Israel Appeal in 1966.

***Jewish Agency-American Section**—Represented interests of Jerusalem Jewish Agency in the U.S. following establishment of Jewish Agency for Israel, Inc. After 1966 merger of the latter with UIA, replaced by WZO-American Section.

Jewish Colonization Association (ICA)—Founded in 1891 by Baron Maurice de Hirsch to assist Jews in depressed economic circumstances, mainly through emigration, ICA was utilized by Baron Edmond de Rothschild to channel support to the colonies he established in Palestine. ICA still extends financial support, through the Jewish Agency, to certain agricultural projects and settlements. (see also PICA)

Jewish National Fund (JNF)—Land purchase and development fund of the Zionist Organization, founded in 1901. From 1936–1952, a 50% partner in the United Israel Appeal, together with the Keren Hayesod. Since then, receives an allocation from the Jewish Agency and also carries on “traditional” collections, such as selling certificates for

trees and inscriptions in its Golden Book. (Hebrew: Keren Kayemet Le-Israel)

Jewish Telegraphic Agency (JTA)—gathers and distributes news of Jewish interest; issues a daily bulletin. Subsidized by communal funds.

Joint Distribution Committee (JDC)—see American Jewish Joint Distribution Committee.

***Keren Geulah (previously Keren Hakhanah)**—see Palestine Restoration Fund.

Keren Hayesod (Palestine Foundation Fund)—established in 1920 by the World Zionist Organization to appeal to both Zionists and non-Zionists for funds to finance immigration, colonization and infrastructure investment in Palestine. In the U.S., the Keren Hayesod functioned independently from 1921–26, when it became a constituent of the United Palestine Appeal. Elsewhere, it still functions as the Keren Hayesod-United Israel Appeal. Since 1971, the Keren Hayesod nominates 20% of the governing bodies of the Jewish Agency.

Keren Kayemet Le-Israel (KKL)—see Jewish National Fund

Large Cities Budgeting Conference (LCBC)—an organ of the Council of Jewish Federations, LCBC submits the budgets of agencies applying to Federations for support to critical examination. Its members are the 16 largest communities, but material produced by the Conference is available to all member federations of the Council as an aid in allocating funds. The Jewish Agency refused to become part of the LCBC process.

***Mapai**—Acronym of Hebrew initials for Israel Workers' Party, the party of Ben Gurion when he was Chairman of the Jewish Agency and Prime Minister of the State of Israel. Mapai's successor is the Israel Labor Party.

***Mif'al Bitzaron (Emergency Fund for the Settlement of German Jews)**—conducted in the 1930s under auspices of Jewish Agency.

Mifde Ha-Ezrachi—Constructive Fund of General Zionists; erstwhile beneficiary of UPA campaign and lately of Jewish Agency.

Mizrachi Palestine Fund—Constructive Fund of Mizrachi and Mizrachi Workers' parties; early constituent of UPA and later recipient of allocation from Jewish Agency.

National Committee for Labor Israel—Raises Funds in U.S. on behalf of the Histadrut's medical, social welfare and educational networks.

***National Refugee Service (NRS)**—Organized in 1939 as successor to National Coordinating Committee for German Refugees, which was a joint effort of several national and local agencies to assist refugees arriving in U.S. NRS' financing was assured through UJA campaign. The NRS in turn was succeeded by the United Service for New Americans, which continued to be a UJA beneficiary.

***New Palestine**—weekly organ of the Zionist Organization of America; renamed The American Zionist.

New York Association for New Americans (NYANA)—local refugee resettlement agency, financed by UJA of Greater New York.

Organization for Rehabilitation through Training (ORT)
Worldwide vocational education network, funded in part by JDC.

***Palestine Development Council (PDC)**—Founded by Louis D. Brandeis after his resignation from Zionist Organization in 1921 to sponsor economic investments in Palestine.

Palestine Economic Corporation (PEC)—Formed in 1926 through merger of Brandeis' PDC group and the JDC's economic programs in Palestine.

Palestine Foundation Fund—see Keren Hayesod.

***Palestine Jewish Colonization Association (PICA)**—Set up by Baron Edmond de Rothschild in 1923 to manage the villages financed by him previously under the aegis of ICA.

***Palestine Restoration Fund**—predecessor of Palestine Foundation Fund (Hebrew: Keren Geulah)

Poalei Agudat Israel—Religious Workers Party whose Constructive Fund, formerly beneficiary of UPA, is supported by Jewish Agency.

Progressive Party—Left wing of General Zionist party which split off when the main body formed alliance with right-wing Herut Party. The two parties continued to share in the income of the Mifde Ezrachi Constructive Fund.

Tel Hai Fund—Constructive Fund of Herut Party, supported by Jewish Agency.

United Hias Service—Migration and resettlement agency formed by merger, in 1954, of HIAS (Hebrew Immigrant Aid Society), the United Service for New Americans (USNA) and the migration services of the JDC. Receives funds from UJA.

United Israel Appeal (UIA)—first established in 1925 as United Palestine Appeal (UPA) to rationalize fundraising for Jewish National Home in America; Keren Hayesod, Hadassah, Hebrew University, the Jewish National Fund and Mizrachi were the constituents. Dissolved in 1930 and reconstituted in 1936 by Keren Hayesod and Jewish National Fund (Keren Kayemet). In 1938, UPA entered into partnership with JDC to found the United Jewish Appeal (UJA) and has obtained funds through UJA campaigns since 1939. Allocates the proceeds through Jewish Agency, which acts as UIA's agent in Israel.

United Jewish Appeal (UJA)—After several earlier short-lived attempts at joint fundraising, the JDC and UPA (now UIA) in 1939 formed a United Jewish Appeal for Refugees and Overseas Relief, with the National Refugee Service (NRS) as a beneficiary but not a principal. The contractual agreement between the two principals continuing the UJA in existence has been renewed periodically ever since.

***United Jewish Campaign**—Planned by JDC for 1926, with inclusion of Keren Hayesod in \$15,000,000, three-year goal. The Zionists withdrew when they felt JDC was downplaying Palestine and founded UPA instead.

***United Palestine Appeal (UPA)**—see United Israel Appeal

***United Service for New Americans (USNA)**—Successor agency to National Refugee Service, merged into United Hias Service in 1954.

***University-Institute-Technion Joint Maintenance Appeal (UIT)**—Authorized to raise funds for Hebrew University, Weizmann Institute and Hebrew Technological Institute. After Weizmann Institute withdrew, continued for some time as joint appeal for University and Technion (UT).

Women's International Zionist Organization (WIZO)—Maintains children's and family welfare services in Israel, funded by its worldwide membership. (Not active in U.S.)

World Agudat Israel—Orthodox association, with political party status in Israel. Maintains educational institutions financed in part through Constructive Fund receiving allocation from Jewish Agency.

World Confederation of General Zionists—Constituent of World Zionist Organization, based largely on membership of Hadassah in U.S. Shares in income of General Zionist Constructive Fund (see Mifde Ezrachi).

World Union of General Zionists—Constituent of World Zionist Organization, based on Liberal Party in Israel (successor party to General Zionists) and ZOA in America. Shares in income of Mifde Ezrachi Constructive Fund.

World Zionist Organization (WZO)—Founded by Theodor Herzl at first Zionist Congress in 1898. Until 1929, acted as the Jewish agency stipulated in League of Nations Mandate for channelling contribution of Jewish people to building of National Home. In that year, the WZO signed an agreement with non-Zionist leaders for an enlarged Jewish Agency. In a subsequent agreement for reconstitution of the Jewish Agency signed in 1971, the WZO again retained 50% control, with the balance divided between UIA (30%) and Keren Hayesod (20%). The supreme governing body is the Zionist Congress.

***Zionist Commission**—Group of Zionist officials, headed by Dr. Chaim Weizmann, who arrived in Palestine in 1918 to represent the Zionist Organization vis-a-vis the British Army of Occupation.

Zionist Executive—Executive arm of World Zionist Organization. Until 1948 its offices were in London, with (as of 1921) a branch in Jerusalem known as the Palestine Executive.

Zionist General Council—Governing body of WZO between Congresses. Formerly known as Actions Committee.

Zionist Organization of America (ZOA)—Membership organization, affiliated with General Zionist (now Liberal) party in Israel.

Bibliography

BOOKS AND ARTICLES

- American Jewish Year Book*, vols. 25, 26, 27, 28, 30, 31, 37, 40, 41 (Hereafter: AJYB)
- Arlosoroff, Chaim. *Die Kolonisationsfinanzen der Jewish Agency* (Berlin: Hitachdut-Verlag, 1923)
- Bauer, Yehuda. *American Jewry and the Holocaust: The American Jewish Joint Distribution Committee, 1939-1945* (Detroit: Wayne State University Press, 1981)
- . *My Brother's Keeper: A History of the American Jewish Joint Distribution Committee 1929-1939* (Philadelphia: Jewish Publication Society, 1974)
- Berman, Morton M. *The Bridge to Life: The Saga of the Keren Hayesod* (Tel Aviv: Keren Hayesod, 1970)
- Bernstein, Philip. *To Dwell in Unity: The Jewish Federation Movement in America Since 1960* (Philadelphia: JPS, 1983)
- Chinitz, Zelig. *A Common Heritage: The Reconstitution of the Jewish Agency for Israel* (Jerusalem: Jerusalem Center for Public Affairs, 1985)
- . "The Jewish Agency and the Jewish Community in the United States" (Unpublished Master's Essay, Columbia University)
- Eban, Abba. "Dewey D. Stone: Prototype of an American Zionist," *American Jewish History*, Sept. 1979
- Elazar, Daniel J. & Dortort, Alysia M. (eds.) *Understanding the Jewish Agency: A Handbook*, Revised edition. (Jerusalem: Jerusalem Center for Public Affairs, 1985)
- Encyclopedia Judaica* (Jerusalem: Keter, 1972)
- Feingold, Henry. *Zion in America* (New York: Twayne, 1974)
- Friedman, Elisha M. *Report of Inquiry of the United Jewish Appeal* (New York: United Jewish Appeal, 1940)
- Friesel, Evyatar. "Brandeis' Role in American Zionism Reconsidered," *American Jewish History*, September 1979

- Ginzberg, Eli. *Report to the Allotment Committee of the United Jewish Appeal for 1941* (New York: United Jewish Appeal, 1941)
- _____. *Report to American Jews on Overseas Relief, Palestine and Refugees in the United States* (New York: Harper & Bros., 1942)
- Goldberg, S.P. "Jewish Communal Services," *AJYB*, vol. 56 (1955)
- Goldstein, Israel. *My World as a Jew* (New York: Herzl Press, 1984)
- Gurin, Arnold. "Financing of Jewish Communal Programs," *AJYB*, vol. 55 (1954)
- Haber, Julius. *The Odyssey of an American Zionist* (New York: Twayne, 1956)
- Halperin, Sam. *The Political World of American Zionism* (Detroit: Wayne University Press, 1961)
- Halpern, Ben. "The Americanization of Zionism, 1880-1930," *American Jewish History*, September 1979
- Hammer, Gottlieb. *Good Faith and Credit* (New York: Cornwall Press, 1985)
- Handlin, Oscar. *A Continuing Task: The American Joint Distribution Committee 1914-1964* (New York: Random House, 1964)
- _____. "Ben Gurion Against the Diaspora," *Commentary*, March 1961
- Herzl Yearbook* vol. VII (New York: Herzl Press, 1971)
- Heymann, Michael. "The Enlarged Jewish Agency of 1929: Its Establishment and Disintegration," *Forum*, Winter/Spring 1985/86
- Hyman, Joseph C. "25 Years of American Aid to Jews Overseas," *AJYB*, vol. 41
- Kaganoff, Nathan M. (ed.) *Solidarity and Kinship: Essays on American Zionism* (Waltham: American Jewish Historical Society, 1980)
- Karp, Abraham J. *To Give Life: The UJA in the Shaping of the American Jewish Community* (New York: Schocken, 1981)
- Kaufmann, Menachem. "The Non-Zionists in the American Jewish Public 1939-1948: Attitudes and Actions" (Ph.D. Dissertation, Hebrew University, 1978)
- Klüger, Ruth and Mann, Peggy. *The Last Escape: The Launching of the Largest Secret Rescue Movement of All Time* (Garden City: Doubleday, 1973)
- Liebman, Charles. *Pressure Without Sanctions: The Influence of World Jewry on Israeli Policy* (Rutherford: Fairleigh Dickinson University Press, 1977)
- Linfield, H. S. "The Communal Organization of the Jews in the United States," *American Jewish Year Book*, vol. 31 (1929/30)
- Lurie, Harry. *A Heritage Affirmed: The Jewish Federation Movement in America* (Philadelphia: JPS, 1961)

- Manuel, Frank E. *The Realities of American-Palestine Relations* (Washington: Public Affairs Press, 1949)
- Mason, Alpheus T. *Brandeis: A Free Man's Life* (New York: Viking Press, 1946)
- Meyer, Isidore S. (ed.) *Early History of Zionism in America* (New York: American Jewish Historical Society and Theodor Herzl Foundation, 1958)
- Neumann, Emanuel. *In the Arena: An Autobiographical Memoir* (New York: Herzl Press, 1976)
- . "The United Palestine Appeal: A Brief Review of its Formation and Results," (New York: UPA, 1926) Pamphlet
- Parzen, Herbert. "The United Palestine Appeal," *Herzl Yearbook VII* (New York: Theodor Herzl Foundation, 1971)
- Raphael, Marc Lee. *A History of the United Jewish Appeal 1939-1982* (Providence: Scholars Press for Brown Judaic Studies Series, 1982)
- Reznikoff, Charles (ed.) *Louis Marshall, Champion of Liberty: Selected Papers and Addresses*, vol. II (Philadelphia: JPS, 1957)
- Reports of the Experts Submitted to the Joint Palestine Survey Commission* (Boston, 1928)
- Rosenfelt, Henry H. *This Thing of Giving* (New York: Plymouth Press, 1924)
- Rubin, Jacob A. *Partners in State Building: American Jewry and Israel* (New York: Diplomatic Press, 1969)
- Sarnuel, Maurice. *Level Sunlight* (New York: Knopf, 1953)
- Schultz, Joseph P.(ed.). *Mid-America's Promise: A Profile of Kansas City Jewry* (Kansas City, 1982)
- Selekman, Ben M. "Federations in the Changing American Scene," *AJYB*, vol. 36 (1934/5)
- Shapiro, Judah J. "Dezionizing the Jewish Agency?" *The New Middle East* (London), August 1969
- Shapiro, Yonathan. *Leadership of the American Zionist Organization, 1897-1930* (Urbana: University of Illinois Press, 1971)
- Shlonsky, Hagith Rieger. "Growth and Decline of Voluntary Associations: A Comparative Study of Zionist Organizations in New Haven" (Ph.D. Thesis, Yale University, 1960. Ann Arbor: University Microfilms)
- Silverberg, Robert. *If I Forget Thee O Jerusalem: American Jews and the State of Israel* (New York: Morrow, 1970)
- Simon, Julius. *Certain Days* (Jerusalem: Israel Universities Press, 1971)
- Slater, Leonard. *The Pledge* (New York: Simon & Schuster, 1970)

- Stock, Ernest. "In the Absence of Hierarchy: Notes on the Organization of the American Jewish Community," *Jewish Journal of Sociology*, Dec. 1970
- _____. "The Reconstitution of the Jewish Agency: A Political Analysis," *AJYB*, vol. 73, 1972
- Urofsky, Melvin. *American Zionism from Herzl to the Holocaust* (Garden City: Doubleday Anchor, 1976)
- _____. and Levy, David W. (eds.) *Letters of Louis D. Brandeis* (Albany: SUNY Press, 1973)
- _____. "A Cause in Search of Itself: American Zionism After the State," in Kaganoff, *Solidarity* . . .
- Weizmann, Chaim. *Trial and Error* (London: Hamish Hamilton, 1949)

DOCUMENTS, REPORTS AND UNPUBLISHED MATERIAL

WORLD ZIONIST ORGANIZATION

- Bericht der Reorganisationskommission der Exekutive der Zionistischen Organisation ueber das Werk der Zionistischen Organisation in Palaestina (London, 1921)
- Proceedings of 12th, 13th and 16th Zionist Congresses
- Resolutions Adopted by 19th Zionist Congress
- Report of Organization Department to 12th Zionist Congress

KEREN HAYESOD

- Reports to 12th, 13th, 15th, 16th & 19th Zionist Congresses
- Reports to 2nd and 4th Councils of Jewish Agency

JEWISH AGENCY

- Minutes of Executive, 1948, 1949, 1950
- Proceedings of Founding Assembly of Reconstituted Jewish Agency, 1971

UNITED ISRAEL APPEAL

- Minutes of UIA Board of Directors (also Minutes of Board of Jewish Agency for Israel, Inc.)
- UIA Annual Reports, 1978-1985

COUNCIL OF JEWISH FEDERATIONS

- Memo from Sidney Hollander to Member Agencies, 31 Dec. 40
- Budgeting Report on UPA, 1947
- Israel Fact Sheet Series, 1955-58

Assembly Papers, 1959

Memo from Irving Kane to Welfare Fund-Israel Relations Cmte, 6 Jan.
60

Council Reports, 1960

MATERIAL IN CENTRAL ZIONIST ARCHIVES, JERUSALEM

Proceedings of Non-Zionist Conference Regarding Palestine, New York,
Oct. 28

Report of Emergency Fund for Palestine, Jerusalem, 1937

"Allied Jewish Campaign for the Joint Distribution Committee and the
Jewish Agency for Palestine," Pamphlet, New York 1930

Maurice Boukstein Papers

Eliezer Kaplan Papers

Louis Pincus Papers

TRANSCRIPTS OF INTERVIEWS ON UJA

Oral History Project of Institute of Contemporary Jewry, the Hebrew
University of Jerusalem

NEWSPAPERS AND PERIODICALS

Forum

Jerusalem Post (formerly *Palestine Post*)

Jewish Telegraphic Agency Bulletin

Jerusalem Update (WZO Information Department)

The New Palestine (later *The American Zionist*)

New York Times

Index

- Absorption Department, 146, 160
AMZIC (see American Zion
Commonwealth)
Actions Committee (see Zionist General
Council)
Aden (refugee camp), 126
Adler, Dr. Cyrus, 6, 86, 90-1, 94
Administrative Committee, Jewish
Agency, 84
Administrative Committee (of JDC), 190
Advisory Committee to Jewish Agency,
170-1
Agricultural Settlement Department, 146,
158
Agro-Joint, 45
Agudat Israel, 40, 150
Alliance Israelite Universelle, 5
Allied Jewish Campaign, 81-3, 86, 91
Allotment Committee of UJA, 105, 113,
121
American Council for Judaism, 100
American Friends of Israel, 139
American Jewish Committee, 3, 4, 6, 20,
45, 82, 86, 90
American Jewish Congress, 46
American Jewish Joint Distribution
Committee (AJDC) (see Joint
Distribution Committee)
American Jewish Relief Committee, 5-7,
43
American Jews, income of, 120
American Joint Reconstruction
Foundation, 44
American Mizrahi movement (see
Mizrahi)
American Palestine Campaign, 88, 91-2
American Section of Jewish Agency (see
Jewish Agency)
American Section of WZO (see World
Zionist Organization)
American Zion Commonwealth, 53-4
Americans for Progressive Israel, 186
Ampal (American-Palestine Trading
Corporation), 40
Anglo-Jewish Association, 5
Annual Conference (see London
Conference)
Arab disturbances in 1929, 74
Aridor, Yoram, 201
Arlosoroff, Dr. Chaim, 30-1
Assembly (of Jewish Agency), 192, 199,
202-4
Atlanta (1941 General Assembly of
CJFWF), 115
Atlantic City (1946 UJA Conference), 125
Auerbach, Ephraim, 141
Avrunin, William, 123
Baerwald, Paul, 102
Balance of Trade, 163
Balfour Declaration, 9-10, 18, 42
Baltimore (1925 UPA founding
conference), 45, 44
Bank Hapoalim, 15, 40
Ben Gurion, David, 129, 138, 168-9
Berlin, Rabbi Meyer, 74
Bernstein, Henry, 128-9
Bernstein, Philip, 72, 193
Betar, 150
Billikopf, Jacob, 43
Biro-Bidjan, 112
Blue Box (of JNF), 38
B'nai B'rith, 90, 133
Board of Governors (see Jewish Agency)
Board of Trustees (of UIA), 186
Bond Drive (see Israel Bonds)
Boston, Federation, 52, 67, 73
Boukstein, Maurice, 136, 173, 180, 185-6,
194

- Brandeis, Justice Louis D., 3, 6, 10, 14-21,
 25-8, 32, 38, 37, 45, 54, 60, 72, 77, 81,
 85, 133, 145, 173, 187-8, 199-200, 202
- Bressler, David, 85
- Brown, David A., 44, 47, 74, 81-2, 125
- Brunat, Joseph, 122
- Buffalo Convention (of ZQA), 25
- Bureau of Jewish Social Research, 70-1
- Bukowina, 42
- Caesarea Process, 201-3
- Campbell, Sir John, 61-3
- Carlsbad (as site of Zionist Congresses), 8,
 29
- Central Bank of Cooperative Institutions,
 37
- Central Bureau for the Settlement of
 German Jews, 91, 120
- Central Powers (in World War I), 7
- Central Relief Committee (1929), 74
- Chalukka, 7
- Chicago, 52, 124
- Chinuch Atzmai (see Agudat Israel)
- Cincinnati (Federation), 67
- Claims Conference, 156-7
- Cleveland (ZQA Conference in), 16, 20, 25,
 36, 85
- Committee on Control and Authorisation
 of Campaigns, 148
- Committee on Jewish Welfare Fund-Israel
 Relations, 170
- Committee of Workers and Contributors,
 134, 140
- Community chests, 70-1
- Confederation of General Zionists, 193
- Conference on Human Needs (1969), 190
- Conservative rabbis, 90, 169
- Consolidation Loan (1954), 155-6
- Constructive (Enterprise) Funds, 94, 133,
 149-51
- Continuing Committee of Federation
 Executives, 70
- Controller (of Jewish Agency & WZO),
 162
- Coons, Isadore, 101
- Council of Contributors (Keren Hayesod),
 34, 131-2
- Council of Enlarged Jewish Agency (see
 Jewish Agency)
- Council of Jewish Federations (CJF), 71,
 78, 99, 102, 105, 113-5, 122, 124, 127,
 135, 139-41, 148, 150, 169-70, 173,
 183-4, 187
- Counterpart funds, 164
- Crimea (JDC project in), 44, 50-1, 112
- Cyprus (camps), 126
- Dead Sea, 35
- de Haas, Jacob, 18
- Debt Retirement Program (see Jewish
 Agency)
- Debts of Israel Government, 155, 163
- Department of Education and Culture, 161
- Department of Religious Education and
 Culture (of WZO), 161
- Detroit Federation, 123-4
- Development Corporation for Israel (see
 Israel Bonds)
- Discount Bank, 37
- Dubinsky, Mel, 193, 199
- Eban, Abba, 139
- Economic Advisory Council (to Keren
 Hayesod), 19
- Education (as Jewish Agency
 expenditure), 160
- Einstein, Albert, 39, 133
- El Al, 181
- Emergency Fund (see Israel Emergency
 Fund)
- Emergency Fund for Palestine (1929), 74,
 81-3
- Emergency Fund for Settlement of Jews
 from Germany, 132
- Enlarged Jewish Agency (see Jewish
 Agency)
- Epstein, Judith, 133
- Epstein, Raymond, 199
- Eshkol, Levi, 191
- Ethiopian Jews, 200
- European Jewry
 in WW I, 42;
 in Nazi period & WW II, 101, 112-3,
 122, 126
- Executive (see Jewish Agency)
- Executive of WZO (see Zionist Executive)
- Federation of American Zionists, 6
- Federations, 49, 66-73, 83, 90, 123, 139-41,
 184
- Feiwei, Berthold, 12-3, 36
- Fisher, Max, 182-7, 190, 193, 199
- Flexner, Bernard, 74
- Florida, 52
- Flow of Funds, 155-62
- Foreign Agents Registration Act, 177
- Foreign Currency (UIA as source of),
 163-4

- Fox, Louis, 193
 Frankel, Dr. Lee K., 59
 Frankfurter, Justice Felix, 19, 28, 72
 Friedman, Dr. Elisha M., 105
 Friedman, Herbert, 125
 Friends of Churchill College, 172
 Friesel, Evyatar, 83
 Fulbright, Sen. William, 176
- Galicia, 42
 Gegenwartsarbeit, 20
 General Accounting Office, 201
 General Assembly (of CJFWF), 115, 148, 170, 183
 General Israel Fund, 148
 General Zionists, 94, 136, 149
 Geneva, 47, 85
 German Reparations, 157
 Germany, Jews of, 91
 Gewerkshafte campaign (see Histadrut)
 Giladi, Y., 181
 Ginzberg, Dr. Eli, 119–21, 123
 Golden Book (of JNF), 147
 Goldmann, Dr. Nahum, 146, 169–71
 Goldsmid, Sir Osmond d'Avigdor, 74
 Goldsmith, Samuel, 670
 Goldstein, Rabbi Israel, 90, 129, 132, 140
 Government of Israel, 121–31, 136, 146, 158, 190–1
 Granovsky, Dr. Avraham, 146
- Hadassah, 15, 45, 50, 77, 81–2, 87–9, 94, 102, 104, 147, 186, 193
 Halpern, Georg, 36
 Hamifde Ha-ezrachi, 149
 Hammer, Gottlieb, 146, 162, 173–4, 178, 181, 184, 190, 193, 200
 Hapoel Hamizrachi (see Mizrachi Palestine Fund)
 Health (as Jewish Agency expenditure), 160
 Hebrew University, 39, 40, 45, 77, 82, 102, 148, 161
 Hebron, 4, 74, 125
 Heller, James 132
 Herut, 150
 Hexter, Maurice B., 75, 84
 HIAS (Hebrew Immigrant Aid Society), 102
 Histadrut campaign, 40, 93–4, 101, 104, 147, 150
 Hitler Germany, 91–2, 99
 Hoffberger, Jerold, 199, 203
 Hollander, Sidney, 102, 115, 122
- Horowitz, David, 138
 Housing, 160
 Hyman, Joseph C., 42
- ICA (see Jewish Colonization Association)
 Immigration Department, 159
 Inquiry Commission (of UJA, 1940), 105–7
 Institute for Overseas Studies (of CJFWF), 169
 Institutions of Higher Learning, 147, 161
 Insurance company loans 178
 Internal Revenue Service, 127–9, 172–4, 177, 185, 188
 Iran (immigration), 200
 Iraq (immigration), 146, 169
 Israel Bonds, 138–9, 146, 153
 Israel Education Fund, 152, 167
 Israel Emergency Fund, 150, 152, 189
 Israelitische Allianz, 5
- Jaffa, 4
 JAFI Inc. (see Jewish Agency for Israel, Inc.)
 JDC (see Joint Distribution Committee)
 Jabotinsky, Vladimir, 43
 Jacobson, Charlotte, 193
 Jahreskonferenz (Annual Conference – see London Conference)
 Jerusalem
 in World War I, 4, 9;
 1929 riots in, 74
 Jerusalem Economic Conference (1953), 139
 Jerusalem Post, 139
 Jerusalem Program (of WZO), 202
 Jewish agency (in Art.4, LN Mandate), 17–8
 Jewish Agency-American Section, Inc., 186, 194
 Jewish Agency for Palestine (Israel)
 allocations to Constructive Enterprise Funds, 149–51
 agreements: on 1929 enlargement, 65, 78, 199; on 1960 reorganization, 173–8; on UJA, 91–2, 151–2; on 1971 reconstitution, 199, 204
 American Jewry united by, 84–5
 American office set up, 90
 American Section, 90, 134, 141, 169, 174–6, 186, 194
 Assembly, 192–3, 199, 201–2, 205
 bank borrowing, 128

- Board of Governors, 192-3, 199-201, 204
 budget & finances 87-8, 95, 127, 131,
 156-8, 167, 177
 CJFWF, relations with, 169-72
 Committee on Control and
 Authorization of Campaigns, 148
 constitution of, 88
 control of, 194
 Council, 66, 131
 debt, 153, 155, 201
 demise of 1929 Enlarged Agency, 131
 departments, 158-61 (see also
 Absorption Dept., etc.)
 Dep't for Settlement of German Jews, 91
 disappointment in, 89
 Emergency campaign of 1929, 74
 Enlarged, founded in 1929, 65, 78, 129
 era of, 81
 Executive, 34, 85, 145-8, 187, 192
 flow of funds to, 155-8, 167, 177, 189-91,
 205
 Israel Government, relations with,
 131-2, 146, 190-1
 JAFI, Inc., relations with, 180-1
 JDC, relations with, 83-7, 91, 96, 122,
 126-7
 Keren Hayesod as financial instrument,
 132
 Keren Kayemet, relations with, 93,
 145-7, 161, 167
 loans for immigrant housing, 178
 officials face demonstrations, 145
 Passfield White Paper and, 86, 89
 parties represented on, 150
 purpose, 83
 reconstitution of 1971, 179, 188, 192-5,
 199, 205
 reorganization of 1960, 157, 173-6
 responsibility for expenditures, 101
 role in 1967 crisis, 190
 Silver-Neumann claim to autonomy,
 133-5
 Status Law, 168, 192
 tax exemption, 127-9
 Treasury Department, 181
 UIA, remittals to, 163, 190
 UJA deals directly with, 141
 Warburg's ambitious program for, 86
 Weizmann resigns as chairman, 86
 World Zionist Organization, relations
 with, 161, 168-9, 176, 180, 192-4, 200
 Zionist Executive acts as, 132, 159
 Jewish Agency for Israel, Inc., 136, 173-82,
 188
- Jewish Agency Committees (of
 federations), 202
 Jewish Colonization Association (ICA),
 37, 44
 Jewish Daily Bulletin, 46
 Jewish National Fund (see Keren
 Kayemet)
 Jewish National Home, 9, 13-5, 19, 25, 35,
 42, 65, 83, 92, 112
 Joint Center for Agricultural Planning,
 158
 Joint Distribution Committee,
 Allied Jewish campaign (1930), 81, 82
 as American body, 49
 constituent of UJA, 6
 distributes funds raised by AJRC, 4
 federations, included by, 71
 friction with Zionists, 7, 41
 income, 42; low point, 87; sources of,
 156
 Jewish Agency, relations, 55, 81, 91
 Keren Hayesod, relations, 42-3, 65
 original name, 6
 Palestine, allocations, 8; programs in,
 37, 90
 UJA (1934), agreement with Jewish
 Agency, 91; breakup, 92
 UJA (1938), agreement with UPA,
 99-100
 United Jewish Campaign (1926), 44, 55
 UPA (UIA), relations with, 91-3, 102-4,
 110, 151-2, 190
 Joint Survey Commission (see Palestine
 Survey Commission)
 Joseph, Dr. Dov, 173, 177, 181
 Josephthal, Dr. Giora, 170
 June War (of 1967), 188
 Junior Hadassah, 45
- Kane, Irving, 170-1
 Kansas City, Federation, 43, 72
 Kaplan, Eliezer, 95, 100, 102, 128, 136-8
 Kaplan, Mendel, 203
 Karpf, Dr. Maurice, 89-99
 Kaufmann, Menachem, 116
 Keren Geulah (Restoration Fund), 10, 12,
 29
 Keren Hakhana (Preparation Fund), 9
 Keren Hayesod (Palestine Foundation
 Fund)
 Arlosoroff on results, 30-1
 as bridge, 13
 as neutral fund, 13
 as permanent instrument, 12, 35

- Brandeis' opposition, 16-7, 19
 competition, 38
 conceived as one-time effort, 11
 contributors' role in management, 34
 control of, by Zionist Congress, 34-5
 created as worldwide fund raising body,
 33
 financial instrument of Jewish Agency,
 88
 founded at 1920 London Conference, 19,
 25
 in America (see separate entry)
 income 32; reaches nadir, 89
 investments vs. donating, 36
 Keren Kayemet, relations, 39, 93
 machinery used by 1929 Emergency
 Fund, 74
 main source of finances for WZO (later
 JA), 11
 Manifesto, 12
 parity on Board of Directors, 34
 purpose, 12, 23
 receipts from campaigns, 30, 54, 88
 reduced to money collecting, 35
 Report to 12th Congress, 25-7
 to include KKL, 15
 University Fund incorporated in, 39
- Keren Hayesod (American)**
 accomplishments, 29
 Americanization of campaign, 33
 appeals to "masses," 42
 as Donation Fund, 26
 Brandeis opposed, 25-7
 cash flow to Palestine guaranteed, 30
 financial results, 29
 JDC, relations with, 42-4, 47
 relies on speaking tours, 43
 retains legal status, 53
 rivalry with JDC, 33, 65
 submerged in UPA, 11, 28, 44-5
 unable to reach \$2 million, 42
 unites Jews of all opinions, 29
 Weizmann inaugurates, 27
 ZOA opposition, 25-7
- Keren Kayemet le-Israel (Jewish National
 Fund)**, 7, 15, 36, 38, 45, 50, 72, 77, 82,
 89, 94-5, 101, 104, 120, 129-30, 133,
 145-6, 152, 161, 167, 174
- Kessler, Irving, 200
 Kiryat Anavim, 60
 Kisch, Col. F. H., 75
 Kristallnacht, 99
- Labor Zionist campaign (see Histadrut)**
 Labor Zionists (U.S.), 40, 186
 Land Authority, 146
 Large Cities Budgeting Conference, 171
 League of Nations Mandate for Palestine,
 10, 17, 39
 Lehman, Herbert, 8, 82, 94
 Levin, Dr. Shmaryahu, 20, 28, 43
 Lewinsky, Akiva, 201
 Lewis, Judge William M., 85
 Liberal Party, 193
 Lipsky, Louis, 28, 82, 90, 95, 133, 136, 138
 Lloyd George, David, 10
 London, 85
 London Conference (1920), 10-1, 19, 25-6,
 33
 Lubin, Dr. Isador, 177, 190
 Lucerne (19th Zionist Congress), 93
 Lurie, Harry, 71, 114-5
- Ma'abarot* (transit camps), 131, 146, 160
Ma'aser (tithe), 25
 MacDonald, Ramsay, 89
 Maccabi World Union, 169
 Mack, Judge Julian W., 6, 16, 28, 72
 Magnes, Dr. Judah, 6, 40
 Mandate (British, in Palestine), 42
 Mapai (Israel Workers Party), 181
 Margoshes, Samuel, 141
 Marks, Simon, 75
 Marshall, Louis, 5, 6, 45-8, 55, 59, 65-6,
 83-4, 182
 May, Mortimer, 132
 Mead, Dr. Elwood, 61
 Meir, Golda, 138-9, 199
 Melchett, Lord (see Mond, Sir Alfred)
 Mif'al Bitzaron (see Emergency Fund for
 Jews from Germany)
 Ministry of Immigrant Absorption, 191
 Mizrahi, 36, 40, 45, 81-2, 88-9, 137
 Mizrahi Palestine Fund, 40, 94, 149
 Mond, Sir Alfred, 59
 Monsky, Henry, 133
 Montor, Henry, 11, 95, 100, 122-6, 128-31,
 134-41, 150
 Morgenthau, Ambassador Henry, 3
 Morgenthau, Henry Jr., 125, 129, 135-41, 150
 Mount Scopus (site of Hebrew University),
 39
 Multiple campaigns (or appeals) 38, 144
 Meyerson, Golda (see Meir, Golda)
- Naiditsch, Isaac, 10
 National Advisory Budgeting, 113-4, 119
 National Appeals Information Service, 70

- National Committee for Labor Israel (see Histadrut campaign)
- National Conference for Palestine (1935), 92
- National Conference of Jewish Charities (1900), 67
- National Conference of Jewish Social Service, 69
- National Council (see Va'ad Leumi)
- National Council of Jewish Federations & Welfare Funds (see Council...)
- National Palestine Conference (1925), 45
- National Refugee Service, 100, 103-4, 110-1
- Neumann, Dr. Emanuel, 16-7, 28, 32, 45-6, 49-53, 112, 133, 193
- New England Region (of UPA), 52
- New Haven, 129
- New Palestine, The, 83-4, 92, 100, 110-1, 118, 134
- New York Association for New Americans (NYANA), 151
- New York City campaign (of UJA), 52, 106, 120-1
- Non-Partisan Conference on Palestine, 59
- Non-Zionists (in Jewish Agency), 65-6, 82, 86, 89-90, 95, 132, 180, 139
- Nordau, Max, 28
- North Africa, immigration from, 152
- North Carolina, U.S.S.*, 3
- Ochs, Adolph, 82
- Operation Ali Baba (see Iraq)
- Organization Department (of WZO), 9
- Orthodox Worker's Movement (see Poale Agudat Israel)
- Ottoman Empire, 3, 7
- "Pact of Glory," 65, 81
- Palestine Development Council, 36
- Palestine Development Leagues, 37
- Palestine Economic Corporation, 37, 138
- Palestine Foundation Fund (see Keren Hayesod)
- Palestine Jewish Colonization Association (PICA), 61
- Palestine Office, 7-9
- Palestine Restoration Fund (see Keren Geulah)
- Palestine Survey Commission, 59-65, 105
- Partition Resolution of U.N. (1947), 126
- Passfield White Paper, 86, 89
- Passman, Charles, 75
- Paul, Randolph, 129
- Peace Conference (in Paris, 1919), 10, 46
- Peel Commission Report, 90
- Peres, Shimon, 203
- Perlstein, Harris, 105
- Pincus, Louis, 181-3, 191-2
- Pinsk, 21
- Pittsburgh (conference, 1921), 36
- Poale Agudat Israel, 150
- Poale Zion, 40, 137 (see also Labor Zionism)
- Point Four Program, 164
- Poland, 8, 42
- Prague (JA Council, 1933), 89
- Preparation Fund (see Keren Hakhana)
- Presidents' Conference, 171-3
- Progressive Party, 149
- Project Renewal, 19, 205
- Provisional Committee for General Zionist Affairs, 3
- Radinsky, Ellis, 168
- Reconstitution of Jewish Agency (see Jewish Agency)
- Reform rabbis, 169
- Religious Zionists of America, 186
- Reorganization (of UJA), 139
- Restoration Fund (see Keren Geulah)
- Revisionists, 150, 193
- Rome, Italy, 139
- Roosevelt, President, 138
- Rosenbloom, Sol, 37
- Rosenblueth, Martin, 128-9
- Rosenwald, Julius, 8, 49, 74, 82, 100
- Rosenwald, Lessing, 100, 127
- Rosenwald, William, 100, 125
- Rothenberg, Morris, 88
- Rothschild, Baron Edmond de, 7, 60, 193
- Ruppin, Dr. Arthur, 5, 7
- Russian Jews, 50, 85
- Rutenberg, Pinhas, 15, 75
- Safed, 74, 125
- Samuel, Maurice, 21
- San Remo Conference, 10, 39
- Schiff, Jacob H., 3, 6, 8, 20
- Schwartz, Joseph J., 138
- Selekman, Ben M., 73
- Senator, Dr. David W., 87
- Senior, Max, 67
- Shapiro, Dr. Judah J., 193
- Shapiro, Yonathan, 19-20, 37
- Sharet, Moshe, 138-9, 181
- Shaw Commission Report, 89

- Silver, Rabbi Abba Hillel, 84, 101, 103-4, 111-3, 133, 169, 173, 188
- Silver-Neumann controversy, 133-41, 167, 179, 188
- Simon, Julius, 34-5
- Sinai Campaign, 169
- Sokolow, Nahum, 12, 43, 90
- Soloveichik, Dr. Max, 34
- Soviet Union, JDC activities in, 43-4, 65, 200
- Sprinzak, Joseph, 90
- Status Law (WZO-Jewish Agency), 168, 192
- Stein, Leonard, 86
- Stone, Dewey D., 182-6, 190, 193
- Straus, Nathan, 8, 37, 39, 55, 72, 74, 133
- Straus, Oscar S., 6
- Sulzberger, Cyrus L., 6
- Survey Commission (see Palestine Survey Commission)
- Szold, Robert, 90
- Tax Exemption, 127
- Technion (Haifa), 148, 181
- Tel Hai Fund (see Herut)
- Tool campaign (see Histadrut)
- Traditional collections (of JNF), 38, 147
- Turkish Government (in Palestine), 9
- UJA (see United Jewish Appeal)
- U. S. Congress, 199-200
- U. S. State Department, 128, 199
- U. S. Treasury Department, 127
- Union of American Hebrew Congregations, 90
- United Israel Appeal (see also United Palestine Appeal)
- agreement with Jewish Agency, 179, 199
- Board of Trustees, 186
- born third time, 185
- by-laws, 186
- foreign currency, UIA as source of, 163
- inactivity in 1950s, 145
- merged with JAFI Inc., 179
- name changed from United Palestine Appeal, 141
- receipts, 145-6
- and Reconstitution of Jewish Agency, 192-5
- revitalized, 179
- tax exemption, 172
- WZO, disengagement from, 200
- United Jewish Appeal (1934), 91-2, 94
- United Jewish Appeal for Refugees and Overseas Needs (1939), 99-100, 103
- agreement renewed (1940), 102; (1941), 110; (1954), 151-2; (1984), 153
- Bonds, rivalry with, 146
- Consolidation loan, 155
- income declines, 101, 119
- Israel Education Fund, 167
- Israel Emergency Fund, 152, 189
- launched in 1939, 99, 100
- Montor stays as Executive Director, 136-41
- Morgenthau remains chairman, 136-41
- NRS as beneficiary, 100
- percentages (of local campaigns), 124
- pre-campaign budgeting, 123
- prototype of, 6
- reorganization proposed, 139
- tax exemption, 127, 185
- UPA wants out (1940), 110-3; (1944), 113, 115;
- wartime license, 122
- United Jewish Appeal of Greater New York, 128
- United Jewish Campaign (1926), 44, 47, 55, 72, 81
- United Labor Zionists (U.S.), 186
- United Palestine Appeal (see also United Israel Appeal)
- Americanization of campaign, 49
- campaign receipts, 51-3, 102
- clash of personalities, 95
- end of first phase, 81
- federated campaigns, UPA included in, 51
- Founding Conference, Baltimore (1925), 45
- income, 108
- JDC relations, 65, 81
- Keren Hayesod, submerged in UPA, 11, 28, 45
- Keren Kayemet full partner, 38
- key position, 133
- loses *raison d'être*, 82, 145
- Mizrahi as constituent, 40
- multiple campaigns as background, 41, 147
- name changed to United Israel Appeal, 141
- rationale, 49
- replaced by American Palestine Campaign, 88
- revival of (1935), 94
- struggle for control, 133-41

- UJA, UPA constituent of (1939), 6;
 agreement signed, 99
 United Service for New Americans
 (USNA), 123
 United Zionist-Revisionists of
 America, 186
 University Fund (launched by WZO), 39
 University-Institute-Technion (UIT),
 148
 University-Technion Joint Maintenance
 Appeal (UT), 148
 Untermeyer, Samuel, 28
 Ussishkin, Menachem, 28
- Va'ad Leumi, 54, 75, 85
Vulcan, U.S.S., 4
- WZO (see World Zionist Organization)
 War Relief Control Board, 122
 Warburg, Edward M.M., 125
 Warburg, Felix M., 6, 8, 55, 59, 75, 82,
 84-7, 89, 92, 131
 Washington Conference of 1930, 83
 Wasserman, Dr. Oskar, 59
 Weiler, Jack, 178, 190
 Weisgal, Meyer, 148
 Weizmann, Dr. Chaim, 14-21, 26-7, 32,
 39, 43, 48, 55, 59, 65, 73, 78, 86, 89, 125,
 161, 169, 173, 181-2, 188
 Weizmann Institute of Science, 148
 Welfare funds (see Federations)
 Wertheim, Maurice, 4
 Wilson, President Woodrow, 8, 14
 Wise, Rabbi Jonah B., 101
 Wise, Rabbi Stephen, 45, 86, 133
 Women's International Zionist
 Organization (WIZO), 30
 Workers Bank (see Bank Hapoalim)
 World Agudat Israel (see Agudat
 Israel)
- World Confederation of General
 Zionists, 149, 193
 World Mizrahi Movement (see
 Mizrahi)
 World Sephardi Federation, 169
 World Union of General Zionists, 193
 World Union of Poale Agudat Israel
 (see Poale Agudat Israel)
 World Zionist Organization (WZO), 7,
 9-10, 13-5, 17-8, 20, 21, 27, 34, 39-40,
 45, 65, 77, 83, 93, 137, 168-9, 172, 177,
 180, 186, 192-4, 202-3
 WZO-American Section, 169, 174-6, 186,
 194
- Yemen (airlift from), 169
 Yeshivot, 40, 149
 Yiddish press, 141
Yishuv, 4, 6-8, 11, 18, 74-6, 82, 113, 125,
 127, 129, 146, 194
 Youth Aliyah, 101, 104, 120, 158, 160
 Youth and Hechalutz Department, 161
- Zionist Actions Committee (see Zionist
 General Council)
 Zionist Commission, 9, 10, 15
 Zionist Congresses, 9, 12, 25-6, 29, 30,
 33-5, 52-3, 95, 131, 146-7
 Zionist Executive, 27, 34-5, 54, 64, 85
 Zionist General Council, 34, 65-6, 85,
 87, 131, 147, 181, 192, 194
 Zionist Organization (see World Zionist
 Organization)
 Zionist Organization of America, 14,
 16, 20, 25-8, 39, 77, 81-3, 85, 87, 90,
 93-4, 133, 137, 186
 Zlotopolsky, Hillel, 10, 35
 Zurich (1929 Jewish Agency
 Agreement), 18, 65, 81, 83

A political science graduate of Princeton and Columbia Universities, Ernest Stock has taught both in the United States and in Israel and has held senior positions with Jewish communal organizations. He was Director of Brandeis University's program in Jerusalem and, more recently, of the European Council of Jewish Community Services in Paris. His previous books were *Israel on the Road to Sinai*; *From Conflict to Understanding: Jews and Arabs in Israel*; and *European Jewry — A Handbook*. Dr. Stock is a Fellow of the Jerusalem Center for Public Affairs.