

Henry Morgenthau Jr. Papers

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CAMPAIGN

UNITED PALESTINE APPEAL

PALESTINE FOUNDATION FUND (KEREN HAYESOD)
JEWISH NATIONAL FUND (KEREN KAYEMETH)

GREATER NEW YORK AND METROPOLITAN AREA

200 Madison Avenue • LExington 2-5701

May 1, 1941

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Hon. Henry Morgenthau, Jr.
Treasury Dept.
Washington, D. C.

Dear Mr. Morgenthau:

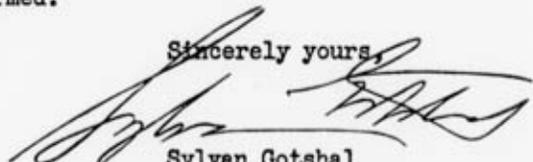
General Sir Archibald P. Wavell, Commander in Chief of the British Forces in the Middle East, spoke glowingly a few days ago in Cairo of the contribution made by the Jews of Palestine to the war effort. Describing the gallantry of the Jewish soldiers under fire on various fronts, General Wavell said, "The Palestinian-Jewish units did fine work. They showed remarkable courage and a splendid spirit of self-sacrifice."

We, who are assisting the Jewish community in Palestine through the funds furnished by the United Palestine Appeal, are bolstering the Jewish defense of the democratic cause, which is now at stake in the Middle East battlefield.

To supply our key leaders with a background on the requirements of Palestine, and of the special financial problems of the United Palestine Appeal, I am sending you herewith a resume of every field of activity.

I am confident that the Jews of America, called upon to extend themselves on behalf of the \$25,000,000 campaign of the United Jewish Appeal, will marshal their generosity in unprecedented measure so that the assistance given by the United Palestine Appeal to Palestine may be adequate for the historic task which is being performed.

Sincerely yours,



Sylvan Gotshal
Executive Chairman

SG:EL
Encl.

THE PRESENT NEEDS OF PALESTINE
And
THE ACTIVITIES OF THE UNITED PALESTINE APPEAL

Immigration and Refugees

During the year 1940, the number of visa immigrants admitted to Palestine amounted to 4,547. The number of non-visa refugees apprehended by the authorities and allowed to remain in Palestine amounted to an additional 5,350. According to previous experience, the number of "illegals" who escaped detention approximates the number of "registered" refugees. Even the war did not stop the influx of such uncontrolled refugees. As the coast of Palestine is now being watched more carefully than in peace time, we may accept the fact that this proportion is now about one to two-- one non-registered refugee for every two apprehended. Adding thus to the number of immigrants above-mentioned 2,675 non-registered refugees (a very conservative figure) we arrive at a grand total of 12,572 immigrants who found a new home in Palestine during the war year of 1940.

The figures for the first months of 1941 are incomplete. It takes from two to three months until the Immigration Department of the Government publishes its official statistics. By checking, however, the report on various groups of immigrants who arrived in Palestine in the last three months and comparing them with total estimates made by the Jewish Agency, we may accept the fact that the number of immigrants and refugees who reached Palestine from January to March, 1941 amounted to 3,800. About 2,000 of them were in possession of Palestinian visas; 1,200 non-visa refugees were registered by the Government, and 600 escaped detention. According to latest cables, 750 refugees reached Palestine in the first ten days of April, most of them from Roumania and Bulgaria.

Among the visa immigrants who were admitted to Palestine in 1940, 940 came from Roumania, 878 from Poland, 791 from Germany and Austria, 492 from Czechoslovakia, 209 from Lithuania, 177 from Great Britain, and the rest from other countries. Most of the non-visa refugees came from Germany and Austria, after a stay of several months in Hungary and Roumania.

There are still in European countries about 4,500 holders of certificates, all of whom with very few exceptions are refugees from Nazi

oppression. So far, these have been unable to reach Palestine. About 500 are in England; 400 in Scandinavian countries; 750 in Roumania; 430 in Yugoslavia (of these, 230 were able to leave just before hostilities broke out); about 60 in Lithuania, 50 in Kobe, and the rest in various other countries, such as Switzerland, Southern France, Portugal, etc.

The Palestine Government has again extended the validity of the certificates which were granted in the summer of 1940, although with the exception of 100 special certificates for prominent Jewish leaders in Bulgaria and Roumania, no certificates were issued by the Palestine Government for the winter schedule, October, 1940 to March, 1941.

Routes to Palestine

The urge to reach the shores of the Promised Land gains in intensity with every new Hitler conquest in Europe. On the other hand, the ship traffic on the sea-lanes previously used for travel to Palestine has practically ceased, and the difficulty of chartering special boats for transportation of immigrants and refugees becomes greater every month. The overland ways to Palestine are frequently blocked by arbitrary visa requirements of the transit countries, and this adds new difficulties to the policy of restricted immigration adopted by the Mandatory Power.

Under these circumstances, the arrival of about 3,800 immigrants during the first three months of 1941 is an astonishing performance, giving testimony to the inexorable needs and the great ingenuity of the Jewish people amid present hardships. Several new ways are being used by Jewish refugees in their travel to Palestine. The greatest number of them arrives through Turkey. By an arrangement with the Jewish Agency, the Turkish Government lets through about 250 immigrants a week, provided the previous emigrants have left the country on time. The previous "bottleneck" through Syria was also eliminated recently due to the insistent efforts of the Jewish Agency. The Turkish-Syrian route is now being used extensively by the majority of refugees.

Until June, 1940, when Italy entered the war, the greater part of the certificated immigrants reached Palestine via Trieste, while other groups, and especially the uncertificated refugees, traveled via Roumania or Greece. When the Mediterranean route was closed, the Jewish Agency eventually succeeded in opening new routes of transportation. The most important was that

via Turkey and Syria which was used for the voyage of refugees from Scandinavia, Lithuania and the Balkans. Smaller groups coming from Lithuania emigrated via Persia, while others reached Palestine via South Africa and Egypt, and still others via India and Japan.

Jews from Yemen and other Oriental countries are using the comparatively free way via the Red Sea. The defeat of the Italians in Ethiopia and the opening of the Red Sea for American ships justify the hope that the Red Sea, which is actually the back door to Palestine, can be used on a larger scale by Jewish refugees from other countries.

Palestine and the War

It is obvious that as the war comes nearer to the regions of the Near East, the more important becomes the position of Palestine in general, and of the existence there of a loyal Jewish population of 550,000 souls in particular. It is difficult to predict what political and economic consequences the events in Africa and in the Balkans may have for Palestine, but it can safely be assumed that the efforts already initiated during the last few months both by the government and by the Jewish Agency to establish Palestine as a center for providing industrial and agricultural products will be accelerated as much as possible.

Because of political motives as well as inertia on the part of colonial rulers, the British authorities in Palestine were slow in using its industrial possibilities for the support of the fighting forces in the East. Lately, however, this attitude seems to have changed. Upon the insistence of the military leaders, a War Supplies Board was created in Palestine, with the idea of increasing the industrial capacity of the country and converting it for military purposes. While Palestine cannot produce bombers and tanks on a large scale, its new Jewish industry nevertheless is able to provide the British and their allies in the East with many articles of military equipment. A coordinated military effort extending to the whole of the British Empire must use every opportunity for the same ultimate purpose. Even if Palestine were to provide the British Armies only with uniforms, this would save much labor and manufacturing space in Great Britain and Canada, and thus result in larger production of the most important mechanized weapons.

As a matter of fact, Palestine already produces tools, spare parts for transports, many important chemical products, and other articles of an essential military value. During the year 1940, the value of manufactured goods produced by Palestine industry for military purposes and of the work done by Palestine labor for the military authorities reached a total of £P 1,500,000 (over \$6,000,000, at the present rate of exchange). The military demands somewhat improved the unemployment situation which was at a critical stage at the beginning of the war, due to the distressed condition of the citrus industry and the severance of connections with the usual markets for Palestine exports. During the second half of 1940 work in Palestine's industrial establishments increased by 17% compared with the corresponding period of the previous year. A further increase was recorded during the first quarter of 1941. Over 30,000 Jewish workers are now employed in factories and workshops.

With the extension of the war in the East, the 550,000 Jews in Palestine, with their deep hatred of Hitlerism and full adherence to the cause of the democracies, are becoming an extremely valuable element in the military situation. Taking into account the pro-Nazi influence in Iraq, the Vichy followers in Syria, and the vacillating rulers of Egypt, Palestine is now an extremely important citadel of the world democracies. Many British political leaders and military strategists must now have a feeling of regret that their previous hostility toward the Jewish National Home hampered the creation of a truly great Jewish commonwealth to the East of the Suez Canal. With another million Jews in Palestine, the position of Great Britain in North Africa could have been less alarming.

Contribution to War Efforts

By maintaining the economic integrity and creative abilities of the Yishuv in Palestine, the United Palestine Appeal makes an important contribution to the democratic cause in the East. This should not be understood in the narrow sense of the term. The funds raised in the United States for the Jewish National Home are not being used directly for financing the war. In a single day, the British Government spends more money for the conduct of the war than the United Palestine Appeal has been able to raise in the last ten years. Nevertheless, the activities of the United Palestine Appeal, by maintaining intact the Jewish community in Palestine and promoting its

further growth, are of great importance to democracy fighting the greatest assault upon it in the history of mankind.

Financial Situation

The activities of the Palestine agencies supported by the United Palestine Appeal are being greatly hampered by a difficult financial situation. In the past half-year these agencies have been confronted with increased needs, due mainly to the effects of the war. The war increased the demands for relief, for transportation of immigrants, for assistance to needy refugees, and forced the Jewish Agency to assume certain burdens which never before were part of its regular functions. For example, the Jewish Agency must now assist industries, help to accumulate food and war materials, and give a measure of relief to the distressed citizenry. The Jewish National Fund must meet unusually large obligations assumed at the time when the present land restrictions were pending.

As against these increased needs, the receipts from America are disappointing, and the contributions from collapsed Europe have practically ceased. The financial stringency has been further accentuated by the accumulation of old deficits and increased debts.

In the middle of March the Palestinian press reported that employees of the Jewish Agency had not yet received their salaries for February. An acute situation also developed in the schools, when the teachers did not receive their meager salaries on time. These and similar facts are the result of the inability of the main Palestine Funds to discharge their obligations fully with the limited contributions received from the United States.

Constructive Activities

In spite of this difficulty, the leaders of the Jewish Agency, supported by the United Palestine Appeal, are making all efforts to continue their important upbuilding work. The war, which at the beginning resulted in a serious economic dislocation has lately changed its relationship to constructive activities. Due to the steady demand for agricultural products, new settlements, once established by public funds, are making further progress by their own efforts. The unemployment situation is being held in check. The additional unemployment created by the arrival of penniless refugees is counter-balanced by the gradual absorption of previously unemployed,

in agriculture and in industry. At the moment, several important factories are being constructed in Palestine.

Relief Activities

According to preliminary figures available in New York, the relief activities now require about 20% more than in the corresponding months of last year. The number of unemployed did not increase, but with the exhaustion of previous savings many of those who had been living on savings have now been forced to apply for relief. In addition, food costs are about 15% higher than a year ago. During the year 1940-1941, contributions of the Jewish Agency for relief amounted to £P 52,000.

Land Buying

At the beginning of the current financial year (1940-1941), the Jewish National Fund had contractual obligations toward purchasing 198,000 dunams of land at a total price of £P 976,000 (about \$4,000,000).

Since October, 1940 title to one-fourth of this area has been taken by the Jewish National Fund.

Opening of New Settlements

The colonization activities of the Jewish Agency in the last half of 1940 were mainly directed toward the consolidation and enlargement of settlements founded in the last three or four years. In this respect valuable results were achieved, notably the absorption of unemployed by the building incident to the enlargement of the settlements, as well as the transfer into mixed farming of many settlements which had previously been engaged in citrus growing.

Agricultural Progress

In accordance with the general tendency of increasing food production for any possible war emergency, the Jewish farmers of Palestine have succeeded in raising their agricultural production by about 40% since the beginning of the present war. Every parcel of arable land within the Jewish villages is being cultivated. The most striking progress was achieved in the planting of potatoes and the cultivation of irrigated vegetables.

Industrial Production

The industries of Palestine received a severe blow at the beginning of the war due to the loss of markets, lack of shipping space, and increasing shortage of imported raw materials. These deficiencies have to

a great extent been eliminated by the timely intervention of the Jewish Agency which, in cooperation with the Anglo-Palestine Bank and the Industrial Bank of Palestine, has given the industrialists large guarantees for the importation of raw materials. With the progress of the war, the British Army of the East has been forced to rely to a greater extent on the industry of Palestine for the supplying of some of its demands, and this in turn has resulted in a greater demand for industrial labor.

During the last few months the press has reported weekly the establishment of new industries, the building of new or the enlarging of existing factories, and of the increased output of industrial products. The result of this development is that during the second half of 1940 the number of days worked in industrial enterprises increased by 17%; a further increase was noted during the first quarter of 1941. Estimates place the amount of capital invested in Jewish industry in Palestine at about 50 million dollars, and the annual output at present as between \$32,000,000 and \$36,000,000.

Foreign Trade

The recently published figures on Palestine foreign trade in 1940 show a great shrinkage of imports, and a still greater loss in exports. The imports for the year 1940 amounted to £P 11,000,000, as compared with £P 14,600,000 in 1939, and exports dropped to £P 2,100,000 in 1940, compared with £P 5,100,000 in 1939. The preliminary figures for January, 1941 show a further decrease.

The greater decrease of exports in comparison with imports is due to the actual stoppage of citrus exports.

The present figures, however, do not give a full picture of the situation, because the import and export of military supplies is not included in local trade statistics. The same applies to exports of the Dead Sea minerals, information in regard to which is considered a military secret.

It is also important to note that in the citrus industry, for example, purchases by the British Army, which uses seventeen tons of oranges daily, will serve to lessen the decrease in exports.

RABBI JONAH B. WISE
35 E. 62ND ST. • New York, N.Y.

March 17, 1941

Mr. Henry Morgenthau, Jr.,
2211 - 30th St.,
Washington, D. C.

Dear Friend:

The United Jewish Appeal has been reconstituted. This action is the result of the wishes of the beneficiaries as well as the donor and sustaining groups. All communities throughout the country have expressed their highest gratification at the union. I know you share this feeling. It is necessary, therefore, to proceed most energetically to the raising of funds sufficient for the enormously increased needs of the Joint Distribution Committee, the United Palestine Appeal and the National Refugee Service.

The rising prosperity, greater sense of obligation and greatly increased need for funds to cushion the tragedy of five million European Jews should result in much more liberal and prompt action on our part than heretofore. The example of British, Finnish, Greek and other American committees tendering relief and aid should stimulate all of us to greater efforts and bigger giving. Promptness, as well as generosity, is of the essence. Our beneficiaries need assurance now of adequate support. They are in a position to render enormous aid in the frightful emergency and we have the moral and statesmanlike duty to provide the means.

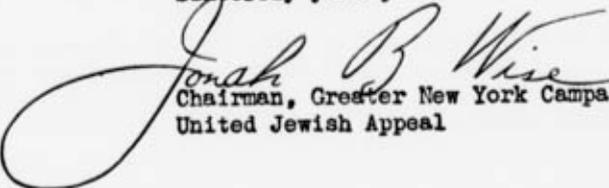
In keeping with the sharply increased needs resulting from more than a year of warfare, the national goal has been set at \$25,000,000. Of this, New York, as the largest Jewish community, will be expected to provide a substantial share.

The United Jewish Appeal agreement provides for an allotment committee to distribute 1941 funds on the basis of need, arrived at after careful study of the budgets, methods and programs of the three beneficiaries. This assures an equitable treatment of their grave problems as well as a safeguarding of our contributions. The original allocations out of the first \$8,800,000 designed to permit the organizations to meet their immediate budgetary requirements are:

Joint Distribution Committee	\$4,275,000
United Palestine Appeal	\$2,525,000
National Refugee Service	\$2,000,000

In the light of these greater needs, I sincerely hope we shall rally all of our energies and resources for the salvation of Israel and the maintenance of American Democracy.

Sincerely yours,


Chairman, Greater New York Campaign
United Jewish Appeal

Committee on the Referendum for Budgeting

207 FOURTH AVENUE
NEW YORK, N. Y.

(In Formation)

March 14, 1941

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BEN R. WINICK, Knoxville, Tenn.
JACK L. ZUBER, Houston, Texas
RABBI HARRY Z. ZWELLING, New Britain, Conn.

Mr. Henry Morgenthau, Jr.,
Treasury Dept.,
Washington, D. C.

Dear Mr. Morgenthau:

The reconstitution of the United Jewish Appeal has created some confusion with respect to the status of the referendum being conducted in Welfare Fund communities by the Council of Jewish Federations and Welfare Funds.

The referendum has not been cancelled.

The rejection of the proposal for the establishment of a national budgeting committee is just as vital and valid as before the United Jewish Appeal was re-established.

In some quarters it is said that--now that the United Jewish Appeal, to the satisfaction of all groups, has been restored--the country should welcome a national budgeting committee. It is said (a) that the United Jewish Appeal represents an invasion of the autonomy of the local communities and (b) that the Allotment Committee which will function for the United Jewish Appeal is, in essence, the same thing as the national budgeting committee as the Council of Jewish Federations has proposed. That reasoning is fallacious.

(1) The fact that the United Jewish Appeal was recreated was due entirely to the demands of the local communities, which brought pressure to bear on all the agencies involved. Moreover, the organizations of the United Jewish Appeal voluntarily agreed among themselves on the terms of their combined campaign, so that it was not a decision imposed on these causes but one at which they themselves arrived.

(2) The Allotment Committee of the United Jewish Appeal includes representatives directly chosen by the Joint Distribution Committee and the United Palestine Appeal. The three additional members representing the Welfare Fund communities must be acceptable to these two organizations. In other words, the agencies themselves have amply protected their interests and thus assured their constituency throughout the nation that the causes in which they are concerned and to which they contribute were amply safeguarded by their trustees.

The aim of the Committee on the Referendum on Budgeting is to defeat the proposal to establish a national budgeting committee so that (a) local communities, in just such a manner as they acted with regard to the United Jewish Appeal, shall not be

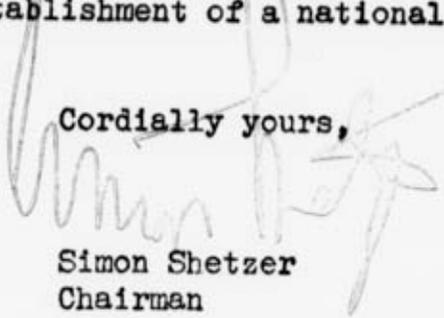
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inhibited in any way to express their wishes: (b) the basic causes in Jewish life shall not be at the mercy of a small central committee instead of being determined by the Jews of America as a whole, through their local funds and through the great national organizations established for their specific furtherance; and (c) that there shall not be created a rigid uniformity of thinking for American Jews through a small central committee which, through the power of recommending or defining ratios for national and overseas agencies, will have the control of these institutions about which American Jewry--rightfully--has wide differences of opinion.

It should be emphasized again; the Committee on the Referendum on Budgeting, supporting the minority proposal in the referendum, urges the continuation and expansion of the fact-finding services of the Council of Federations so that each community and contributor shall have the utmost factual information about each agency. But the interpretation of causes, the crystallization of ideas, must be left to each community, so that American Jewry and the organizations formed to carry through essential programs shall have complete freedom to make choices.

Enclosed herewith is a statement indicating which communities have up to this date accepted the minority proposal and rejected the plan for the establishment of a national budgeting committee.

Cordially yours,


Simon Shetzer
Chairman

Committee on the Referendum for Budgeting
207 Fourth Avenue
New York City

PITTSBURGH REJECTS BUDGET COMMITTEE; URGES ABANDONMENT OF REFERENDUM

Pittsburgh, Pa., March 14th - The Jewish community of Pittsburgh, rejecting the proposal for the establishment of a national budgeting committee to determine ratios for national and overseas agencies applying to local Welfare Funds for support, adopted a resolution calling upon the Council of Jewish Federations and Welfare Funds to abandon the current referendum among its member agencies with regard to the establishment of a national budgeting committee.

Pittsburgh's action was taken at a joint meeting last night of the Board of Directors of the Pittsburgh Federation of Jewish Charities, and of the United Jewish Fund. In the Board of the Federation the vote was 10 against the majority proposal recommended by the Board of Directors of the Council of Federations, and 3 in favor. Among the Board of Directors of the United Jewish Fund the vote was 11 against the proposal and 3 in favor.

In casting its votes, the boards of the two organizations through which the Jewish community of Pittsburgh raises its funds, adopted two recommendations:

(1) that it is the consensus of opinion that the present fact-finding work of the Council of Jewish Federations and Welfare Funds be continued, as was recommended by the majority and minority reports of the Committee to Study National Budgeting Proposals; and

(2) that the Board of Directors of the Council of Federations, which had, by a majority, approved the proposal for the establishment of a national budgeting committee, should withdraw the referendum in which votes were now being cast, for the sake of unity and peace in American Jewry.

The Committee on the Referendum, which is in favor of the minority report, announced that Tulsa, Oklahoma has unanimously voted to reject the proposal of the Council of Federations.

A unanimous vote against the establishment of a national budgeting committee was also registered by Sharon, Pa.

Other communities which have gone on record against the proposal are Milwaukee, Wisc., Washington, D.C., Trenton, N.J., Utica, N.Y., Warren, Ohio, Ft. Wayne, Ind., Sioux City, Ia., Knoxville, Tenn., St. Paul, Minn. and Duluth, Minn.

Committee on the Referendum for Budgeting

207 FOURTH AVENUE
NEW YORK, N. Y.

(In Formation)

SIMON SHETZER, *Detroit*
Chairman

February 26, 1941

DR. ISRAEL A. ABBAMS, *Pittsburgh, Pa.*
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Mr. Henry Morgenthau, Jr.
Treasury Dept.
Washington, D. C.

Dear Mr. Morgenthau:

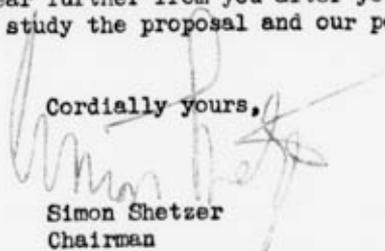
The Council of Jewish Federations and Welfare Funds is now conducting a referendum among the member agencies of the Council. This referendum calls upon the Welfare Fund communities of America to decide whether they shall accept the majority report or the minority report of the Committee to Study National Budgeting Proposals, which was created by the Council in the latter part of 1940.

It is the belief of those of us associated with the Committee on the Referendum for Budgeting that the minority report should be adopted in the current referendum. I herewith enclose for your consideration a copy of the minority report which states in full the reasons which animate our opposition to the establishment of a National Advisory Budgeting Committee.

It is our hope that there will be free and unlimited discussion of this proposal within your community. We are convinced that the interests of Jewish life in America require not merely a discussion by the Board of a local Welfare Fund. There should, in addition, be reflected within the Board the sentiment prevalent in the local community. This is vital in view of the wide ramifications involved in the establishment of the Committee which, whatever its superficial advantages, must have serious repercussions on the development of autonomous, intelligent thinking on Jewish problems.

I shall be happy to hear further from you after you have had an opportunity to study the proposal and our point of view.

Cordially yours,


Simon Shetzer
Chairman

SS:MBJ
Enc.

February 26, 1941

THE MINORITY REPORT
OF THE COMMITTEE TO STUDY NATIONAL BUDGETING PROPOSALS

THE ISSUE

The Jews of America are now called upon to decide whether in distributing the funds they raise annually in their local communities through Welfare Funds they will have before them complete facts on which to make their own decisions or whether they wish to use the predigested budgetary thinking of a small national budgetary advisory committee to be named by the Board of the Council of Jewish Federations and Welfare Funds.

EFFECT OF "ADVISORY" RECOMMENDATIONS

It is suggested by the Majority of the Committee that any recommendations that are made to local communities for the distribution of funds will be "advisory" in character. Experience indicates, however, that such "advisory" opinions are bound to become mandatory in effect. The "advisory" recommendations of a national budgeting committee, clothed with authority by the Council of Jewish Federations and Welfare Funds, with all the publicity that will be centered upon it, and all the prestige which would accrue to it, would, as a matter of course, exercise tremendous pressure upon local communities.

If the recommendations of allotments and ratios are to be purely "advisory" in character, it is evident that the agencies in the national and overseas fields will continue their separate efforts to persuade the local communities with respect to the merit of their requirements. They will continue an independent presentation of their needs in each community. What purpose then is served by a National Budgeting Committee? Obviously, it is intended that the "advice" of the Budgeting Committee shall become binding upon the communities.

The creation of a National Budgeting Committee, styled "advisory," will

have the following consequences:

- (a) It will have the effect of eliminating the educational value which Jewish leaders in every community derive from a close study of the needs and the relevant facts with respect to the agencies applying to their Welfare Funds.
- (b) It will create a hard mold of uniform thinking which must in time unfavorably affect Jewish thought and movements in the country. The thinking of a small committee, hand-picked by the Council, will be substituted for the thinking of representative men and women in hundreds of cities in the United States. The relationship between the local community leaders and the causes which they are called upon to serve, and in whose behalf they are asked to raise funds, will become steadily more remote, less personal and less informed.
- (c) The "advice" of a National Budgeting Committee, colored by its ideological bias, will come to serve as a fixed pattern for all Jewish communities in America.

FACT-FINDING IS NOT THE ISSUE

The Council of Jewish Federations and Welfare Funds has ample power at the present time to make factual studies of every organization appearing before local Welfare Funds for contributions. Moreover, we are strongly in favor of expanding any service given by the Council in order to supply local communities with factual data on the basis of which they may make equitable decisions in the matter of the distribution of funds.

These facts, to a large degree, are already available, and as a result of the cooperative process which has been developed between the Council and various organizations, there are being created new and expanded forms of information dealing with every phase of the activities of these organizations in America.

Every community in America can have at its disposal all the pertinent data with respect to their purposes, their past expenditures, as well as detailed analyses of their current budgets. This material is collected by the Council, and can be made available to all Welfare Funds.

If it is only facts that are involved, why is a National Budgeting Committee being proposed to "evaluate" these facts? It is because the facts must be interpreted and, being interpreted, they involve a subjective approach.

WHAT IS MEANT IS EVALUATION

The Majority Report acknowledges the role which varying points of view will play in the drafting of national budgets. It is frank enough to say that the introduction of a national budgeting service

"does not mean that decisions on goals and objectives of agencies would be governed entirely by statistical formulae. The intangibles, such as ideologies, would and should also play their part."

Differences of opinion on ideologies are bound to determine decisions with respect to the facts. The attempt to evaluate ideologies by a National Budgeting Committee constitutes one of the most dangerous innovations in American Jewish communal life. It will sharpen and multiply conflict and divisiveness in every community.

It beclouds the issue to make it appear that basic to the idea of the National Budgeting Committee is the desirability of setting up a fact-finding agency. The real purpose is not so much to find the facts, which are available in abundant measure, but to set up a group of men nationally selected to whom is to be entrusted the exclusive responsibility for fixing ratios of apportionment for all agencies participating in the local Welfare Funds.

This tremendous responsibility is to be given to a group of what is called fair-minded, impartial men. It is obvious, however, that if there are any men competent through experience and knowledge to act for and on behalf of American Jewry in matters of such great importance, they must have acquired a definite point of view with regard to the various problems of Jewish life; and they are bound to be conditioned by the ripened conclusions they have arrived at with regard to these problems. There are leading personalities in the American Jewish community who are well-meaning, devoted and conscientious, but they invariably have a point of view and, whatever it may be, it has been tempered by their economic, social and cultural heritage and environment. In this sense, every man belongs to one or another group in American Jewish life.

In the upper economic level one point of view seems to predominate. It usually has great influence in communal life. The democratic procedure in the community serves the public interest by averaging the majority opinion against the view of individual leaders. Out of the amalgam, the state of mind of the specific community, however colored, is fairly reflected; but to abstract from each community one or two personalities occupying place and prestige in the upper economic level with their preconceived notions on the problems of Jewish life, would provide not an accurate cross-section of communal opinion, but would register merely the views of the top layer of one group.

If American Jewry would be raising sufficient funds for the needs of all the agencies, it might be possible to apportion the funds on the basis of determinable expenditures. But the amounts collected are so inadequate and the decisions reached deal chiefly with minimum requirements, so that the question of evaluation arises and plays an important part in determining programs of work. In the field of evaluation the subjective point of view assumes dominant significance. But evaluation there must be somewhere along the line. How is such

evaluation to be reached as between one cause and another?

That is a function that can best be exercised in the local communities where the funds are raised and where local public opinion has a chance to control.

THE 1940 RATIOS ARE OBSOLETE

The Majority Report includes the suggestion that 1940 ratios might be one of the measuring rods to be used in making initial allocations in 1941. It is a regrettable departure from the impartial fact-finding service which the National Budgeting Committee proposes to set up to suggest ratios at this time. It should be emphasized that the 1940 ratios for the agencies constituting the United Jewish Appeal were not the result of scientific evaluation. They were the result of an agreement between the JDC and the UPA, as is indicated by the fact that only a small percentage of the total sum raised by the United Jewish Appeal was actually divided by the 1940 Allotment Committee. In other years there were other agreements. Enormous changes have taken place within the past year so that any adherence to former ratios would be as unfair as to use the standards of 1936 or 1939 as the criteria of how funds raised by American Jewry in 1941 may be most constructively used.

By urging that the 1940 ratios be accepted by American Jewish communities as a guide in the distribution of funds raised in 1941, the Committee to study National Budgeting Proposals has already infringed upon the functions of any budget committee to be set up, by removing from its competence the largest part of what might be subject to its decisions and by prejudicing in advance the thinking of such a budgeting committee with respect to the needs of the agencies in 1941.

WHO IS AFFECTED BY NATIONAL BUDGETING PROCESS?

There is an erroneous belief that all that is involved in the proposals for

National Budgeting is the determination of ratios for the three agencies formerly in the United Jewish Appeal. Once there has been entrusted to a small committee of the Council the power to recommend ratios, it is clear that all agencies, causes and movements in Jewish life will come under its jurisdiction and control.

Are the civic-protective agencies, with their varying approaches to the Jewish problem, prepared to entrust their fate into the hands of a small body of men who may or may not share their fundamental convictions? In the field of Jewish education, will the lay and professional educators accept the point of view of some men whose philanthropic outlook on Jewish life does not necessarily include an appreciation of Jewish education?

Can any movement, having its roots in deep convictions concerning Jewish life and destiny, place its fate in the hands of those who are not animated by the same convictions and outlook? Is it cause for wonder, then, that these proposals have aroused the greatest anxiety and opposition?

Until such time as Jewish communities in America are democratically organized in Jewish community councils, and in turn into a national organization representative of these community councils which would then be competent to speak for American Jewry in a democratic and representative manner, it would be best to leave each community to pass judgment on the validity of the appeals made to it, reinforced by such factual information and data as the Council will supply.

Welfare Funds now make local decisions with respect to scores of causes. They are not deterred from making contributions to such organizations as the American Jewish Committee, American Jewish Congress, B'nai B'rith and Jewish Labor Committee, although they function in similar fields. Support is not withheld from Hias because its activities are in the same area as both the National Refugee Service and the Joint Distribution, nor from Ort.

To make it appear that unity in American Israel will be preserved or achieved by this device of National Budgeting is to mislead and to confuse the real issue. The real issue is control and domination!

THE MINORITY RECOMMENDATIONS

The Minority members were compelled to reject the proposals of the Majority members as harmful and dangerous. In place of them they submit the following proposals:

- (a) Every reasonable effort should be made to work out an equitable arrangement for a reconstitution of the United Jewish Appeal in 1941.
- (b) If these efforts fail and there will not be any United Jewish Appeal in 1941, the Committee urges local communities to consider the independent applications of the former beneficiaries of the United Jewish Appeal in the same spirit of fairness as they did before there was a United Jewish Appeal, and to allocate to each agency such amounts as their judgment, after a study of all available facts, will suggest. There should be no delay in fixing allocations or in proceeding immediately with a united campaign in each community. Delay means a paralysis of the 1941 campaign.
- (c) The Minority members of the committee believe that the fact-finding activities of the Council should be continued and enlarged.

THE COUNCIL SHOULD REMAIN A FACT-FINDING BODY

The Council of Jewish Federations and Welfare Funds was created eight years ago to correlate information for the use of Welfare Funds and to further Jewish communal organization.

We urge against transferring to the Council a power too great for any handful of men to wield, when the fate of great causes is at stake.

WHAT WILL BE THE DECISION OF THE WELFARE FUNDS?

The Welfare Funds of America are now engaged in a referendum to determine whether they shall accept the Majority Report or the Minority Report.

We are a people who have valued and fostered freedom of opinion. Our communities have been open to all appeals - religious, sociological, national and educational. It was always conceded that all Jews cannot have the same uniform ideology but that each individual and every group have the right to adhere to any ideological principles they may find compatible with their thinking, giving all other Jews the freedom to do the same thing.

Whatever may be the guise under which the proposals of the Majority will be submitted to a referendum of the Welfare Funds, the consequence of acceptance will be that American Jews will have turned over to a small committee of men not only the right to determine how the funds they contribute may be put to use, but also the power to determine the value and the relations of the views, aims and aspirations which are part of Jewish life in the United States. The determining of this issue gives power to the small committee to determine the destiny of American Jewry. That power should be retained by the local communities and should not be handed over to any National Budgeting Committee.

The Minority Report asks of the Welfare Funds endorsement of the proposal that the fact-finding services of the Council should be expanded but that the work of evaluation and of budgeting be left to the individual community where it properly belongs.

JULIAN W. MACK
41 EAST 42ND STREET
NEW YORK, N. Y.

February 26, 1941

Mr. Henry Morgenthau, Jr.,
Treasury Dept.,
Washington, D. C.

Dear Mr. Morgenthau:

May I present, for your consideration, the facts about the Campaign of the United Palestine Appeal and some of my reasons for believing that its success is of vital importance at this critical period in Jewish history and, indeed, in the history of democracy.

The United Palestine Appeal, as you know, is the agency through which funds are received in the United States for the use of the Jewish National Fund and the Palestine Foundation Fund.

As we go about our affairs here in peace and comparative safety, a grim struggle is being waged across the sea. While it is unnecessary to review the facts of the heroic resistance of Great Britain against the monstrous Nazi machine, I want to call your attention to the part that Palestine is playing in helping to make Britain's resistance more effective -- and we all know what victory for Britain means to the United States and to Jews everywhere.

More than 8,000 Jews of Palestine have already enlisted for service with the British forces and, given the opportunity, Palestine is able and eager to provide a total force of at least 40,000 men.

In industry, too, Palestine is doing its part; it has over 200 factories in the metal industry manufacturing motorcar spare parts, armored cars, hospital equipment, barbed wire and numerous metal products. Thirty firms are actively producing electrical appliances, including searchlights. Three spinning mills working day and night make khaki drill for military use. There is a leather industry which can turn out 130,000 pairs of shoes per month. And most important of all to the war effort are the potash works of the Dead Sea which contains almost unlimited supplies of potash and other chemical products so essential to the conduct of the war.

Palestine is also helping to feed the army. Jewish farmers have placed some 50,000 additional dunams of land under cultivation. Agricultural output since the beginning of the war has increased by over 40%. Substantial quantities of potatoes and other vegetables, milk and eggs are being supplied.

These are but a few of the things which Palestine is doing; this is a war record of which Palestine may well be proud and one in which we in this country, too, may feel justifiable satisfaction. For it is largely through the efforts of the United Palestine Appeal that funds have been made available for the achievement of these results.

How has the war affected the people of Palestine? How do these free Jews react to actual attacks from the air, like those in Tel Aviv and Haifa in which several hundred people were killed and wounded? What is the state of their morale? The Jews of Palestine react to terror and attack just as free people have always reacted in the face of crisis. There is no fear in Palestine; there is only the unyielding determination to carry on and to beat back the enemy of mankind.

- 2 -

But this is only one phase of the great work in which Palestine is engaged. There is another way in which Palestine has coped with a critical situation -- another way in which the United Palestine Appeal with your help can continue to aid in a program that is a matter of life or death to hundreds of thousands of persecuted souls. For a number of years -- ever since the black cloud of Hitlerism darkened European skies -- our brother Jews in Europe have been cruelly maltreated, persecuted and hounded from pillar to post. Dispossessed from one nation, they have taken refuge in another, only to find themselves in a very short time confronted again with the necessity of fleeing to another temporary haven.

Much has been said about the duty of the rest of the world toward these unfortunates -- many meetings have been held -- many conferences have been called -- but out of them all has come merely a trickle of immigration into one country and a miserable quota in another. There have come soup kitchens, temporary relief and shelter -- all of which, of course, are highly important; their helpfulness is not, in any way, to be minimized.

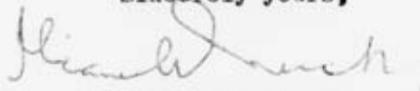
But only Palestine has tackled the problem of the refugee and with the proper vigor on a scale proportionate to its absorptive capacity. Since Nazism began its reign of terror, Palestine has received over 280,000 refugees -- more than were received by all other countries in the world combined. But even more important than this is the fact that when a refugee arrives in Palestine, he is no longer a refugee -- he is at home; he is made to feel that he is wanted. There is no thought of a refugee problem in Palestine. In fact, the Jews of Palestine consider it a holiday occasion when it becomes known that a boatload of wanderers has arrived.

Can Jews, whether Zionists or non-Zionists, who are themselves secure in a great democracy, refuse to do everything in their power to see that Palestine continues as a beacon light of hope for many of their oppressed brethren?

Among the many things that can be done through the United Palestine Appeal is the possibility of the immediate rescue in Rumania, Poland and other countries in Europe, of 8,000 Jews who have the necessary visas and certificates for emigration to Palestine. The keys that will open the doors of these homes are in our hands, for all that is lacking is money to pay their passage.

This campaign of the United Palestine Appeal is not one to dramatize suffering and despair. It is rather a call to hope and courage. There is a new world in the making. We Jews whose brethren have suffered so much in the old world, must do our part to build the new in accordance with the ideals of decency and freedom. It is to these ideals that Palestine and its wonderfully courageous Jewish community are dedicated, and it is to the support of Palestine's virile program that the United Palestine Appeal devotes itself.

Sincerely yours,



JULIAN W. MACK

NATIONAL REFUGEE SERVICE, INC.
165 West 46th Street
New York City

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January 28, 1941

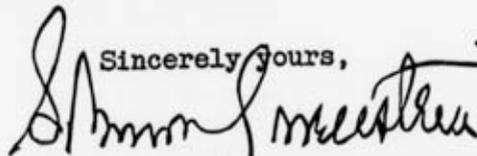
Dear Friend:

The dissolution of the United Jewish Appeal means the National Refugee Service must seek adequate funds for its refugee program in Greater New York as well as throughout the United States, during 1941.

As one who occupies an important position in your community, and as an American deeply concerned with the refugee problem and its repercussions in the United States, you should be acquainted with all the facts relating to the N.R.S. - what it does and the place it holds in American life.

On Sunday, January 19th, the N.R.S. Board of Directors met in Cleveland and requested Mr. William Rosenwald, President, to prepare a message to the Jews of America. I earnestly urge that you give this message your most thoughtful attention so that you may have complete information concerning the refugee problem, as we know it at this time.

Sincerely yours,



SOLOMON LOWENSTEIN

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**FROM REFUGEE SHIP
TO CITIZENSHIP**

*The Job of the N. R. S. in New York
and throughout America*

A Message from William Rosenwald, President of the National Refugee Service, Inc.

ONE OF THE MOST pressing problems facing the Jewish community is the necessity of maintaining the National Refugee Service at full operating strength in 1941. Victims of racial and religious persecution have found asylum in the United States. They look to the National Refugee Service for help and guidance. They rely upon the technical and professional assistance the agency affords.

Moreover, the entire American Jewish community is deeply concerned, directly and indirectly, with the welfare of the refugees.

American Jewry is asked to provide not less than \$4,342,000 this year to enable the N. R. S. to continue its work. This is the sum needed to finance the all-embracing functions of the agency. New York City has a vital stake in the refugee problem. As the principal port of entry for refugees (37,000 immigrants arrived in the United States last year) New York has direct responsibility for feeding, sheltering and housing these newcomers, for making them self-supporting, helping them to become citizens. Thousands of them are destitute, their morale completely shattered by the tragic events overseas. They need patient care and guidance.

Equally important to New York City is the program of resettlement instituted for the first time on an orderly basis by the N. R. S. By means of this program, 5,000 refugees, who otherwise might have become relief charges to the New York Jewish community, were sent out of New York to other communities in the United States. In addition, a large number not possessing transportation which would take them to the communities for which they were destined, were aided in leaving the city.

All of this was made possible through the cooperation of more than 1,000 American Jewish communities which have assumed full responsibility for the care of these refugee immigrants.

WHY N. R. S. EXISTS

The refugee problem, in large measure, centers in New York City, the principal port of entry. A certain portion of this problem may be considered a local responsibility. But the nation, through its contributions to N. R. S., has recognized that the balance of the problem in this city may be considered a national responsibility, even though it is cared for here. To this, the nation contributes generously, but at the same time it looks to New York to assume its fair portion of the national burden (in addition to the part regarded as local responsibility, represented last year by a contribution from the New York City U. J. A. of one million dollars). The N. R. S. is thus doing a New York City as well as a national piece of work.

The Jews of New York have demonstrated their support of refugee work in this country. They contributed generously, through the United Jewish Appeal, in 1939 and 1940.

N. R. S. now turns to the thousands of Jewish leaders who have freely given it their services and support. They are the ones who best understand the urgency of the refugee problem. It is recognized in all quarters that refugees in the United States must be cared for. The major portion of this responsibility falls on the American Jewish community in general and upon the New York community in particular.

Thanks to the acceptance of this principle by American Jewry, responsibility for the refugees in this country has remained in channels of private philanthropy.

**WHAT N.R.S.
DOES**

There are approximately 140,000 refugees in the United States. Hundreds of thousands of Americans are directly concerned with the plight of their refugee friends and relatives. This is the responsibility entrusted to the N.R.S. by the American community.

Immigration of refugees to the United States is rising again. More than 2,000 victims of persecution reached our shores in December, 1940. They will be followed by many others. It is expected that the maximum number permitted by the quota laws will arrive in 1941.

Most of you know the facts. In 1940 more than 300,000 individuals, many of them refugees, many of them Americans, brought their problems to the N.R.S. Refugees must be fed, they must be sheltered and clothed, work must be found for them. They want to learn English, they must be encouraged and helped to settle outside of New York City, they want to know how they can become citizens.

More than 1,000 communities in the United States have shared with the N.R.S. the problem of adjusting the refugee group to American life. With its cooperating committees, the N.R.S. has been able to set up the first complete and coordinated program for the guidance of the immigrant "from refugee ship to citizenship". The alternative to the N.R.S. program would be the uncoordinated functioning of a multitude of agencies—the unguided efforts by individual refugees to make their own adjustments—wasteful in terms of money and dangerous in terms of group relationships.

**WHAT N.R.S.
NEEDS**

On Sunday, January 19th, 1941, community leaders, lay and professional, from every section of the United States met in Cleveland, Ohio. With the Board of Directors of the N.R.S. they measured

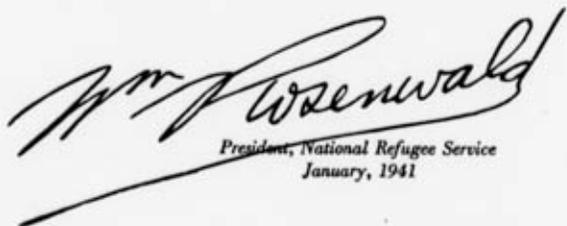
the financial responsibility of the American Jewish community in terms of the needs of the problem. They then established a minimum budget of \$4,342,000 and requested me to organize the campaign necessary to raise this sum.

In estimating the amount to be raised, a procedure was adopted similar to that of a business organization. Those in attendance first ascertained the needs, and then adjusted these needs to the generosity of the American Jewish community which must pay for them. In their calculations, they were able to draw upon the experience of the N.R.S. in providing temporary assistance—food, clothing and shelter—to more than 35,000 people, and in rehabilitating, re-training, re-settling and Americanizing another 50,000 refugees. All of this has been accomplished through the New York City office of the N.R.S. They were further able to gauge the needs in terms of the 20,000 written and telegraphic requests reaching the offices of the N.R.S. each month. The figure of \$4,342,000, therefore, emphatically is not an arbitrary campaign goal. It is a minimum amount which American Jewry must pay to assure its own well-being.

**WHAT N.R.S.
ASKS OF
YOU**

You understand the seriousness and delicacy of the refugee problem and we are sure this aspect of our work will receive your best efforts and attention.

The N.R.S. looks to the country as a whole, and, more particularly to you and the other citizens of New York, for support in this, the grave responsibility of caring for the newcomers in our midst.



William F. Rosenwald
President, National Refugee Service
January, 1941

JOINT DISTRIBUTION COMMITTEE

CLASS OF SERVICE

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

WESTERN UNION

1220 (08)

SYMBOLS
DL = Day Letter
NL = Night Letter
LC = Deferred Cable
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PRESIDENT

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J. C. WILLEVER
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Received at

WIK448 TWS PAID 3=NEWYORK NY 27 408P
HENRY MORGENTHAU JR=
.2201 R ST =

1940 DEC 27 PM 5 10

WE OF THE JOINT DISTRIBUTION COMMITTEE ARE ANXIOUS TO PRESENT PICTURE OF OUR NEEDS AND GENERAL CAMPAIGN PROBLEMS BUT NOT UNTIL EXPIRATION OF THE 1940 UNITED JEWISH APPEAL. THEREAFTER WE CAN TOGETHER CONSIDER ALL FACTS IN AMPLE TIME TO MEET OUR RESPONSIBILITIES IN THESE CRITICAL DAYS BOTH AS AMERICANS AND AS JEWS. WE URGE THAT NO ONE COMMIT HIMSELF OR HIS COMMUNITY TO PROGRAMS OR BUDGETS UNTIL THE AMERICAN JEWISH RESPONSIBILITY CAN BE STUDIED AND APPRAISED AS A WHOLE.=

PAUL BAERWALD EDWARD M M WARBURG.

Handwritten: ~~WIK448~~ Call has 2777

Handwritten: [Faint scribbles and illegible text]

~~AS~~
Don't talk to me
before sending any
money in
Jan/41

MRS. FORBUSH
ROOM 470

\$23,000,000 is the National Goal for 1940

**UNITED JEWISH APPEAL (Inc.) FOR REFUGEES
AND OVERSEAS NEEDS**

ON BEHALF OF
AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.
UNITED PALESTINE APPEAL and
NATIONAL REFUGEE SERVICE, INC.

342 MADISON AVENUE
NEW YORK, N. Y.

December 27, 1940

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RABBI JONAH B. WISE

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ELIHU D. STONE
and officers

Mr. Henry Morgenthau, Jr.
Treasury Dept.
Washington, D. C.

Dear Mr. Morgenthau:

We herewith announce that as of December 31, 1940, the United Jewish Appeal will cease to function as the agency for the collection and distribution of new funds for the 1941 programs of the Joint Distribution Committee, the United Palestine Appeal and the National Refugee Service. The United Jewish Appeal will continue to collect and distribute all funds outstanding in the 1939 and 1940 campaigns on the basis of the agreements of 1939 and 1940 and the decisions of the Allocations Committee of 1939 and the Allotment Committee of 1940.

The campaigns of 1939 and 1940 yielded substantial sums for the three causes. It is the firm belief of the undersigned that the de facto dissolution of the common fund-raising national organization will not impair the cordial relations and generous cooperation now existing among the three beneficiary agencies of the 1939 and 1940 United Jewish Appeal. They are further convinced that the three agencies will cooperate with all communities and with one another in our primary task of finding adequate funds to meet the needs of reconstruction, relief and refugee service required today.

We are grateful to the leaders of the communities all over the United States of America who have given their unstinting confidence and generous support. Every consideration will be given by the previous beneficiary agencies to the promotion of our common enterprise and to the most adequate assistance to the causes of the Joint Distribution Committee, the United Palestine Appeal and the National Refugee Service.

Sincerely yours,

Abba Hillel Silver
Abba Hillel Silver

Jonah B. Wise
Jonah B. Wise
National Chairmen