

JUDGES COMMITTEE RENDERS REPORT ON ZIONIST ADMINISTRATION CHARGES

Sees No Reason for Loss of Confidence in Z. O. A. Cite Instances of Loose Management; Declare No One Responsible for Loose Management and should be retained in Administration; Recommend Elimination of Paid Officers.

The Judges Court of Inquiry appointed by Dr. Chaim Weizmann, President of the World Zionist Organization, to investigate charges of mismanagement against the present Administration of the Zionist Organization of America late last night made public its findings in a ten page report after deliberations which began on Wednesday afternoon and continued for more than ten hours on Thursdays.

The complete text of the report which is signed by Judge Edward Lazansky of the Appellate Court, Brooklyn.

Judge Mitchell May of the Supreme Court, Judge Grover Moscovitz of the Federal Court, and Judge Otto Rosalsky, follows:

New York, June 28, 1928

Dr. Chaim Weizmann,

President of the World Zionist Organization.

Dear Sir:

In accordance with your letter of May 26, the undersigned proceeded to investigate the affairs of the Zionist Organization of America in light of press comments that there had been misuse and diversion of funds, and beg to report as follows:

Public hearings were held at which all who wished to present facts to sustain or disprove such charges were heard.

While we were not requested to consider the affairs of the United Palestine Appeal, it is appropriate to state that though its affairs were discussed, there was no suggestion made of any wrongful act, irregularity or mismanagement on the part of this organization, its administration or officers.

We beg to submit the following findings of facts and our conclusions with reference thereto.

Findings of Fact.

On December 15th, 1926, Louis Lipsky, President of Z. O. A. endorsed the signature of Z. O. A., by Louis Lipsky, President, on a demand note for \$2,000. of the Springdale Rubber Corporation, of which Mrs. Dorothy E. Lefkowitz was treasurer, and who was its treasurer of Hadassah.

Springdale Rubber Corporation is a business corporation and in no wise connected with the affairs of Z. O. A.

The note was endorsed for the private use and benefit of the said corporation.

Mr. Lipsky knew that the note so endorsed was delivered to Commodore Trading Corporation a private money lending concern, for a loan by it of \$2,000. to the Springdale Rubber Corporation. Mr. Lipsky acknowledged that he endorsed the note at the request of Israel Maltin, auditor of Z. O. A., who he knew was a director and stockholder of Commodore Trading Corporation.

At that time Abraham Goldberg, a member of the Administrative Committee, Meyer Weisgal, Secretary of the Administrative Committee, and a number of employees of the Administration of Commodore Trading Corporation.

Mr. Lipsky knew that a number of the employees of the Administration had frequently borrowed money from Commodore Trading Corporation.

He further stated that he endorsed said note with object of helping Mrs. Lefkowitz at a time when she was in financial distress, and that Mr. Maltin told him that this act would tend to establish more amicable relations between the treasurer of the Hadassah and the Z. O. A.

Mr. Lipsky endorsed said note as President of the Z. O. A. without authority, and the Zionist Administration does not attempt to justify said act.

It is clear that there was no financial gain accruing to Mr. Lipsky from said act. The loan was fully paid by Mrs. Lefkowitz and the Z. O. A. sustained no loss because of said endorsement. Apparently, neither Mr. Goldberg nor Mr. Weisgal knew of this transaction.

II.

On March 18th, 1926, Maurice Samuel gave his promissory note for \$1,000. payable to the order of the Z. O. A. which was discounted by it, and received a check of the Z. O. A. for \$1,000. signed, without authority, by Louis Lipsky, as President, and countersigned by Harry P. Fierst, Assistant Treasurer. This note was not paid at maturity, but was finally paid in October, 1926.

Again on August 17th, 1926, a note of \$3,000. of Maurice Samuel was endorsed by the Z. O. A. and discounted by it, without authority, and the proceeds given to him by check of the Z. O. A. signed by the Vice-President and Treasurer.

This note was paid in October, 1926.

The proof convinces us that this money was needed by Mr. Samuel because of a great bereavement which had come to him and his family, and it was intended by him that the payment thereof would be secured by his future earnings from the Z. O. A.

At the time of these transactions, Mr. Samuel was a member of the Administrative Committee and was also an employee of the Z. O. A. at a salary of \$7,500. per year.

As far as disclosed, no member of the Administrative Committee other than those mentioned had any knowledge of these transactions.

During this period the Z. O. A. had a large deficit and was heavily indebted to the banks without the resources available to pay the same.

III.

The American Zion Commonwealth, a New York business corporation, with an authorized capital of \$10,000, and which operated as a land-selling and purchasing agency in Palestine under the auspices of Z. O. A., found itself unable to meet heavy financial obligations in America and Palestine.

In the summer of 1926, the A. Z. C. was indebted in the sum of \$180,000 upon its promissory notes to a bank in New York City. One of these notes became due and payable in December, 1926, and was not paid. Thereupon Mr. Lipsky, at the request of Hon. Bernard Rosenblatt, a member of the Administrative Committee of Z. O. A. but without any authority from such Committee, executed in the name of Z. O. A. an unlimited guaranty of payment to the bank which held these notes, for any past, present and future liabilities of the A. Z. C. to the bank. The assumption of this liability by the Z. O. A. was never officially communicated to the Administrative Committee.

Mr. Lipsky's explanation was that he intended that this guaranty should temporarily meet the situation until the United Palestine Appeal should assume the obligation of the A. Z. C. He stated he believed that under a resolution which had been adopted by the Directors of the U. P. A. on December 7th, 1926, the U. P. A. would guaranty the payment of advances to be made by private individuals to A. Z. C. to the aggregate amount of \$500,000. for the purpose of saving the A. Z. C. from threatening collapse.

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JEWISH FAMILY TRAGEDIES FOLLOW THE TRIAL OF BELA KUN IN VIENNA

Brings Divorce and Excommunication
To His Jewish Friends

(Jewish Telegraphic Agency)

Vienna, June 28.—The trial of Bela Kun, Communist propagandist and former head of the Communist government in Hungary, was accompanied by tragedies in two Jewish families.

The testimony of Georg Mayerhofer, in whose house Bela Kun stopped and who was one of the accused, disclosed that he (Mayerhofer) was of the Mosaic faith. He also asserted that he was "a Jewish religious Bolshevik." A check up on this assertion showed that Mayerhofer recently married the daughter of a well-to-do Jewish family in Vienna, to whom the son-in-law's affiliations with Communism were totally unknown until his arrest. It was added that after the trial was concluded, young Mrs. Mayerhofer will start divorce proceedings against her husband.

Ilona Breuer, Bela Kun's secretary, who was also one of the accused, is the daughter of a pious Jewish family in Mattersdorf, Austria. When the family heard of Ilona's Communist affiliation, the rite of Shiva, seven days of mourning after the dead, was observed by her parents.

RABBINICAL ASSEMBLY CONCLUDES SESSIONS; ELECTS NEW BOARD

Rabbi Louis Finkelstein, of New York,
Chosen President

(Jewish Daily Bulletin)

Long Branch, N. J., June 28.—Rabbi Louis Finkelstein of New York was elected president of the Rabbinical Assembly of the Jewish Theological Seminary of America at the concluding session of the convention held at the Hotel Scarborough here for three days.

Rabbi I. H. Levinthal of Brooklyn was chosen vice-president, Rabbi Elias Margolies of Mount Vernon, treasurer, Rabbi Israel Goldstein of New York, recording secretary and Rabbi Alter Landesman of Brooklyn, corresponding secretary.

To the Executive Committee were elected Rabbis Harry Davidowitz of Atlantic City, Max Drob of Philadelphia, Jacob Kohn of New York, Harry Rabinowitz of Boston, Morris D. Levine of New York, Morris Schurstein, of Providence, R. I., Rabbi A. Burstein of New York, Louis M. Levitzky of Wilkes-Barre, Paul Chertoff of New York, Norman Salt of Far Rockaway, Hyman Solomon of Vineland, N. J., Max D. Klein of Philadelphia, Isador Hoffman of Utica, Leon Lang of Newark, Samuel Rosenblatt of Baltimore and Max Kadushin of Chicago.

A report on the president's message was submitted by a committee at the final session. "The committee heartily endorses the suggestion made by the president that regional conferences of members of the Rabbinical Assembly be organized during the coming year. It would only add that such assemblies be held at least five months previous to the annual assembly, so as not to conflict with the attendance to the annual gathering.

"The committee endorses the suggestion made by the president that every member of the Assembly pledge his whole-hearted support to Dr. Elias Margolies, chairman of the United Synagogue campaign. The committee endorses the suggestion that the Pension Fund Committee be retained and that it continue its work to determine the sum needed to establish a pension fund on a firm basis and that the committee set energetically about securing such a fund."

The same pension system as that of the Union of American Hebrew Congregations was suggested for the Rabbinical Assembly.

Rabbi Samuel Fredman presented a paper on "Observations on the American Rabbinate." "I believe the time has come," he said, "to call a halt to new synagogue expansion. A rabbi cannot do justice to a congregation of thousands. Whether we like it or not, our congregations are taking on some-

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FIRST SKIRMISHES IN ZIONIST CONTROVERSY AT HADASSAH CONVENTION

\$608,000 Budget Presented; 'Was it
Wrong?' Asks Mrs. Lindheim

Pittsburgh, Pa., June 28.—A series of resolutions concerning the Hadassah work during the coming year were adopted by the fourteenth convention of the women's Zionist Organization at the late Wednesday afternoon session.

The resolutions adopted are to be presented to the National Board of Hadassah and to the Actions Committee of the World Zionist Organization which will meet in Berlin July 19. Mrs. Edward Jacobs, vice-president of Hadassah and chairman of Palestine activities, presented the resolutions.

The penny luncheon project in Palestine is constantly growing and becomes more and more necessary as an educational factor. The convention decided to continue the \$1,000 month budget for the lunches for Palestine school children, and to continue a grant of \$1,000 yearly to the Histruthi Nashim Ibrut, women's Hebrew organization, for an organizing secretary. The convention also decided to grant \$1,000 a year to the Haisha, to urge Dr. Bluestone, who recently resigned as director of the Hadassah Medical Organization in Palestine to remain in office, to see to it that the health center in Jerusalem which the Hadassah is to maintain after its foundation by Nathan Straus be ready for occupancy during the course of the year. It was decided to leave to the National Board the dealing with questions of budget and to defer action on aid for the Kupath Cholim, sick benefit fund, until after the meeting of the General Council of the Zionist Organization, where the general health program of Palestine will be discussed. The budget for this year will be the same for next year, sending the same amount monthly until after the Actions Committee meeting and the action of Hadassah following the Jewish Agency Commission report is decided upon. About \$40,000 for infant welfare work in Palestine and supplies, as part of the next budget depends upon the donations of supplies. The total budget of \$608,000 will be resumed for the coming year.

Wearing colorful summer apparel and serene, determined expressions, the 500 delegates representing 280 chapters of Hadassah listened to the messages from Miss Henrietta Szold and Mrs. Irma Lindheim, president of Hadassah. In her message, Miss Szold, founder of Hadassah, pleaded for unity in Zionist ranks, declaring: "Disunion is paralysis, union is strength."

In her letter from abroad, where she has gone because of her health, Mrs. Lindheim explained what has motivated the action of Hadassah during the past year. "Why was it treason for us to

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(Continued from Page 1).

Mr. Lipsky stated, and it appears to be the fact, that Zionist leaders seemed to be of the opinion that this was advisable to prevent the A. Z. C. from being discredited. But this did not justify the unauthorized execution of said unlimited guaranty. It appears, however, that what he did in this respect was in the belief that it was for the best interests of Z. O. A., which was never required to redeem the obligations of this guaranty.

Mr. Lipsky admitted that he made a statement, which appeared in the public press on May 6th, 1928, denying that he, as President of Z. O. A., had, without the knowledge or consent of the Administrative Committee, signed notes to the extent of \$285,000, with the New York City bank above mentioned for the benefit of the A. Z. C. He said when he made this statement he was thinking of "notes" which he had not, in fact, executed and had forgotten the "guaranty."

IV.

On June 11th, 1924, the Z. O. A. received a legacy of \$3,000, for the benefit of the Hebrew University of Jerusalem to be transmitted by it to the University. During 1925-1926 Z. O. A. received other sums from different individuals aggregating \$9046.45 as donations to the Hebrew University to be transmitted by Z. O. A. to it. Instead of transmitting these sums aggregating \$12,046.45 to the Hebrew University, as these items were received, Z. O. A. used the entire amount for its purposes in America and sent no part to the Hebrew University until June 16th, 1928. The amount was adjusted by the payment of \$4,000, to the representative of the Hebrew University in New York, and \$6,000, by six promissory notes to the order of the University, each for \$1,000, payable with interest on October 10th, November 10th, December 10th, 1928, and January 10th, February 10th and March 10th, 1929. During the four years that these moneys were held in trust for the Hebrew University and used by Z. O. A. no interest was allowed thereon. Z. O. A. charged the Hebrew University with the sum of \$18,762.77 for expenses in connection with the matter, and deducted this amount from the total due the University. These sums of money, which should have been transmitted to the Hebrew University were used for the general purposes of Z. O. A.

The Auditor of Z. O. A., when questioned on this subject, stated that the amount due the Hebrew University had been fully paid prior to May 31st, 1928, and did not state the aforesaid details. Such details were first called to our attention by the certified public accountant who made an investigation of some of

the items from the books and records of the Z. O. A. at the request of this Committee.

The financial statement of Z. O. A. for the year ending May 31st, 1928, shows no indebtedness from Z. O. A. to the Hebrew University.

The members of the Administration present at the hearing specifically disclaimed any knowledge of this condition of affairs, and they emphatically condemned the same.

V.

Mr. Isidore D. Morrison, Chairman of the Finance Committee of Z. O. A., stated to us that at a recent meeting of the Finance Committee, "the accountant reported that while the deficit of the Organization has actually increased during the year, he nevertheless, can so arrange the figures as to show a decrease." He also stated that "it was the consensus of opinion that if we come before the Convention with an increased deficit, the resentment will be hard to overcome and I, therefore, have to lend my name to a manipulation of figures which will cover up the true state of affairs."

Since this statement was made, Mr. Morrison writes that he had made a mistake and that by the use of the interest on life membership as an item of income the certified public accountant's report would "indicate that the deficit for the fiscal year has been reduced by over \$37,000." We set this forth merely as an item indicating some confusion in the mind of the Chairman of the Finance Committee as to the financial condition of affairs.

VI.

The following telegram was sent to the Chairman and Secretaries of Zionist districts throughout the United States: 1928 May 31 A.M. 10.30.

RECORDS DISTRICT MEMBERSHIP NOW BEING PRINTED FOR CONVENTION REPORT. PLEASE FORWARD ALL MEMBERSHIP DUES IMMEDIATELY. ALSO LISTS, INCLUDING THOSE MEMBERS WHO ENROLLED, BUT NOT PAID THEIR DUES. WE WILL CREDIT YOUR DISTRICT AND CHARGE YOUR ACCOUNT WITH ENROLLED BUT UNPAID MEMBERS. URGE YOU INCREASE MEMBERSHIP.

LOUIS LIPSKY, PRESIDENT, ZIONIST ORGANIZATION OF AMERICA.

Public objection having been made to this method of seating delegates, the following letter was sent to Mr. Lipsky: June 3, 1928.

To the Chairman and Secretaries of Zionist Districts:

The following telegram was sent to all Zionist Districts: May 31, 1928.

RECORDS DISTRICT MEMBERSHIP NOW BEING PRINTED FOR CONVENTION REPORT. PLEASE FORWARD ALL MEMBERSHIP DUES IMMEDIATELY. ALSO

LISTS, INCLUDING THOSE MEMBERS WHO HAVE ENROLLED BUT NOT PAID THEIR DUES. WE WILL CREDIT YOUR DISTRICT AND CHARGE YOUR ACCOUNT WITH ENROLLED BUT UNPAID MEMBERS. URGE YOU INCREASE MEMBERSHIP.

LOUIS LIPSKY, PRESIDENT, ZIONIST ORGANIZATION OF AMERICA.

It is essential that we have the records complete for the report to the Convention. Therefore we urge the Districts to take immediate steps to comply with the request contained in the above telegram.

It must be definitely understood that when electing delegates to the Convention, only those members who have actually paid their dues to the District or to the national office for the year 1928 are eligible to vote, and the number of delegates to be elected must be based on the number of paid members. The unpaid members, whose names we have asked you to forward to the national office cannot be included in the total for the election of delegates.

In order that your delegates may be seated at the Convention, it is essential that every District comply strictly with the above rules.

Very cordially yours,
LOUIS LIPSKY,
President.

At the hearing Mr. Lipsky asserted that he knew nothing about the sending of the telegram. He does not, however, repudiate the telegram.

Conclusions

1. No reason exists why there should be any loss of public confidence in Z. O. A., as there is no proof that any person has acted or omitted to act for personal financial gain and there is no proof of any financial loss to Z. O. A.

2. There have been instances of loose management in the financial affairs of Z. O. A.

3. Trust funds have been improperly transferred from their proper channels until recently to the general funds of Z. O. A. However, such sums were subsequently applied to their proper purposes.

4. Trust funds should always be kept separate and apart, and never used for general purposes.

5. In light of the facts which have been disclosed and reported above, it is our opinion that no one responsible for the irregularities pointed out should be continued as an officer or a member of any committee of the Z. O. A.

6. Immediate steps should be taken to install a system which so far as possible would prevent future irregularities, or, in the event that they did exist, they would speedily become known.

7. No officer or member of any Committee should receive any pay or other emolument for any services rendered to the cause.

8. No future liability by note or otherwise should be executed without the authority of the Administrative Committee.

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tee expressed by the vote of a majority of the entire Committee thereof at a meeting July held.

9. In no event shall the credit of Z. O. A. be extended or its obligation incurred for private purposes.

Time did not permit of a detailed and thorough investigation of the affairs of Z. O. A. We have been able to hold only six hearings, but we believe we have obtained a fairly clear insight into the affairs of Z. O. A. as the result of the endeavor of all who appeared before us to present the facts fully, fairly and frankly.

We express the hope that out of this investigation there will come appropriate action looking to remedy any of the shortcomings of the past and with the result that the dissensions which have heretofore existed will disappear and that concord will follow to the end that the movement towards the restoration of Palestine may speed on unimpeded and unhindered.

Respectfully submitted,

EDWARD LAZANSKY,

(Chairman),

MITCHELL MAY,

GROVER M. MOSCOWITZ,

OTTO A. ROSALSKY,

Committee.

FIRST SKIRMISHES IN ZIONIST CONTROVERSY AT HADASSAH CONVENTION

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ask that the Zionist Organization live up to the standards we impose upon ourselves," she writes. "Was it wrong for us to reject a dual standard? Why was it wrong that we asked for the same type of good government as members in good standing of the Zionist Organization as we do as members in good standing of Hadassah? Why was it wrong for us to desire and work for a new leadership in the Zionist movement when we honestly believed that the present leadership was inadequate to meet the needs of Palestine?"

"Why was it wrong for us as members of a democratic organization to inform our constituency of the facts in time for them to examine into their truth before the convention? Why should a Zionist public not protest against a political machine that crushes out the energies of those whose only desire is to work for Palestine?"

The first tangible signs of the controversy which has been raging between the National Board of Hadassah and the Administrative Committee of the Zionist Organization of America came up over the choice of a permanent chairman for the convention. Sympathizers of both factions attempted to install one of their own. Mrs. Archibald Silverman of Providence was nominated by the group in opposition to the National Board of Hadassah and Miss Pearl Franklin, vice-

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thing of the Christian churches. Our members want to see the rabbi in their homes and as a friend and advisor and comforter of the family. Our slogan should be: 'Bigger rabbis and smaller synagogues.'

"Some problems of the Congregational Schools" were presented by Rabbi Max Arzt who stated that the secular Hebrew schools are declining and that the congregational schools are growing. In New York City there was a decrease of nine percent in attendance at Hebrew schools during the decade 1917 to 1927, while during the same period there was an increase of over 200 percent in attendance at congregational schools. In Boston the increased attendance at Hebrew schools was forty-three percent, while at congregational schools the attendance rose 400 percent.

A decision to aid the China Famine Relief Fund was adopted by the convention.

An important problem affecting about a quarter of a million Jews in the outlying communities of the country, cut off from Jewish religious and educational influences was presented by Dr. Cyrus Adler, president of the Jewish Theological Seminary of America, in his address before the convention.

"I have been very seriously considering, as no doubt many of you have in recent years, the state of the Jews in America," Dr. Adler declared. "It is nothing to be despaired of but it gives one furiously to think. If my information is reasonably correct, the Jewish population of America is past the four million mark and we therefore have a community equalled in number probably only by that of the restored and enlarged Poland. Yet, as far as I can see, very few people in this country are thinking in terms of this whole community, and many of us are not even thinking in terms of a partial community. We are only thinking of our own individual unit. I warn you,

president of the Hadassah, as representing the National Board. After much disturbance Miss Alice L. Seligsberg, New York social worker, was elected because she is not a member of either group.

Another note of controversy was struck when Mrs. Dorothy Lefkowitz, treasurer, read her report, preceded by criticism of alleged failures by the United Palestine Appeal to meet Hadassah's financial commitments to Palestine. A motion to accept the treasurer's report was amended to strike out from the foreword the criticism of the U. P. A. The amendment was defeated.

gentlemen, that if this situation continues the result will be the greatest attrition that any Jewish community has ever witnessed, except through actual exile or carnage.

"I have the general impression, which I may be able later on to substantiate from figures, that the number of persons thus affected within one or two generations would be over a quarter of a million. And please remember that I am now speaking only of the small towns and not of the equally isolated and cut-off fractions of communities of the large cities. The great metropolitan districts come under almost the same kind of conditions.

"Now what is the remedy?"

"This is a large matter and I think, in order to meet it, that the gentlemen of this Assembly ought to put their strength into the Synagogue organization which runs parallel with this organization, I mean the United Synagogue, so to strengthen it that it might do some of this work which nobody is doing except by the merest scratch on the surface.

"I hear a great deal about work in the small communities and work in the rural communities, and I know that earnest efforts are being made, but know too that they are pitifully inadequate compared with the actual need. Do you gentlemen think that the Jews of America, or the Jews of your Congregations can be given a sufficiently large vision to see that they have the concern of the Judaism of their people beside themselves?"

"I do not like compromises but as it may take some time to reach the ideal, a half way measure can be suggested which is better than no bread at all. There is hardly a State in the Union in which some communities of the kind I outlined do not exist. Would our Rabbis and our Congregations be sufficiently large-minded and self-sacrificing to undertake the task in certain neighboring Congregations, in addition to their own? If every man here would take one such small Congregation in his neighborhood under his wing he would in the course of years do a piece of work which in the totality would prevent this great attrition which under present circumstances seems to be inevitable," he stated.

"Think about it gentlemen. Enter into active cooperation with the United Synagogue to this end. Your example will cause other similar rabbinical bodies to take it up. There is room enough for all, let trivialities be put aside. Let individualism stop, whether it be the individualism of boosting one's own Congregation or of causing difficulties and discussion by inroads upon liturgy or ritual.