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Israel made an interest payment of \$1,148,478.98 to the U. S. Export-Import Bank this week on its two outstanding loans totalling \$125,000,000. Simultaneously, an Israel Embassy spokesman in Washington announced that \$75,000,000 of loan funds have already been invested in approved industrial and agricultural projects. Payment on the principal will begin next year and will continue for twelve years. The interest rate is three and one-half percent.

The French Chausson bus-building company will establish a bus assembly plant in Israel if 300 vehicles purchased from it prove satisfactory under local conditions after a six months' trial. Michael Bar, Controller of Road Transport, told a press conference in Tel Aviv last week. Two trial Chausson buses have already arrived, and others are expected shortly. Payment for the 300 buses on order will be effected by export of locally-assembled Kaiser-Frazer cars to the extent of one-third of the total. Credit for five years has been advanced by Chausson on another third, while the balance will be paid from funds of a French gov-

ernment loan. Negotiations for the purchase of another 300 bus chassis from Britain are in progress. Within the next six months, 400 new buses should be in use on Israeli roads, said Mr. Bar.

Thirteen families have already signed up as initial settlers in a new all-American moshav (cooperative agricultural village), now being built on the coastal plain near Tel Aviv. The new moshav will eventually accommodate 60 farm families from the U. S. and Canada, and is sponsored by the Jewish Agency, Israel government and Histadrut. Designed especially for families with a small amount of capital, the plan provides a three-and-a-half room modern house and a seven-and-a-half acre farm equipped with two cows, poultry, tractor and all other needed tools. Settlers will be expected to invest \$8,000 cash or half the cost of \$10,000, with the other \$5,000 to be lent on a long-term mortgage by the Jewish Agency. The Jewish National Fund is providing the land on a hereditary leasehold. An experienced instructor will be stationed at the moshav to help amateur farmers adjust themselves to their new life.

Forty additional textile and clothing points were released to Israeli consumers at the start of this month, according to an announcement of the Ministry of Trade and Industry. Goods will be placed on sale gradually, with the Ministry announcing from time to time which products have reached the market. Already available are undershirts, stockings, diapers, woollen clothing for children and adults, jackets and coats, silk cloth and all types of knitted goods.

One Year of Progress On the Economic Front

By JOSHUA H. JUSTMAN

NEXT week in Washington, American Jewish and Israel leaders will sit down together to review the progress of Israel's economic development. The occasion is "The National Economic Conference," to be held at the Shoreham Hotel from September 20 to 23, under the auspices of the American Financial and Development Corp. of Israel which directs the sale of the Israel \$300,000,000 bond issue in the U. S.

It is just a little more than a year since an historic economic mobilization conference was held in Jerusalem at the King David Hotel at the initiative of Prime Minister David Ben Gurion. At the Jerusalem meeting, some 50 leaders of American Jewry adopted a four-point plan aimed at raising one billion dollars in the United States to make possible the immigration and absorption of several hundred thousand additional Jews into Israel by the end of 1953, and bring Israel closer to the goal of economic self-sufficiency.

One month later, in Washington, a National Planning Conference was attended by the largest and most representative group of American Jewish leaders ever assembled. This gathering recognized that Israel's struggle on the economic front arises directly from her program of unlimited immigration. And it agreed that since immigration is not solely Israel's concern, the burdens of economic stabilization must be shared.

A three-year program to raise \$1,500,000,000 to meet the economic needs was accordingly mapped out—with Israel itself to provide one-third of the total. It contained four points:

- (1) An intensified philanthropic campaign led by the United Jewish Appeal;
- (2) The initiation of an Israel government bond issue in the U. S.;
- (3) Intensification of private investment in Israel;

(4) Development of inter-governmental aid by the U. S. government.

Last week, at a press conference in New York, Israel Ambassador Abba Khan estimated that in its first year, the four-point program would have secured for Israel, in the U. S., the sum of approximately \$250,000,000. While this may fall short of the goal, it must be considered an achievement of great magnitude. On the eve of next week's meeting, which is to be followed by a national conference of UJA, it is worth recounting in detail how the first year's record was achieved.

UJA Not Affected

Perhaps the most remarkable aspect of this first year is the fact that the launching of the bond drive did not hurt fund raising by the UJA. What is more, the UJA actually expects to surpass the \$60,000,000 mark it reached in 1950. Thus has been dispelled the fear expressed at the Jerusalem meeting that the bond issue would conflict with the Appeal campaign. It proves, moreover, that American Jewry has grasped the real meaning of the bonds, their specific character and purpose.

In a recent statement in Tel Aviv, Israel's Treasurer, Eliezer Kaplan, announced that up to now the bond drive has yielded about \$75,000,000, more than half of which has been paid. He said he expected that between \$70,000,000 and \$80,000,000 in cash would be paid up by the end of 1951, in addition to further pledges. Since the bond drive began only last May (it took many months to set in motion the

complicated machinery necessary for the conduct of such an enterprise), what has been achieved in the result of only four months of actual campaign work, and affords every prospect that the bond drive will ultimately reach its goal.

Inter-Governmental Aid

Earlier this year, leading members of both House and Senate became sponsors of a \$150,000,000 Grant-in-Aid to Israel. While this proposal was not taken up by Congress as a separate bill, it was met, though partially, through the allotment to Israel included in the administration's overall Mutual Security Program (which is still under debate). Allocations approved up to now express a deep appreciation of Israel's needs, as well as of Israel's achievements. This is shown by the fact that the House Foreign Affairs Committee, and the House itself—despite their decision to cut a considerable sum from the proposed foreign aid bill—proposed and endorsed an increase of \$30,000,000 specifically earmarked for resettlement of new immigrants in Israel. (Originally, the administration requested \$125,000,000 for the Near East, without any earmarking, although it was understood that Israel would receive \$25,000,000 in economic aid.)

Although the 30 percent cut in the entire economic aid program originally did not exempt any area and thus would have affected Israel, along with all other nations, the Senate Foreign Relations Committee raised the proposed allotment for the Near East from the reduced amount of \$122,000,000 to \$150,000,000. This sum included \$50,000,000 for resettlement of Jewish refugees in Israel, \$50,000,000 for resettlement of Arab refugees, and \$50,000,000 for economic aid to Middle Eastern countries, of which it has been estimated Israel will receive \$18,000,000. Thus Israel will receive approximately \$70,000,000 as its share of the Mutual Aid Program.

Under the inter-governmental aid heading, one should also mention the \$30,000,000 supplementary loan Israel received in December from the U. S. Export-Import Bank, which was earmarked for agricultural development.

Investment

The extent of the development of Israel through a combination of local and foreign investment can be measured by the establishment within the last year of such enterprises as the Kaiser-Frazer assembly plant, the Jerusalem Shoe Co., the Amcor Philco refrigerator plant, the Phillips light bulbs factory and the new steel pipe mill at Acre. Under construction are two major tire factories by the General Tire and Rubber Co. and the Alliance Tire & Rubber Co., a \$3,500,000 paper mill and a number of other large-scale enterprises.

Between April 1, 1950, and March 31, 1951, total private investment in Israel amounted to \$153,070,000, of which 35 percent came from foreign countries. Of this, 18 percent represented capital from the United States. (Other leading countries were Belgium, France and Italy. The American total came to \$27,020,000), while other foreign sources provided \$38,550,000.

The plants which are being and have been built are expanding Israel industry both qualitatively and quantitatively. They are advancing the organization of industry to higher levels than existed previously and they indicate that despite many difficulties, Israel economy is both widening and solidifying its foundations.



Here's where it says:—
"Strictly Kosher—
Strictly Vegetarian"

The © seal of approval of THE UNION OF ORTHODOX JEWISH CONGREGATIONS OF AMERICA is printed on the front of the label of Heinz Kosher Baked Beans. It is your guarantee that this delightful food is Kosher and Pareve. The words "Oven-Baked", also on the label, are your guarantee of mellow, nut-like flavor. Try some to-day!

**HEINZ
KOSHER
BAKED
BEANS**

First Half of 1951 Brought 45 Percent Rise in Exports

By a Special Correspondent

TEL AVIV.

LA TE last month the Israel Treasury released figures summing up the first half of this year's foreign trade—and although the balance still shows a considerable deficit, imports had gone down, even if only slightly, and exports had gone up significantly—by more than 45 percent as compared with the same period last year. Moreover, the import drop had been achieved despite an ever-increasing population. Following are the detailed figures: (in Israel pounds):

	Jan.-June 1951	Jan.-June 1950
Imports	51,608,364	51,534,370
Exports (including re-exports)	11,166,917	7,806,872
Import in excess of export	40,441,447	43,727,498
Exports as a percentage of import	21.7%	15.0%

In examining the composition of the imports, one finds that the category headed "food, drink, tobacco" went up to 25.3 percent of the total from 21.9 percent. This was to be expected in view of the population increase and the severe drought last winter, which seriously damaged several major crops. Imports of raw materials also rose, from 15.3 percent to 20.6 percent, while those of finished goods dropped significantly—from 61.3 percent to 53.9. These figures are evidence that the emphasis on reserving foreign currency allocations for productive purposes wherever possible has paid off.

To the credit side of the balance must also be added the sum of imports without pay. From Jan. 1 to June 30, 1951, these totalled 1£10,890,048, broken down as follows:

Gifts to individuals	4,637,720
Capital Transfer	4,246,237
Capital Transfer by immigrants	925,092
Personal effects of immigrants	1,045,379

When the final balance of payments is struck

at the end of the year, other income from such sources as the national funds will need to be taken into account. This category of figures was not included in the Treasury's release.

Suppliers

Israel obtained an almost equal share of her imports from America and Europe, as the following table shows:

	Israel Pounds	Percentage
America	26,467,862	28.0
Europe	26,234,886	29.7
Africa	1,925,964	7.5
Asia	1,734,482	3.3
Australia	182,237	0.3
Unspecified	1,267,533	10.3
TOTAL	51,608,364	100.0

The largest single country among the list of suppliers was the U. S., which shipped 1£18,110.00 worth of goods. Britain supplied 1£4,891,000; France, 1£2,850,000; South Africa, 2,460,000; Italy, 2,089,000; Belgium, 1,415,000; Switzerland, 1,280,000.

The export breakdown gives food products top place, reflecting the continued pre-eminence of citrus. The detailed figures follow:

	Jan.-June 1951	Jan.-June 1950
Food, Drinks		
Tobacco	6,064,977	51.9
Raw materials	38,892	0.6
Finished goods	4,042,526	37.3
Animals (not for slaughter)	100	—
Unspecified goods	6,734	—
TOTAL	10,773,228	100.0

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ISRAEL SPEAKS

"NEWS OF ISRAEL" — DIRECT FROM ISRAEL

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Reserve Bond Funds For Production Only; First \$50 Million Allocated

Special to Israel Speaks

JERUSALEM, Sept. 12 — Expressing Israel's determination to achieve economic independence, Finance Minister Eliezer Kaplan today told the Cabinet that \$50,000,000 already received as a result of Israel bond sales in the U. S. will be invested only in productive enterprises.

Mr. Kaplan presented a detailed report on expenditures and allocation of the first bond proceeds. Outlining investments of \$30,212,000 for expansion of industry and mining development of electric power and increase of agricultural production, he listed the following allocations in detail:

\$13,080,000 for industry and mining including the exploitation of large peat deposits in the

Huleh area and the first steps in the mining of phosphates, kaolin, glass sand, copper, manganese and bituminous limestone;

\$10,100,000 for the development of electric power, including the purchase of two generating units to keep pace with industrial expansion;

\$12,128,000 for agriculture providing for new irrigation projects plus loans for enlarging the production of vegetables, fish and other food products;

\$5,734,000 for transport and communications, including the extension of railways and new harbor developments at the Kishon River and Haifa;

\$6,220,000 for housing in industrial areas to provide for workers in the newly established factories;

\$2,940,000 for expansion of existing hotels and new hotels for increasing the tourist trade.

Conference

Mr. Kaplan said he was making his report to call attention to the First National Economic Conference for Israel, to be held in Washington next week. At this time, he said, "it is significant and essential that the people of Israel as well as the American public receive a report on the expenditures and appropriations of the first fifty million dollars received for the economic development of the country and for the economic absorption of the new immigrants."

"The fundamental purpose of the bond issue," Mr. Kaplan continued, "is to provide the capital resources for investments in productive and constructive enterprises. As seen from the above summary of the first appropriations and expenditures of the bond proceeds, the government of Israel is determined, in spite of the current and pressing emergency needs, to invest these funds in the expansion of industry, the development of electric power and the increase of agricultural production to achieve economic independence for our rapidly growing population."

Bond funds will be made available, Mr. Kaplan added, to both private industrial enterprises as well as to cooperative groups. As a result of the bond drive, he said, Israel is now on the threshold of "a period of large capital investment for the primary purpose of improving our balance of payments and providing the tools and enterprises for the integration of hundreds of thousands of new immigrants."

More About
Washington Conference
on Page 11

See
'One Year of Progress'

Scientists and Technicians
Wanted

See
Pages 12 & 13

Coalition Word Due

JERUSALEM, Sept. 12 — The possibility of a broad coalition government including representatives of all major Zionist parties faded this week, when the council of left-wing Mapam decided to discontinue negotiations with Prime Minister Ben Gurion. It is understood that Mapam's demands for fundamental changes in foreign policy were responsible for the breakdown of the talks. In the light of Mapam's loss of popular strength, as shown in the elections, it was not expected that Mr. Ben Gurion would agree to major concessions on foreign policy—especially since 80 percent of the population voted for parties adhering to the government's orientation in world affairs. Disagreement on domestic economic issues was also a factor.

This development leaves Mr. Ben Gurion with the possibility of establishing his new Cabinet in alliance with the conservative General Zionists, a coalition which would command about 85 out of 120 votes in the Knesset, or of basing it on the moderate labor and centrist parties alone, with a narrower margin of about four seats.

Mr. Ben Gurion told the Knesset this week that he hoped to have an announcement on the formation of a new Cabinet "within a few days." The delay thus far has been due to the extensive inter-party talks which have been going on with Mapam, the General Zionists and other groups.

Meanwhile the outgoing Cabinet continues to function, meeting regularly and conducting the normal business of government. Since its members represent a majority in the Second as well as the First Knesset, its effectiveness has not been seriously impaired.

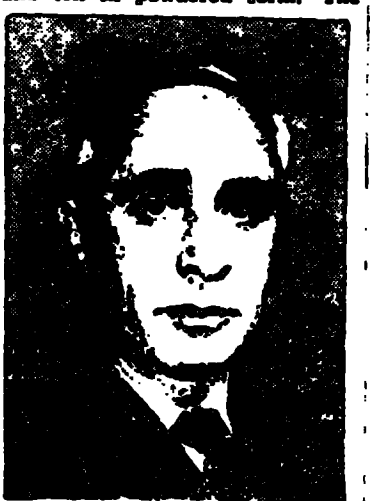
Food Picture Austere But None Go Hungry, Minister Declares

By a Special Correspondent

TEL AVIV—"There is no hunger in Israel," Minister of Agriculture Pinchas Lavon told the press in an interview here early this week. Local reports of a deteriorating situation reflect an effort to influence current inter-party negotiations on the new Cabinet, said Mr. Lavon, emphasizing that there has been little change in the food picture, except for a seasonal decline in the vegetable supply. Acknowledging that there are difficulties, the Minister declared that the individual diet of rationed and available non-rationed foods did not fall below 2,800 calories per day during August, and would not do so in September.

Concerning meat, Mr. Lavon reported that there had been three distributions last month and that a shipment of 1,500,000 cans of Mexican beef would be distributed this month. Each Israeli gets 25 eggs per month, he added, 15 fresh and ten in powdered form. The

autumn harvest will bring local vegetables to market in November, while canned vegetables and preserves have already been distributed for September. Large quantities of potatoes, on order abroad, will start arriving this month.



Mr. Lavon

usual. At this moment, too, the country is feeling the full effects of last winter's drought, which caused damage to fruit, vegetable and field crops estimated at about \$25,000,000.

Another factor worth mentioning is the world shortage of steel, which prevents Israel from pushing ahead with its irrigation schemes to the extent planned. Considerable progress has been made, but the year's plan has not been achieved in its entirety. Nonetheless, important advances in agricultural production have been registered. Although the figures are not available for 1951, a comparison of 1949 and 1950 shows that per capita imports of food dropped from \$80.01 in the former to \$52.51 in the latter year.

Also overlooked in reports abroad are certain staples of the Israel diet which are unrationed and continue to be available in adequate quantities. These include frozen fish, leben and lebeniyah (sour milk products). Perhaps everyone dreams of the day when he can dig his knife into a thick steak, and undoubtedly everyone grows increasingly tired of the austerity diet. But Israelis have chosen to invest in machinery which will enable them to raise their own food supplies—rather than eat their capital and there is no doubt that most of them will keep on feeling this way.

Meet the People ...



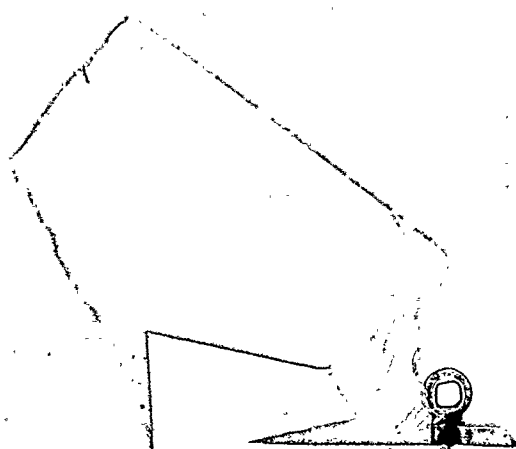
MOSEH NAKAN, 30, came to Israel seven months ago with his wife, his two-and-a-half year-old son, Joseph, and his 60-year-old mother. Iraqi immigrants, the family came from Baghdad via the Tiberias-Cyprus-Lydda airlift. Two months after his arrival, Moshe got a job with the Israel Railways as traveling inspector and train guard, a post similar to one he had held in the Iraq State Railways for eight years. Working on both passenger and freight trains on the Haifa-Tel Aviv and Jerusalem-Tel Aviv runs, he earns 12.66 (\$18) per month.

At present Moshe and his family live in a hut in Mishaneh Ha'emar (a transit camp) near Haifa, and it was here that his second child, a daughter, was born four months ago. They are on the waiting list for a place in a permanent housing development. Moshe's Arabic is fluent and he also knows a little Hebrew and English. He is now studying Hebrew intensively after working hours, and later hopes to have time for a small vegetable garden. He is happy to be living in his own country as a full-fledged citizen and regards the new freedom as far outweighing discomforts such as his present lack of permanent housing.

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ENCLOSURE

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6 ENCLOSURES TO BUREAU

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*1 copy of Prospectus sent kept with
Report*

PROSPECTUS

\$500,000,000

STATE OF ISRAEL

Independence Issue

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272,293

Two Types of Bonds Are Offered
in the Aggregate Principal Amount of \$500,000,000:

(a) Interest Bearing Bonds, denominated Fifteen Year 3½% Dollar Coupon Bonds.

Dated May 1, 1951

Due May 1, 1966

Offered, at par, in denominations of \$500, \$1,000, \$2,500, \$5,000, \$10,000, and \$100,000.

Interest payable May 1 and November 1. Interest will accrue from the first day of the month following the month in which subscription is accepted by the Bank designated for such purpose.

Interest for the unexpired balance of the current semi-annual interest period at the time of sale will be paid in advance at the time of delivery of the Bond:

(b) Capital Appreciation Bonds, denominated Twelve Year Dollar Savings Bonds.

Dated first day of month in which subscription is accepted by the Bank designated for such purpose.

Due 12 years from date. Offered, at par, in issue-amount denominations of \$50, \$100, \$250, \$500, \$1,000, \$2,500, \$5,000 and \$10,000. Maturity Value: 150% of issue amount.

BOTH TYPES OF BONDS ARE NON-TRANSFERABLE AND NON-ASSIGNABLE, EXCEPT IN CERTAIN SPECIAL INSTANCES; EACH BOND IS EXCHANGEABLE BY THE REGISTERED OWNER FOR A FULLY TRANSFERABLE BEARER BOND ON OR AFTER MAY 1, 1954.

Redemption of either type of Bond at the option of the registered owner (or his estate) prior to maturity is limited to (a) redemption upon death or (b) redemption in Israel currency, as set forth in the Bonds.

Either type of Bond is redeemable in whole or in part at the option of the State of Israel on or after May 1, 1956, upon at least 30 days' notice, at par plus interest accrued to redemption date in the case of Coupon Bonds, or at appreciated principal amount at redemption date in the case of Savings Bonds.

Principal and interest on the Coupon Bonds and appreciated principal on the Savings Bonds are payable at the office or agency of the State of Israel in the Cities of New York, N. Y., Chicago, Illinois or San Francisco, California, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

		Price to Public	Underwriting Discounts or Commissions*	Proceeds to Government*
Per Unit.....	{ Coupon Bonds	100%	3½%	96½%
	{ Savings Bonds	100%	3½%	96½%
Aggregate Total.....	{ Coupon Bonds }	\$500,000,000	*	*
	{ Savings Bonds }			

* The arrangements between the State of Israel and American Financial and Development Corporation for Israel are embodied in an agreement which is summarized under the heading "Summary of Underwriting Agreement" in this prospectus. The amount of discounts and/or commissions is subject to adjustment downward as provided in the agreement. The aggregate proceeds to the State of Israel will depend upon the amount of any such adjustments as well as the total amount of bonds sold.

American Financial and Development Corporation for Israel

The date of this Prospectus is March 28, 1951.

97-3038-9



\$500,000,000

STATE OF ISRAEL
Independence Issue

PROSPECTUS

Dated, March 28, 1951

**AMERICAN FINANCIAL AND DEVELOPMENT
CORPORATION FOR ISRAEL
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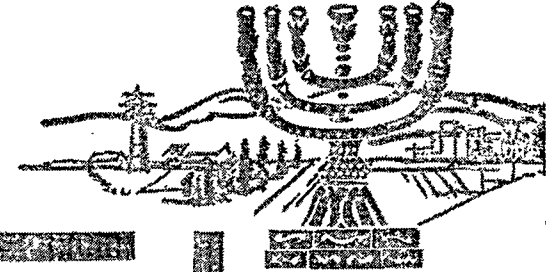


has been approved or disapproved by the Securities and Exchange Commission which does not pass on the merits of any registered securities.

20 FRANK ANSWERS TO YOUR QUESTIONS

ABOUT

STATE OF ISRAEL BOND



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#272,293

1. Why a State of Israel Bond drive in the U. S. A.?

The \$600,000,000 Bond Issue of the State of Israel being floated in the United States is part of a Three-Year Development Plan aimed at a large-scale expansion of Israel's economy, increasing industrial and agricultural production, reducing imports, and making possible the absorption of 600,000 more immigrants by the end of 1953.

The cost of this program is estimated at one-and-a-half billion dollars; one-half billion to be provided by the people of Israel; one-half billion to be raised through the Israel Government Bond Issue; the balance to come through private investments, contributions to the United Jewish Appeal and other philanthropies, plus grants-in-aid.

3. What type of Bonds?

Israel Bonds are of two types: (1) Interest-bearing Coupon Bonds, which mature fifteen years from the date of issue; (2) Savings Bonds, which mature twelve years from the date of purchase and are worth 150% of face amount at maturity. Both types are "Dollar Bonds"—payments of interest and principal will be made in the legal tender of the United States.

Interest-bearing Coupon Bonds are issued in denominations of \$500, \$1,000, \$2,500, \$10,000, \$50,000, and \$100,000. Savings Bonds are issued in denominations of \$50, \$100, \$250, \$500, \$1,000, \$2,500, \$5,000 and \$10,000. All Israel Bonds sell at face value.

5. Who may buy Israel Bonds?

The \$600,000,000 Israel Bond Issue is offered to all Americans as an

13. When should I buy Israel Bonds?

As soon as possible. The earlier the Independence Issue is the greater will be the material benefit both to the purchase State of Israel. Buying out of current cash and out of current reserves help in our own country's fight against inflation. State needs capital now to expand its economy for the new era expected within the next three years.

14. Who handles the sales of Israel Bonds in the U.S.?

The American Financial & Development Corp. for Israel has its headquarters at 120 Broadway, New York 5, New York, and is the underwriter for the State of Israel Bond Issue. The Chase

...can industrial firms—such as Plenco, General Shoe, Kaiser-Frazer, General Tire, Dayton Rubber—as well as large European firms—have invested substantial sums in Israel enterprises.

The State of Israel has never defaulted in payment either of interest or principal of any obligation.

Bond Issue funds will be used solely for productive and constructive enterprises such as harbors, basic chemical and metal industries, plants for machinery production, irrigation systems and new citrus plantations. Israel's untapped natural resources are to be developed.

3. Can Israel become self-supporting?

Yes. That is the objective of Israel's National Development Plan. Before Israel became an independent state, Palestine was well on the way to becoming self-supporting. But no country, no matter how stable, can remain self-supporting under the pressure of such an unprecedented immigration.

New Israel must absorb its immigrant population into the economy of the nation in order to achieve self-support.

The United States Export-Import Bank, through loans of \$135,000,000, has done much to speed Israel's productive development. As of December 31, 1950, the funded debt was I.L. 114,200,000 and the floating debt I.L. 1,300,000. The figures do not include any Treasury Bills, because of their relationship to the Special Defense Budget which has not been disclosed for security reasons.

The budgets of the Government reflect the objectives of the State of Israel to provide for the immigration and absorption of a large number of Jews. From May 15, 1948 to March 31, 1949, receipts were I.L. 29,885,000 and expenditures, I.L. 27,529,000. From April 1, 1949 to March 31, 1950, receipts were I.L. 92,876,000 and expenditures I.L. 93,800,000. From April 1, 1950 to January 31, 1951, receipts were I.L. 113,473,000 and expenditures I.L. 112,087,000. These figures do not include Special Defense Budget expenditures or receipts from internal loans financing same.

4. How do Israel Bonds affect America's defense?

American mobilization for defense is based on global strategy... America's defense lines lie far from our own shores.

Since Israel represents a bastion of democracy in the strategic Middle East, each State of Israel Bond you purchase strengthens American defenses.

Many of America's foremost military, diplomatic and economic authorities are convinced that Israel is a vital stronghold for democracy in the Middle East.

Israel for \$150 when it is due at the end of three years.

5. What is the rate of interest?

Interest on all Israel Coupon Bonds is at the rate of 3½% per annum. Interest on Coupon Bonds is paid semi-annually, on May 1st and November 1st. On a \$500 Bond, for example, you receive a total of \$17.50 annually in interest.

9. What about redemption on death?

The Government of Israel will redeem these Bonds on the death of the original purchaser, upon the request for payment by the estate. Such redemption may occur at any time following purchase, even if the death occurs during the first three years, if the Bonds are still owned by the original purchaser at the time of death.

10. How about transferability?

The Bonds are not transferable or assignable for the first three years, with certain exceptions described in the fiscal agency agreement. Thereafter, at the option of the purchaser, they may be converted into Bearer Bonds and ownership may be transferred. This measure is designed to protect the purchaser by preventing any undue market pressure on Israel Bonds, and to assure the flow of funds into Israel's productive economy during the three critical years.

11. Isn't philanthropy enough?

No. In the last fiscal year we imported I.L. 102,605,000 worth of goods a year. Its exports were \$12,552,415. This wide gap cannot possibly be bridged by philanthropy dollars.

The capital raised through the \$500,000,000 State of Israel Bond Issue will be invested in productive enterprises which will yield a financial return and, at the same time, in the country's economic development. Bond capital will be used for the expansion of industry, agriculture, irrigation, communications, electric-power plants.

Philanthropic funds are used for such definite purposes as: the cost of transportation, initial reception and similar needs of newcomers, most of whom are penniless for the activities which are not intended to provide a financial return.

12. U.J.A. and the Bonds: conflict or harmony?

The answer is harmony. United Jewish Appeal philanthropic dollars and Israel Bond Investments come from different sources and are directed toward different purposes.

Contributions made to the U.J.A. are tax-free and deductible on your U.S. income-tax returns. The Bond Issue, on the other hand, is an investment at 3½% interest. In both cases, you are participating in a great humanitarian endeavor.

Advisory Council. Rudolf C. Sonnborn, L.L.M., Julian B. Vencovsky is Chairman of the Executive Council.

15. Can my Corporation buy Bonds?

Assuming that the by-laws of the Corporation permit the investment, corporate funds may be used to purchase Israel Bonds of the Corporation, subject to the same provisions as individual Bonds.

16. Can Israel Bonds be used as gifts?

Yes! An Israel Bond is an ideal gift for birthdays, Bar Mitzvah and all traditional celebrations. Your Israel Bond is a gift of cash value through the years.

17. To what groups should Israel Bonds

Among the many types of groups which may want to give contribution to the purchase of Israel Bonds are: Pension Funds, Estates, Trust Funds, Credit Unions, Foundations. Discuss with your group what may be done by prospective purchasers.

18. Can I use the Bonds for expenses in

Yes. State of Israel Bonds may be converted by the purchaser at any time while in Israel, and such conversion will convert the rights which accrue to dollars.

19. Could I establish a business in Israel with these Bonds?

Yes. For this purpose, the Bonds may be converted into Israeli currency at any time, at the rate of exchange prevailing at the time of conversion.

20. Why must the Bond Issue be fully subscribed so speedily?

More than 1,200,000 Jews now live in Israel. Of these, over 600,000 entered the country since the establishment of the State. 600,000 are expected to arrive by 1953. Israel must have the capital necessary to the expansion of its industry, housing and agricultural construction of new roads and power plants, and the exploitation of natural resources, in order to keep pace with this vast immigration.

The time for expansion is now. If capital investment through the Bond Issue should not be forthcoming, the building of a stable, self-sufficient nation would take generations instead of years. And it would cost as much—not only in money, but in terms of human suffering.

The greater the speed with which Israel achieves full subscription of the Bond Issue, the greater the speed with which she can achieve economic expansion and self-support.



Further information, particularly financial data, contained in the Registration Statement filed with the Commission and in a more complete Prospectus which is furnished to each purchaser and is obtainable from the undersigned.

Orders for Bonds may be placed, and Prospectuses obtained from:

AMERICAN FINANCIAL & DEVELOPMENT CORP FOR ISRAELI BONDS OF ISRAEL BONDS 120 BROADWAY, NEW YORK

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Those Heavenly Carpets by Lees



Listed below are some of the stores in the East where Lees Carpets, referred to in the advertisement on the opposite page may be seen.

New York	New York (Cont'd)	New York State (Cont'd)	New Jersey (Continued)	Pennsylvania (Cont'd)
<p>Manhattan</p> <p>A. ALPERT, INC. 674 Ninth Avenue New York 19, N. Y.</p> <p>A. BESHAR & CO., INC. 25 East 49 St. New York, N. Y.</p> <p>CENTURY CARPET COMPANY 35 West 31 St. New York, N. Y.</p> <p>MacLEOD BROTHERS, INC. 230 Fifth Avenue New York 1, N. Y.</p> <p>McCREERY 24th St., Opp. Empire State Bldg. New York 1, N. Y.</p> <p>MERCHANTS CARPET CO. 51 East Broadway New York 11, N. Y.</p> <p>PHOENIX CARPET CO. 114 West 17 St. New York 11, N. Y.</p> <p>UNITED LINOLEUM & CARPET MILLS, INC. 42 Avenue A (cor. 42d St.)</p> <p>Bronx</p> <p>OSHERSON, INC. 148 East Burnside Avenue 138 East 170th Street 188 East Fordham Road</p> <p>Brooklyn</p> <p>FARRAGUT CARPET CO. 642 Coney Island Ave. Brooklyn 18, N. Y.</p> <p>P. GLEICHER 5262 Fifth Ave. Brooklyn, N. Y.</p> <p>KARAN FLOOR COVERING CO. 1393 Avenue U Brooklyn, N. Y.</p> <p>KRAMER'S RUG MART 427 E. 98 St., Brooklyn 214 Merrick Rd., Rockville Centre 65 W. Sunrise Hwy., Freeport 427 E. 98th St., Brooklyn NASSAU WAYSIDE SHOPS, Inc. 444 Sunrise Highway</p> <p>Suffolk</p> <p>Central Islip</p> <p>SUFFOLK WAYSIDE FURNITURE SHOPS Carlton Avenue</p> <p>East Hampton</p> <p>THE HAMPTONS DEPT. STORE East Hampton</p> <p>Greenport</p> <p>S. B. HORTON CO. 315-321 Main St.</p> <p>Patchogue</p> <p>THE BEE HIVE STORE 25 East Main St.</p> <p>Riverhead</p> <p>JACOB MEYER, INC. Main Street</p> <p>Westchester County</p> <p>Mt. Vernon</p> <p>GEO. FENNELL & CO., INC. 110 Fourth Ave. THOMAS THOMASIAN 16 E. Prospect Ave.</p> <p>New Rochelle</p> <p>NEPTUNE FURNITURE 365 Huguenot St.</p> <p>Port Chester</p> <p>THE MELWITZ COMPANY 35 South Main St., Port Chester 118 Main St., White Plains</p> <p>White Plains</p> <p>TOWN-N-COUNTRY FLOORS, INC. 122 East Post Road</p> <p>Yonkers</p> <p>THE CARPET SHOP INC. 135 New Main St. M. DEE & SON, 5-7 Manor House Square</p>	<p>Queens (Cont'd)</p> <p>Jamaica</p> <p>J. KUPITZ & SONS 162-24 Jamaica Avenue</p> <p>Laurelton</p> <p>STEVENS CARPET SHOP, INC. 226-02 Merrick Blvd.</p> <p>Richmond Hill</p> <p>ELITE RUG & CARPET CO. 115-06 Liberty Ave.</p> <p>St. Albans</p> <p>TREADFAS STAIR CUSHIONS 192-16 Linden Blvd.</p> <p>Nassau</p> <p>Hempstead</p> <p>ALLEN CARPET SHOPS 275 Greenwich St. PARK RUG SHOP 340 Fulton Avenue (bet. Main & Washington Sts.) JOHN A. SCHWARZ 1 Fulton Ave. (Cune. Front St. & Hempstead Ave.)</p> <p>Lynbrook</p> <p>KELLER'S CARPET CORP. 48 Atlantic Ave.</p> <p>Manhasset</p> <p>D. KALPAIAN & SON, INC. 14-03 Northern Blvd.</p> <p>Mineola</p> <p>HARRY KATZ FLOOR COVER- INGS CO., INC. 167 Mineola Blvd.</p> <p>Rockville Centre</p> <p>KRAMER'S RUG MART 274 Merrick Rd., Rockville Centre 65 W. Sunrise Hwy., Freeport 427 E. 98th St., Brooklyn NASSAU WAYSIDE SHOPS, Inc. 444 Sunrise Highway</p>	<p>Buffalo (Cont'd)</p> <p>THE WILLIAM HENGERER CO. Buffalo WILLIAM H. PRENTICE INC. 472 Franklin Street</p> <p>Elmira</p> <p>EDGCOMB'S FURNITURE CO., 161 N. Main Street</p> <p>Gloversville</p> <p>LIVINGSTON'S (Suburban Inc) 356 South Main Street</p> <p>Lockport</p> <p>WILLIAMS BROTHERS CO. 76-84 Main St.</p> <p>Poughkeepsie</p> <p>L'OCHEY, PLATT & COMPANY Poughkeepsie</p> <p>Saratoga Springs</p> <p>E. D. STARBUCK CO. Saratoga Springs</p> <p>Schenectady</p> <p>H. S. BAENEY CO. Schenectady</p> <p>Syracuse</p> <p>DEY BROS. & CO. 101 S. Salina St. JOHN J. HAND & SON INC. 168 South Salina St.</p> <p>Troy</p> <p>DEVAN'S INC. Fulton at 4th Sts.</p> <p>Utica</p> <p>J. B. WELLS & SON CO. Utica</p>	<p>Red Bank</p> <p>ACME FURNITURE CO. 137 Monmouth St.</p> <p>Rutherford</p> <p>HAYMAN FURNITURE STORES, INC. Rutherford</p> <p>Summit</p> <p>E. L. FITTERER 14 Beechwood Rd. JOSEPH ZERKNER & SON INC. 172-4 Springfield Ave.</p> <p>Tom's River</p> <p>ECONOMY SALES CO. 32-34 Main St.</p> <p>West New York</p> <p>HUDSON FURNITURE STORE. 5020 Bergenline Avenue</p> <p>Westwood</p> <p>SELYN'S WESTWOOD FURNITURE Opp. R. R. Station on Broadway</p>	<p>Danville</p> <p>KEEPPER'S DEPARTMENT STORE Danville</p> <p>Easton</p> <p>WM. LAUBACH & SONS 322 Northampton Street</p> <p>Middleburg</p> <p>WITMER'S FURNITURE STORE Middleburg</p> <p>Northtown</p> <p>CHATLAIN'S DEPARTMENT STORE Main & Mill Street</p> <p>Philadelphia</p> <p>KRITZ & LARUE, INC. 1615 Chestnut St. GIMBEL BROTHERS 9th & Market Streets CHARLES STOCMEN & SON 724 Chestnut St. S. SWARTZ 7108 Chestnut St.</p> <p>Pittsburgh</p> <p>CHARLES E. BECK CO. 621 Wood Street COLONIAL ART FURNITURE 3900 Fifth Ave. HAHN FURNITURE CO. 5 Stores MAY-STERN & CO. 214-320 Penn Avenue AND ALL Branches</p> <p>Swarthmore</p> <p>PAULSON & COMPANY 109 Park Avenue</p> <p>Wilkes-Barre</p> <p>ERWIN FURNITURE CO. 199 South Main St. FOWLER, DICK AND WALKER South Main Street</p>
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The Age of Welfare for All

(Continued from Page 15)
 from being anything like "welfare for all," would have been something like the present as it can be seen in China or India.

The reason why "welfare for all" is still practical politics in the world at large today is because we have tapped a wholly new kind of material resource in discovering how to harness mechanical power to technology. Mankind's hope of better things lies in a permanent industrial revolution.

As a twentieth century non-American sees it, looking back on nineteenth century American history, the American outlook, like all particular outlooks, is based on a particular experience; and the particular current American ideals to their present shape is that experience of stumbling upon a whole continent of virgin arable soil. The ground for the American hope of providing a good life for all was expressed in the two nineteenth century American magic words, "Go West."

In a nineteenth century agricultural United States, the local and temporary existence of empty arable lands did indeed give to the weaker party in the economic arena so effective a bargaining power in his dealings with the stronger party that it was possible for the weaker party to win his fair share of welfare without its being necessary to curb the stronger party's freedom of economic action. Even under the very different American conditions of today, enough of these nineteenth century agrarian American circumstances perhaps still survive in a twentieth century industrial America for the best of both worlds to be still more or less practical politics locally in the United States.

By "the best of both worlds" I mean, of course, a maximum of opportunity for all, combined with a minimum of restriction upon a stronger and wealthier minority's freedom of action. But if this state of relative felicity is perhaps still attainable locally in the United States, it certainly is not, any more than it ever has been, practical politics in the world at large.

THE outlook of the twentieth century world at large is governed, as I see it, by two facts. The first fact is that three-quarters of mankind are today still living the traditional life of an agricultural civilization in which there is no reserve of virgin soil and therefore no possibility of providing more than a tiny minority of the population with anything better than bare subsistence out of agricultural production.

But in this old-fashioned starveling agrarian world, the Industrial Revolution has brought with it a hope for all

mankind, from the prosperous American technician and farmer to the most miserable Chinese or Indian coolie, of breaking right through the iron limits to which the extension of the benefits of civilization has normally been subject in an agricultural society.

THIS hope is now rapidly dawning in the hearts of the depressed and ignorant peasantry that today still constitutes three-quarters of the living generation of mankind. They have begun to ask themselves how they are to attain those benefits of civilization which a mechanized technology has at last brought within the horizon of every man's hopes. But, considering the greatness of the gulf between present Asian and present American circumstances, it seems unlikely that the common Asian and American objective of extending the benefits of civilization to every man by drawing on the new resources of a mechanical technology can be attained in Asia in exactly the American way.

A common goal has to be approached along different roads by people who start their journey toward it from different quarters of the social compass. We must therefore expect to see an ideal which Americans have brought into the world being pursued by Asians and Africans on lines which, in contemporary American eyes, may, at best, look strange and, at worst, look misguided.

How is this depressed three-quarters of mankind going to set about the stupendously difficult task of gaining the benefits of civilization? Now that the hundreds of millions of peasants are aware of the relative well-being of the Western peoples, nothing is going to stop them from setting out to reach a goal which the West seems to them to have attained already. And no doubt only trial and error are going to make them aware of the difficulties in their path which are glaringly manifest to Western eyes.

FOR us Westerners it is easy to see that the mass of mankind today does not command those assets and advantages which have enabled a Western minority within the last two centuries to make some progress toward a wider distribution of the benefits of civilization inside the narrow circle of our Western society. Unlike nineteenth century and twentieth century America, they have no great installations of industrial plant, no human fund of widespread technical skill, no professionally competent and experienced middle class and—most serious deficiency of all—none of those Western traditions and habits of personal conduct which are the ultimate source of all the

(Continued on Page 40)

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