

“The Political Significance of Land Purchase,” Keren Kayemeth LeYisrael [JNF] (31 December 1937)

E.M. Epstein, The Political Significance of Land Purchases, JNF, Information Circular No. 2/98, strictly confidential, 1937: CZA/S25/10250

The Jewish National Fund (JNF), established in 1901, was one of several Zionist organizations that encouraged and assisted Jewish immigration and land settlement in Palestine. Its primary goal was to evaluate and purchase land that could be used to create rural Jewish settlements and to develop urban areas. It engaged in fundraising abroad and, from the 1920s onward, regularly participated in Jewish Agency discussions about acquiring land for the Jewish National Home. More than half of the land that Jews acquired before the declaration of Israel’s independence in May 1948 was



Figure 1 Yehoshua Hankin was the most notable JNF land purchasing agent. (CZA Photos)

held by the JNF. In 1920, the JNF – or Keren Kayemeth LeYisrael (KKL) – moved its offices from Europe to Palestine. Some of its land-purchasing agents were self-employed, while others did freelance work for themselves and for private and public Jewish land-purchasing organizations, such as the Palestine Land Development Company and the Palestine Jewish Colonization Association.

The JNF held periodic meetings to make decisions about which land to purchase at what price, and how to raise the necessary funds. Considerations for land purchase included water availability, location in relation to present or future Jewish holdings, viability of a land owner to support a specific number of Jewish immigrant farmers, number of Arab peasants in residence, and speed with which the sale might take place. The JNF Board of Directors was mostly comprised of Zionists living abroad and leading Zionist politicians who also held positions in other Jewish institutions in Palestine. For example, David Ben-Gurion (later Israel’s first Prime Minister), Moshe Shertok (later Moshe Sharett, Israel’s first Foreign Minister), and Chaim Weizmann (later Israel’s first President) often participated in deliberations. Key members of the JNF during the Mandate included, among others, Menachem Ussishkin, Abraham Granovsky (Granott), and Yosef Weitz. The most notable of the land-purchasing agents who worked for the JNF was Yehoshua Hankin.

Sharing information and formulating strategies based on evolving political conditions occurred frequently in JNF meetings and in other settings. Personal ties between members of various institutional boards and directorates provided useful informal links for the transmission of information about the prospects and handicaps of developing the Jewish national home.

Differences of opinion were considerable regarding the pace at which land purchase should take place, in what areas of the country, and whether negotiations should be undertaken before funds were in hand to solidify a proposed land purchase. In times of crisis however, these differences usually melted away, even if only temporarily, in order to sustain the Jewish settlement enterprise.

In the letter / report below, Eliahu Epstein (who worked in the newly established Middle East Department of the Jewish Agency, and later became Israel's first Ambassador to the United



Figure 2 Eliahu Epstein (CZA Photos)

States, then to the Court of St. James and eventually President of the Hebrew University), took notes at the December 1937 meeting. It was convened to shape land-purchase strategy in the midst of Arab-Jewish violence, immediately after the British proposed the 1937 partition of Palestine into Arab and Jewish states, which was negated as a political option a year later. At that time, the Zionist decision-makers were confronted with Arab violence, increasing opposition to the development of a Jewish presence, insufficient capital to buy more land, and unprecedented offers from Arabs in Palestine who wanted to sell portions of their lands. Decisions were made about which lands to buy and what initiatives to take to raise money for what Ben-Gurion called “rescuing the homeland.”

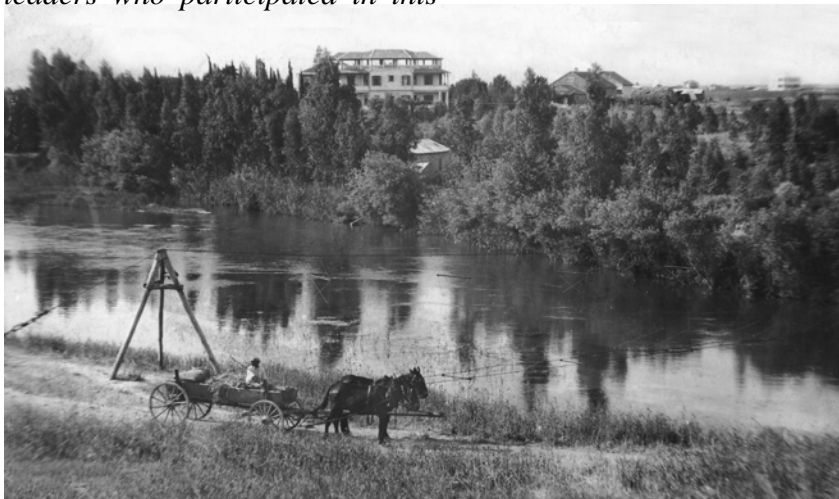
Some of the more notable and earliest JNF purchases from Arab landowners (some of whom lived outside of Palestine) included agricultural land in the Jezreel Valley in the period before and after World War I, and along the coastal plain in Emek Hefer in 1930. In the early 1930s, the JNF's acquisitions increasingly, and then predominantly, came from

Palestinian Arab owners and Arab peasants whose worsening poverty motivated them to sell their lands to the JNF, either directly or through Arab or Jewish intermediary-brokers, who in turn assembled smaller parcels before gathering them in greater sizes to sell to the JNF.

In December 1937, as the Epstein report indicates (below), the JNF became a forum for discussion of overall present and future land purchase strategy. Those attending the meeting took into account local Arab politics and British policies, the JNF's own financial condition, and present and anticipated changes in British policy. Although the JNF had no direct influence on deciding purchases made by private land buyers, its decisions on where to purchase land did affect both land prices and individual buyers. At the time of this report, the JNF owned approximately one-third of all Jewish land purchased in Palestine. The remaining two-thirds had been acquired by individual Jews who invested their own capital in land, suggesting a personal commitment to a new Zionist future.

Eliahu Epstein summed up the problems and prospects for Jewish land purchase in the wake of Arab violence in the mid-1930s, and the recently published British policy statement, the July 1937 Peel Report, suggested the division of Palestine into separate Arab and Jewish states. Epstein's summary of the special JNF-sponsored meeting reveals that more Arab offers to sell land existed than there were Jewish funds available to make those purchases. This discrepancy

allowed the Zionists to make critical choices regarding which land areas would be best to acquire. Jewish land ownership itself was important, but not as vital as acquiring land to satisfy a particular strategic requirement, and to have it settled by recent or future immigrants. The discussion revealed agreements on both priorities, which included buying land along the Jerusalem-Tel Aviv corridor in order to connect Jewish presence in Jerusalem to Jewish areas in the coastal plain, in the north of Palestine near the strategic port of Haifa, and lands that were in close proximity to the headwaters of the Jordan River. Buying land outside the boundaries of the proposed Jewish state was considered another priority so that ‘facts on the ground’ could be established and hopefully enlarge the imminent Jewish state. The evolving strategic land purchase policy reinforced a commitment to broaden contiguous blocks of Jewish-owned land, and not to acquire land in a helter-skelter fashion based on religious or philosophical motivations to settle in all the Land of Israel. The Zionist leaders who participated in this



Degania Alef, c. 1920- the first Israeli Kibbutz, and a typical JNF land purchase near the Jordan River (CZA Photos)

important consequences: first, it reinforced the Zionist leadership’s commitment to find ways to acquire land; second, it allowed important decisions to be made about what lands would best suit the strategic needs of the growing Jewish National Home; and finally, it strengthened overall Zionist political resolve by highlighting the contradiction between public Arab demands to halt the Jewish national home and private Arab behavior. Within two years of this meeting, the British imposed immigration and land transfer restrictions on the development of the Jewish state. Evidence provided from the Jewish National Fund’s directorate minutes from the 1940s indicates that Arab offers to sell did not appreciably abate, allowing Zionists to choose land needs based on strategic priorities.

meeting reasoned that once land was securely in Jewish hands, the British might amend projected borders to include said land within the Jewish state. Creating facts on the ground was a land purchase priority.

Epstein summarized this critical discussion. His letter was then dispatched to Zionist decision-makers in Palestine and a few key Zionists abroad, informing them of “land politics.” Knowing that Arabs wanted to sell their lands had three

–Ken Stein, April 2010

Information Circular No. 2/98
STRICTLY CONFIDENTIAL

Dear Sir,

The Political Significance of Land Purchase

We have already acquainted you with the fact that, as foreseen by the JNF management, the disturbances in Palestine have brought about a considerable increase in the offers of land for sale. At a meeting of the Board of Directors held on 6th December a report was submitted showing that these offers were on a scale unprecedented since the World War. If means were available, contracts could be closed for 200,000 dunams in various parts of the country, including both areas in the projected Jewish and Arab State, and on their borders, with an undertaking on the part of the vendors to complete the transaction in a short time. Of these offers at least 150,000 dunams have been examined and found satisfactory in respect of lands in Upper Galilee, Districts of Beisan and Acre, Judean Hills (the "British corridor") [the Jerusalem to Tel Aviv road] and in the south. The acquisition of this territory would require an LP.1,100,000 additional, [above] of course to the regular budget of the JNF.

At this meeting of the Board of Directors, Mr. Ben Gurion stressed the political significance of land purchase at the present time. It was most probable that in the event of partition, the scheme of the Royal Commission would be modified positively and negatively. Certain areas in Galilee were endangered, and in consequence land purchase now by the JNF had an additional value, above its intrinsic merits. Mr. Ben Gurion referred to it as not less than the "rescue of the homeland."

In the event of partition not being carried through, further restrictions on land purchase were to be expected and they would probably affect Arab areas in which Jews have no foothold. It was therefore important to acquire land now on the borders of the projected Jewish State, and in regions in which Jewish settlement has not yet taken place.

It was the opinion of the Board that every effort should be made to effect the purchase of those areas already examined, totaling 150,000 dunams. It was pointed out, however, that the present financial position of the Fund does not permit the execution of this program. The present contracts of the Fund affect an area of 40,000 dunams approximately, requiring an investment of LP.361,000 on account of which LP.150,000 have been spent, leaving a balance of LP.211,000 which is entirely due during the present year of 1937. A further investment of LP.33,000 is required for various small areas to complete certain estates. Apart from these investments there must be added the share of the JNF in the cost of initial settlement of [newly acquired] lands, as well as the budgets for protection of [existing] lands, afforestation, amelioration, etc.

The total sum which the Fund is required to invest would thus amount to LP.390,000. In addition there must be paid this year obligations amounting to LP.360,000 so that together the financial commitments of the Fund for 1938 amount to LP.750,000. The receipts of a good year have not amounted to more than LP.350,000 - LP.400,000 net (apart from gifts of land). Approximately, therefore, a sum, twice as large as expected income is needed.

Under these circumstances, in spite of the fact that the JNF has always found it essential, for national reasons, to accept commitments for land purchase even beyond its immediate financial capacity, the JNF management proposed that a minimum program be adopted of 43,000

dunams (additional to the 40,000 dunams for which contracts have been signed). This will mean an additional obligation of LP.300,000 to be covered as an exceptional expedient by special financial measures. The lands to be bought with such funds should be determined by political considerations, in consultation with the Zionist Executive.

The Board agreed to the above proposal on the assumption that the ordinary budget of the JNF could not be expected to provide the additional funds. Mr. Ben Gurion proposed that a further meeting be held, together with the Executive of the Zionist Organization, including Dr. Weizmann, on this subject.

This joint meeting took place on 12th December, at the Head Office of the JNF, following a summary of the discussion of the previous meeting, in which it was stressed that Arabs were willing to sell land in view of their fear that new political developments might make the holding of their land unprofitable, whether it fell within the Arab or Jewish State, or owing to the reduced financial resources of land owners, or the apprehension that they might be prevented by legislation from selling later on. Mr. Ben Gurion stressed again the political necessity on the part of the Jewish people to acquire more land as rapidly, and on as large a scale, as possible.

In reply to Mr. Ussishkin's request for his opinion, Dr. Weizmann stated that the most important places in which land should be bought are on the northern and southern boundaries of the projected Jewish State. It was his opinion that partition was bound to come. The borders are not yet finally determined. It was conceivable that the acquisition, and settlement or occupation, of land on the far side of the borders as now delimited of the Jewish State, would influence the Boundaries [Woodhead] Commission to extend those borders. This would not be the sole factor operating, but in addition to others, would be influential. He emphasized the northern and southern boundaries, because there the position seemed to him to be clear. He believed that the Negev would not be included in the Arab State, but would be under British control. As a matter of fact, a neighboring Arab State was opposed to the Negev being in the hands of an Arab State.

In regard to the "corridor" he stated that the exact status of this region was still quite obscure, and it was difficult therefore to suggest what line of action to take in regard to land purchase there. However, the purchase on which the Board of the JNF had decided, of some 4,000 dunams in extension of the estate of Kiryath Anavim, should be proceeded with.

Other speakers supported the view that our most urgent task at this moment was the securing of territory at the extremities of the projected boundaries of the Jewish State. This policy was advocated irrespective of what might be the outcome of the Royal Commission's recommendation. Mr. Shertok, for example, said that he would not exclude the possibility that the partition scheme would not be adopted, when we might be faced with stringent restrictions on land purchase. In that case, too, our best policy was to concentrate on land in areas where we were not at present at all or well established. He thought that restrictions, if and when they came, would rather fall on areas in which we had not gotten a footing than on areas where we already owned a more or less substantial part of the land.

Certain proposals were before the JNF for the purchase of lands in the vicinities mentioned. However, it was emphasized by those present that no real progress could be made unless much larger means became available than either the Executive or the Keren Kayemeth [JNF in Hebrew] have at present for land purchase. In view of the fact that lands bought now, in the light of political conditions, would have to be at least occupied and partially settled, the Keren Hayesod [financial arm of Jewish Agency] would have to participate in the scheme. Neither the Keren Kayemeth nor the Keren Hayesod could afford at present to run an additional drive since it would only divert funds from one purpose to another. It was essential to tap

additional resources and this, it was generally agreed, could only be done by an intensive campaign among a limited number of individuals. It was believed, and in this Dr. Weizmann concurred, that there were individuals who, if approached by the right person, would be willing to contribute a substantial sum for the purpose of “rescuing the homeland,” in the words of Mr. Ben Gurion. It was, of course, necessary to mobilize the right type of person to approach these people and they would have to devote themselves exclusively to this task. Dr. Weizmann is prepared to join them a little later on.

It should be stated that the acquisition of these lands would have to be completed within a matter of months, at the outside in the course of a year. This entailed the gathering of additional funds more quickly. The possibility and desirability of stimulating private individuals to purchase land in conformity with the present scheme, was also stressed and generally agreed upon.

The proceedings concluded with the appointment of a sub-committee for the purpose of considering the ways and means of obtaining the additional funds needed. In this respect the possibility of a loan either from outside sources or “an internal loan” was mentioned. The Committee is composed of the following, representing the Executive, JNF, and Keren Hayesod: Dr. Weizmann, Mr. Ussishkin, Mr. Ben Gurion, Dr. Granovsky, Mr. Kaplan, Rabbi Berlin and Dr. Hantke. The Committee has already met.

In communicating this information strictly for personal knowledge, it is perhaps unnecessary to point out that the additional effort which is contemplated can only have its effect if the funds for the present programme of other purchases are made available to the full extent, namely LP.750,000. Just because it will be necessary to approach a number of specific individuals for large additional sums, the present activities of the Fund to meet the obligations it has already incurred and to carry out the purchases already contracted for, must obviously continue at their maximum intensity. That is the immediate conclusion to be drawn from the situation which has arisen.

With Zion’s Greetings,
Yours Faithfully,

E.M. Epstein
(Eliahu M. Eliath)