Dear Mr. Hyman:

Thanks for your various letters -- particularly the one about the Palestine situation -- all of which I have greatly appreciated. From this distance, and in view of my ignorance of any developments which might have occurred since your writing, it would of course be futile for me to make any suggestions -- besides, I think the handling of the entire situation from New York has been admirable. I am very eager to hear what the Committee has finally decided about sending a J.D.C. representative to Palestine. I know that inquiry was made of Vienna regarding the availability of Hyman and Rubinstein while I was there. The former, according to Robinson and Kahn could not be spared at this time; Rubinstein was suggested after consultation with me, providing he could serve under the direction of Magnes. Such an arrangement might work out but without Magnes' supervision and direction I fear he would not very satisfactorily fill the job. As I have said, however, I am so unfamiliar with the whole situation which undoubtedly changes almost from day to day that I am unwilling to offer any advice or suggestion from this distance about Palestine in general, and I am happy to be able to leave the solution to the very able and experienced sub-committee, in perfect confidence that their decisions will be wise and effective. I had five very strenuous days in Vienna where I was in constant conference with Kahn, Robinson, our territorial representatives, Mr. Oungre of the ICA and two members of our Polish Committee. Our meetings with the latter men were quite hectic as, of course, they strongly urged the establishment of a strong commercial bank. I, of course, stood firm on the position assumed by all of us before my departure. They finally agreed without qualification that the bank would undertake no activities except for direct account of the co-operatives—in other words, no individual or corporation deposits, loans, exchange transactions, purchase of securities on commission, etc. and that they would serve only as a clearing house for our various co-operatives or loan kassas. I think it will be a continuous struggle to keep them up to the scratch, but I am sure that both they and Robinson understand the situation as we view it, and if they want to play the game fairly, there should be no trouble. Much, however, will depend on their good faith. I, however, made it clear that the New York Committee was of one mind on this subject and that we would rather close up shop than have the bank become a commercial institution. Of course, many, many other things were also discussed including, in great detail, the question of future work and future control of our activities and assets. There is no use in trying to describe in a few pages the results of conferences which extended over many days. Mr. Warburg who will be in New York before this reaches you was of course at most of the meetings and knows the situation fully. He can put you en rapport with everything of interest which we discussed.

I will be in Paris by July 5th and will then meet Robinson, the members of the ICA and others. We will again, of course, discuss the future and try to reach some tentative proposed arrangement which can be recommended to our Committee. I am not very hopeful of being able to accomplish anything very definite at this time. I think, however, that we can establish at least an initial basis on which to build a little later. I shall, however, make every effort to get something definite set up now as I am more and more fully convinced that the sooner we turn over the work to some foreign organization, the better off both we and the work will be.
I sail for home, I think, four weeks from today and will report to the Committee in person soon after my return. There is no use in trying to go into all the details of what has transpired. Of course, I take it for granted that Robinson has sent you reports of everything specific we have disposed of. There were no new appropriations recommended so far as I recall. We simply put into effect some of the appropriations previously made most of which were left to my discretion. From present indications by no means the whole of our Polish building appropriation will be used up this season. We probably will, therefore, be in a position to use part of the money for further building operations next year, or what I think is more likely, divert some of the unexpended funds to our Polish credit operations. This, however, could only be done with the consent or approval of the Polish Committee, as the amount of the building appropriation was made public and is undoubtedly considered as a definite commitment by Polish Jews.

We are here for only two days; we return this afternoon to Montreux — and on Thursday night leave for Deauville. I shall be in Paris from about July 3rd or 4th to about the 10th or 11th — will cable exact date — and then at Deauville until we sail about July 26th.

I am very much pleased that Mr. Flexner and you with the other members of the Committee are handling all matters on your own initiative and without reference to me. This, of course, makes for far greater effectiveness than if you lost time and effort by communicating with me while I am certain that you all who continue in close touch with the situation can reach far more accurate decisions.

I am glad to be able to report that all my family all are fine in spite of almost continuous bad weather. It has rained steadily for weeks and I wish we could establish an average with the terribly hot weather you appear to have been having in New York. Will you please show this letter to Miss Flexner to whom I will write in a day or two about other matters, but who I would like to be informed of what is going on in reconstruction affairs.

Kindest regards and au revoir in a few weeks,

Very sincerely yours,

(Signed) Herbert H. Lehman

I should oppose any additional appropriation for Russia at this time — our original grant will keep them going for some little further time and we should — so far as I can view the situation now, — not give them any additional money. If any requests for new appropriations, in any substantial amounts, come to the Committee for other countries, I should like to be advised before affirmative action is taken, as I, of course, have gone over this situation carefully with Robinson and the other members of our organization.