

195. April 30, 1959

דאר נע נכ א מורל אשקלון מל 110

ההסתדרות הכללית של העובדים העבריים בא"י

אחוד הקבוצות והקבוצים

ברור חיל

קבוצ אחוד הוטר המרכזי להתיישבות שחופית בע"מ

Ervin Semmel

POB. 3095

Tel Aviv.

Dr. Adalberto Corinaldi,
Vaad Lemaan Bror Chail,
P.O.B. 3744,
Sao Paulo,
Brazil.

Copy

Dear Sir,

We have the pleasure of informing you that all contracts between Kibbutz Bror Chail and Messrs. H. Galemann & Co., of Winterthur Switzerland were successfully signed a few weeks ago.

The new Company is now in the Registration stage, and subject to the approval by the competent Authorities; the new Company will be called: "DECO" Swiss-Israel Dehydration Co. Ltd.

You are probably aware of the time and money we have invested in studying and preparing this project, and it would therefore be superfluous to stress before you the importance which the Kibbutz is attaching to this new economic venture, not only from the Kibbutz's own viewpoint but also from a national point of view.

For your information we shall stress hereunder some of the main lines of the scheme:

1. A total of IL. 720,000.- will be invested in the project. This sum is composed of investments of Kibbutz Bror Chail and of the Swiss partners in equal parts, plus various governmental loans. The sum does not include working capital.
2. The Registered Capital of "DECO" is IL. 150,000.- composed of 150,000 shares of IL. 1.- each. 75,000 shares were subscribed by each of the shareholders. Bror Chail's investment is naturally done in Israeli Pounds while the Swiss group invests US.\$ 41,900.- in foreign currency. The investment of each of the two shareholders will be probably increased to \$60,000.- in the near future. It seems to us that you are already aware that our Swiss partners are non-Jews but first-rate specialists in the marketing and production of Dehydrated vegetables in Western Europe.
3. The Board of Directors of the Company is composed of 7 members: 3 representing Bror Chail, 3 representing the Swiss Group and the undersigned as Managing Director.

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4. We hope that the factory will start production by the beginning of 1960. The factory itself is planned for an absorption of 70 tons of fresh vegetables per 24 hours although the production during the first stage is only planned for 40 tons per 24 hours.

5. The expected turnover in dehydrated vegetables should reach during the first phase IL.1,845,000.- yearly. 90% of the production is planned for export and will be in its major part sold against irrevocable Letter of Credits to be paid in dollars, Swiss francs or other stable convertible currencies.

6. We outline below the various products to be produced by "DECO". The particulars which follow are in excerpt of our successful bid for loans from the Israeli Government:

"Dehydrated vegetables and vegetable extracts, then dehydrated fruit, dehydrated chicken meat, medical herbs, spices, etc. At a later stage; other various lines in the field of the food industry."

The Memorandum and Articles of Association of the Company naturally empower it for a much wider field of activities than the one above enumerated.

7. Bror Chail will provide the new Company with the agricultural and organizational know-how, while the Swiss group will provide the technical and marketing know-how.

8. A pilot plant with a capacity of 500 kgs. per 24 hours will start operating within a few months. The foreign technician which will be sent by the Swiss group to direct production at "DECO'S" factory will probably be in the country when the pilot plant starts working.

9. The largest part of "DECO'S" production will be sold to and/or through the Swiss Group. Bror Chail will be a partner in 50% of the marketing profits abroad, obtained by the sale of DECO'S production.

10. This industry is the first of its kind in Israel, and the Government is naturally giving all the necessary support.

Finally we would like to point out again that our plan is in due time to bring forward various proposals through which our Brazilian friends will be able to invest and join this enterprise, providing naturally they will find a commercial and business interest in it. We are also in a position to add that the matter has been discussed with our Swiss partners a few weeks ago and they agree, in principle, with the idea. Furthermore as you know the government also views with much interest the conversion of Bonds into shares of industrial enterprises and we assume that this might also arouse a special interest for some prospective investors.

We hope that the contents of this present will meet with your interest and we remain entirely at your disposal for the clarification of any points and enquiries by you.

Sincerely yours,

es/c

copies: Ephraim Bariad, Maz.Bror Chail; Hanhaga Artzit,
Brazil.

Eran Semmel