

Committee for Changing
the Status of
The National Library

Report

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the Status of the National Library:

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Part One

Summary of the Report

Summary

In June 2002, the President of the Hebrew University of Jerusalem appointed a public committee (“Committee for Changing the Status of the National Library”) to recommend a way of establishing in Israel a National Library of independent standing.

This introduction, which is based on the detailed recommendations in the Committee’s report, provides a brief overview of the process that will lead to the establishment of the National Library, the changes that will occur in the existing situation and the aims and functions of the library which is to be established.

A. Aims and Functions of the National Library

The Jewish National and University Library (JNUL) operating within the framework of the Hebrew University of Jerusalem, has chalked up impressive achievements as a storehouse of intellectual works of Israeli, Jewish and worldwide provenance, and as a research library of the highest level. It contains more than five million items and rare treasures of supreme importance for the heritage and culture of the State of Israel and the Jewish People. However, for many years now it has been hard pressed to maintain itself at the appropriate level and it is unable to fulfill the functions of a National Library.

The present Committee, like the International Visiting Committee which preceded it, recommends changing the current perception of the library, inter alia in terms of its aims and functions, and setting up in its stead an independent National Library that will take on the aims and

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functions suited to a National Library in the 21st century. The library's principal aims and functions will be the following:

- * The National Library will cater to the general public and make its collections and treasures highly accessible by means of modern technology.
- * The National Library will be built upon the collections and treasures of the JNUL, but it will work to constantly expand its inventory, inter alia in order to facilitate research at the highest level.
- * The National Library will be active in the field of culture, especially book and audio culture, by means of lectures, conferences, concerts and the like, which will be open to the general public or to specific audiences as relevant.
- * The National Library will strive to involve itself in the field of education, integrating high technology, with the aim of helping to formulate study programs and furthering the knowledge of students in different areas, such as Land of Israel studies, national heritage and book culture.
- * The National Library will serve as a central research library in different domains inside Israel; it will also serve as a source of information for researchers and others outside Israel and as a guide for public libraries of Jewish communities worldwide, mainly in connection with Jewish studies, Jewish heritage and Land of Israel studies.
- * The National Library, which will be housed in a new structure adapted to the needs of a modern library, will provide both researchers and the general public with convenient premises for research and study in different fields; it will display its treasures in the Museum of the Book and in permanent and changing exhibitions and will be open to visitors from inside and outside Israel.

The diverse activity of the National Library should make it a central research library within the State of Israel, mainly in the sphere of humanities, and an important institution in the State's cultural life and educational arena.

B. Status of the National Library

In order to bring about the change in the Library's aims and functions, it will be necessary to change the current status of the JNUL in the following ways:

1. **Independent status.** Instead of the JNUL, which has the status of a department within the Hebrew University, the National Library will be set up as a public body (public-service corporation) with an independent status and full autonomy in setting policy, controlling assets and running the library on a day-to-day basis. In the existing situation, such a change cannot be effected in a single move but will have to be implemented in two stages.

In the first stage, to be implemented still this year, the JNUL will change its status from that of a unit of the Hebrew University to that of a subsidiary owned by the Hebrew University. This stage (the transitional period) will take up to three years. In it, the library will be managed by an independent Board of Directors that will set the library's policy and take various steps, as recommended by the Committee, in order to ready the library for the next stage, i.e. the establishment of the National Library in the year 2007.

Ahead of the move to the second stage (the permanent stage), the situation of the library will be examined in order to determine whether the necessary conditions for setting up the National Library have been met. Among the essential conditions for this purpose are, on the one hand, the enactment of a National Library Law that will confer on the library recognition and status as a National Library, and securing of a state budget on the requisite scale, and, on the other hand, Yad Hanadiv's readiness to contribute the necessary resources for putting up a new building to house the National Library. If the necessary conditions are fulfilled, it will be possible to set up the National Library on the basis of a joint decision of the Ministry of Education and Culture, the President of the Hebrew University, the Chairman of the Board of Directors of the National Library Transitional al Company and the Chairman

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of Yad Hanadiv. The National Library will have the following structure:

- * The National Library will be a public-service corporation. The library will be under the joint ownership of the State (50%), the Hebrew University (25%) and other public institutions, such as other higher education institutions and the Jewish Agency, who will be offered a share of the ownership on conditions to be agreed upon (25%).
- * The General Assembly of the library will consist of representatives of the State and other bodies sharing in the ownership of the library, in a manner ensuring the library's professional and independent functioning.
- * The Board of Directors will be appointed by the General Assembly and will consist of three members of the Hebrew University's academic staff, three members of the academic staff of other higher education institutions, three members of recognized standing and experience in the field of economics and the national economy, one member who is an expert in librarianship and one member of recognized standing and experience in the field of education and culture.
- * The Board of Directors will appoint the General Manager of the National Library, having regard to the recommendation of the Search Committee.
- * The General Assembly will appoint a Board of Trustees, including thirty members of public standing inside and outside Israel, that will add a public and transparent dimension to the library and help it fulfill its functions.

The proposed format is designed to enable the necessary change in the function of the National Library.

2. **National Library Law.** It will be necessary for the Knesset to enact a law conferring on the planned library recognition and status as a National Library, investing the library with authority as librarianship coordinator and guide for public libraries, and regulating other matters as necessary for the library's orderly functioning, such as the continuation of funding through the

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Council for Higher Education and the obligation to submit to the library every book and newspaper published in Israel.

C. Budget of the National Library

The annual budget of the JNUL stood in 2002 at about 60 million shekels. The budgetary sources for 2002 were the following: the State Treasury through the Council for Higher Education (30 million shekels); the Hebrew University (also through various services) (23 million shekels); own revenues (6 million shekels). Prior to the change in the status of the JNUL to that of a Hebrew University subsidiary, it will be necessary to ensure that the change in status does not affect the continued budgeting of the library from these sources, at least at its current level.

Following the change in the library's status, it will be necessary to gradually increase the annual budget to an estimated 90 million shekels, while simultaneously implementing internal efficiency measures, so that the National Library is able to fulfill its designated functions. Based on a comparison with national libraries in other countries of a similar size, one can say that this is still a modest budget. In order to achieve this budget, it will be necessary to increase the current subsidy from the State Treasury over a period of several years by approximately 15 million shekels per annum. The Hebrew University will continue supporting the library at the current level (23 million shekels per year). The main growth in the budget will derive from the library's own revenues (which should increase up to 22 million shekels per year).

D. Government Participation in the Establishment of the National Library

The Government of Israel through the Ministry of Education and Culture will be called upon to assume a major role in the establishment

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of the National Library. Among other things, the Ministry of Education and Culture will be asked to do the following:

- * To advance, together with the Ministry of Justice, legislation of a law that will confer on the library recognition and status as a National Library of independent standing.
- * To ensure, in coordination with the Ministry of Finance, the necessary state support for the National Library's budget.
- * To integrate the National Library in educational activity for teachers and students in schools and other education institutions, through the development of study programs that foster book culture, by making the National Library's collections and treasures available to teachers and students by means of an advanced distance information system, and in other ways.

E. Yad Hanadiv's Participation in the Establishment of the National Library

The Committee ascribes supreme importance to the participation of Yad Hanadiv in the establishment of the National Library. Yad Hanadiv has thus far shown interest and involvement in advancing the process aimed at establishing a first-class modern National Library that is accessible to the general public and active in the fields of education and culture. However, the partnership with Yad Hanadiv must go beyond this: it appears that realizing the vision of the National Library depends on Yad Hanadiv's willingness to contribute the necessary resources for the assimilation of modern technology during the transitional period leading up to the library's establishment, and for the construction of a new building in Jerusalem suited to the needs and functions of such a library. The Committee hopes that Yad Hanadiv will take upon itself this partnership in the establishment of the National Library.

F. Timetable

Listed below are the main steps entailed in the different stages of the process of establishment of the National Library:

- 1) **Preparatory stage (April 2004–December 2004).** In this stage, the Hebrew University is to adopt the Committee's recommendations; change the status of the JNUL from that of a university department to that of a subsidiary of the university, and nominate a Board of Directors for this company composed on basis of the Committee's recommendations and vested with authority to set the library's policy and manage it independently. The said Board of Directors is to appoint a General Manager, approve a new organizational structure and prepare a work plan for 2005.
- 2) **Transitional stage (January 2005–December 2006).** In the transitional stage the Board of Directors of the National Library Transitional Company is to carry out the restructuring of the library; draw up agreements with the Hebrew University regulating the transfer of the collections and treasures, as well as staff, from the University Library to the National Library and other aspects of the relations between the two libraries, and act to advance the National Library Law.

The Committee recommends that in the transitional stage the National Library Transitional Company act along the following lines: prepare a multi-year plan designed to alter the face of the library (with the aid of the Ministry of Education and Culture and Yad Hanadiv) so as to make it more accessible to the general public and more active in the culture and education spheres; prepare a multi-year plan for the gradual development of the annual budget from its current level (60 million shekels) to the target level (90 million shekels); in the framework of this plan, take steps to augment and diversify the library's own revenues (donations, benefits, payment for services, etc.); increase organizational efficiency and improve the services to researchers

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and other users of the library's services; determine the location of the new building of the National Library, and prepare a program for this building.

- 3) **Permanent stage (2007)**. Constitution of the National Library as an independent body and appointment of its organs in line with the Committee's recommendations; nomination of a Board of Governors for the National Library; construction of the new building of the National Library.

The Committee believes that the cooperation of the Government, the Hebrew University and Yad Hanadiv in implementing this Committee's recommendations will lead to the realization of the vision of a National Library serving as a meaningful factor in the fields of knowledge, research, heritage, culture and education.

Part Two

The Report

Introduction

1. This Committee was appointed by Prof. Menachem Magidor, President of the Hebrew University of Jerusalem, in consultation with the Director of Yad Hanadiv. The Committee's letter of appointment, dated June 24, 2002, delineates the background for the Committee's appointment, as follows:

“The Committee is being set up against the backdrop of the Hebrew University of Jerusalem's intention to strengthen and advance the library in terms of its function, budget, infrastructures and the services provided by it, as well as the understanding that this requires changing the status of the library to that of a National Library with an independent standing, and in light of Yad Hanadiv's willingness to make a worthy contribution to this cause.”

The Committee's function and authority were defined in the letter of appointment thus:

“The Committee will act on the basis of the recommendations of the International Visiting Committee on the subject of the Jewish National and University Library, as formulated in the report from June 1998, taking into account the memorandum of understanding between the President of the Hebrew University of Jerusalem and the Director of Yad Hanadiv from March 14, 2002.

The Committee is requested to define the aims and functions of the National Library, the manner of its establishment as a national corporation, the structure of its organs and the allocation of responsibilities and authority among them, its budgetary structure,

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the future relations between it and the Hebrew University of Jerusalem as well as other bodies, the transitional from the current situation to the proposed status, including as regards the library's staff, and other matters relating to the Jewish National and University Library and the National Library as the Committee may see fit."

The letter of appointment also sets out the Committee's work procedures and specifies among other things that the Hebrew University of Jerusalem and Yad Hanadiv will cover the Committee's expenditures in equal shares.

The Committee's members as listed in the letter of appointment are: Prof. Yitzhak Zamir (chairman), Mr. David Blumberg, Prof. Yosef Hacker, Mr. Amos Horev, Mr. David Milgrom, Prof. Yoram Tsafir, Mr. Moshe Vigdor, Mr. Zvi Yochman and Prof. Moshe Zakai. The Committee decided to add as an observer at its meetings on behalf of the Education Ministry Mr. Haim Halperin, Assistant to the Minister of Education.

Mr. Eli Hurvitz of Yad Hanadiv was appointed by the Committee to serve as Committee Coordinator.

Copies of the letter of appointment were sent to the President of the National Academy of Sciences and to the Director of Yad Hanadiv.

2. As stated, the Committee for Changing the Status of the National Library was requested in its letter of appointment to act on basis of the recommendations of the International Visiting Committee. Accordingly, in every matter the Committee referred to the position of the Visiting Committee and gave it serious consideration. Reference will be made hereinafter to the Visiting Committee's recommendations as necessary and relevant.

The Committee for Changing the Status of the National Library was also requested to take into account the memorandum of understanding between the President of the Hebrew University of Jerusalem and the Director of Yad Hanadiv from March 14, 2002. In this memorandum the Hebrew University and Yad Hanadiv declared their commitment to

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reshaping the face of the JNUL and incorporating it as an independent and autonomous body, and accordingly undertook to implement the recommendations of the Committee for Changing the Status of the National Library, subject to several conditions on the part of the Hebrew University concerning the library's staff, the lending of collections by the university, the corporation's structure and infrastructure and budget matters. Hereinafter we relate to these conditions as necessary and relevant.

3. The Committee decided to divide its sphere of work into four key subjects and to set up a subcommittee for each of these subjects. It determined that each subcommittee may, with the Committee's approval, coopt members who are not Committee members and also appoint observers to the subcommittee.

Accordingly, the following subcommittees were established:

- A. Subcommittee for Aims and Functions (chaired by Prof. Yoram Tsafrir). This subcommittee was charged with formulating the aims and functions of the National Library. It coopted Prof. Elhanan Adler as a member, and Mr. Haim Halperin and Ms. Rosalind Duke as observers.
- B. Subcommittee for the Form of Incorporation (chaired by Prof. Yitzhak Zamir). This subcommittee was requested to examine the different possibilities for setting up the National Library as an independent corporation and to recommend the most suitable form of incorporation for this purpose, taking into account such issues as the corporation's ownership, the structure of its organs, the human makeup and other issues deriving from the recommended form of incorporation. The subcommittee coopted as a member Prof. Dafna Barak-Erez from the Tel Aviv University Law Faculty, and as an observer Ms. Davida Lachman-Messer, the Deputy Attorney General.
- C. Subcommittee for Finance, Organization and Infrastructures (chaired by Mr. David Blumberg). This subcommittee studied different organizational aspects of the National Library, including those relating to manpower and management methods, the

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infrastructure required for the library's proper functioning, particularly the technology infrastructure, and the necessary finances. It coopted Prof. Elhanan Adler as a member and Mr. Haim Halperin as an observer.

This subcommittee submitted to the Committee Plenum (on August 31, 2003) a report summarizing its work. This report was adopted by the Committee Plenum, subject to the present Committee's final report. The subcommittee's report is attached as Appendix A to this report.

- D. Subcommittee for Relations with the Hebrew University (chaired by Mr. Amos Horev). This subcommittee's task was to investigate the problems which could arise, following the constitution of the National Library as an independent corporation, in the relations between the library and the Hebrew University, such as the question of the use of the Hebrew University's infrastructures, the provision of various services by the university to the library and vice versa, etc.

The Committee had considered setting up another subcommittee in connection with the staff of the JNUL. However, it decided, in agreement with the Hebrew University, not to deal with this subject but to leave it to be settled by the Hebrew University jointly with the library staff, taking into account the Committee's recommendations on the subject.

The subcommittees and the Committee Plenum held numerous meetings. To facilitate the discussions, studies and opinions were solicited from experts in different fields. The Subcommittee for the Form of Incorporation solicited an opinion on the question of the proper form of incorporation, and related questions, from Prof. Uriel Procaccia of the Hebrew University Law Faculty. Prof. Procaccia also attended meetings of the Subcommittee for the Form of Incorporation and the Committee Plenum at which these questions were discussed. The Subcommittee for Finance, Organization and Infrastructures requested and received an opinion from Sibam Ltd. (Assistance in Information Systems) and from Kesselman Finance PricewaterhouseCooper Ltd.

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Experts from these firms presented their findings and recommendations at meetings of the subcommittee and the Committee Plenum. The Committee also heard a review by Architect Dan Wind concerning the possibility of erecting a new building for the National Library on the Givat Ram Campus of the Hebrew University, with a separate, off-campus entrance.

The Committee received as well numerous surveys and extensive data about other national libraries around the world and additional material connected with its work.

The Committee published a notice in the daily press concerning the establishment of the Committee and the subject of its work, and indicated that anyone interested could submit comments or suggestions to the Committee on this subject. In the wake of this notice several responses were received and considered by the Committee.

4. The Committee wishes to thank Mr. Eli Hurvitz, the Committee Coordinator, for his dedicated and effective work in collecting and preparing material which served the Committee, in formulating position papers and in coordinating the Committee's work. Thanks are also due to the staff at Yad Hanadiv who provided the Committee with high-level secretarial services.

The Hebrew University as well was requested to render assistance in different stages of the Committee's work, and it did so willingly, for which the Committee expresses its thanks.

Additionally, the Committee would like to express its appreciation to the observers who acceded to its request and joined in its work, and to the persons from outside the Committee who agreed to sit on the subcommittees and who made a meaningful contribution to the Committee in its day-to-day work.

The experts invited by the Committee to carry out research and render an opinion in their field of expertise did an excellent job, aiding the Committee greatly, and the Committee is grateful to them.

5. With the completion of the Committee's work, the Committee is pleased to present to the President of the Hebrew University a report

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on its work. Copies of the report will be sent to the President of the National Academy of Sciences and to the Director of Yad Hanadiv, who received copies of the Committee's letter of appointment. A copy of the report will also be sent to the Minister of Education and Culture, in view of the ministry's involvement thus far in the process of changing the status of the National Library and the necessity for its further involvement in the establishment of the National Library.

This report contains findings and recommendations regarding the change in the status of the JNUL to that of a National Library and independent corporation.

Chapter One: The Jewish National and University Library

6. In 1892, a library was established in Jerusalem called the Midrash Abarbanel Library. At the Seventh Zionist Congress, held in Basel in 1905, a decision was adopted to found a National Library based on the collections of the Midrash Abarbanel Library. In 1920, the library was transferred to the World Zionist Organization, and it was regarded thereafter as one of the institutions of the Zionist Movement. Following the opening of the Hebrew University of Jerusalem in 1925, the library was transferred to the university, and it was thenceforth called the Jewish National and University Library.

In 1930, the Jewish National and University Library (JNUL) was housed in a building constructed especially for this purpose (Beit Wolfsohn) on the Hebrew University campus on Mt. Scopus. After the 1948 War of Independence, in which Mt. Scopus was cut off from the western part of Jerusalem, the JNUL was housed temporarily in several structures in Jerusalem. When the Hebrew University built its campus in Givat Ram (recently named the Edmond J. Safra campus), a special building was put up for the library, called the Lady Davis Building after the donor. The JNUL relocated to this building in 1960 and has remained there since.

From the outset it was decided that the JNUL would have two main functions. First, it was designated to serve as a National Library of the Jewish People. In this role it acted, and continues to act, to collect and preserve books, documents and various treasures related to the Jewish People and the Land of Israel, and to make them available to the general public. Second, it was designated to serve as a research library of the Hebrew University. In this role it acquires books and other material required by the university's instructors and students.

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In time, a third function was added to the JNUL: Since the establishment of the State it has served as the National Library, or, at the least, as the Central Library of the State.

7. Over the years, the collections stored at the JNUL have greatly grown. The State Comptroller, who in 2002 inspected the JNUL (which he terms the National Library), described the library's current situation thus: "It holds some 5 million titles (one title can include a number of books) of various kinds — books, periodicals, records and cassettes. It contains the most important concentration of books dealing with Jewish subjects, ancient Jewish manuscripts and incunabula (i.e. books printed before 1500). It also has collections of maps, Ketubbot, manuscripts, publications of the United Nations and the European Union, sound recordings and Jewish musical compositions. The National Library has placed online the collection of Ketubbot, Talmudic manuscripts, maps of Jerusalem and selected musical items. According to data collated by the staff in the library's reading rooms, the number of readers in the rooms in each of the years 1999–2001 stood at between 160,000–170,000." See State Comptroller, Audit Reports on Local Government, Unions and Higher Education Institutions, July 2003, p. 679.

8. What is the legal status of the JNUL within the framework of the Hebrew University of Jerusalem? The Hebrew University of Jerusalem was incorporated in 1925 under the Ottoman Associations Law from 1909, and it is still incorporated under that law. Moreover, the Hebrew University is an accredited higher education institution under the Council for Higher Education Law, 1958, hence it is a corporation also in accordance with this law.

The JNUL has always been an integral part of the Hebrew University. Actually, it is a unit (a department of sorts) of the university. It is not a separate corporation and it does not possess a distinct legal personality. Unlike a faculty or school of the university, it has no code and no board. It is managed by a Director who is appointed by the President

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of the university, usually from among the university's professors. He is the person authorized to manage the library, and he does so, within the constraints of the budget set by the university, in consultation with the library's senior staff. The responsibility of library's Director towards the university's management (whether the President of the university or another university authority) is not defined in a clear and official manner. At any rate, according to section 15 of the Council for Higher Education Law, the university is entitled to manage the JNUL independently, within the framework of its budget, as it sees fit.

9. At the same time, the JNUL has some attributes of a National Library, or, at the least, of a Central Library of the State of Israel.

First, the laws of the State confer on the JNUL a special status that is not enjoyed by any other public library. The Press Ordinance from 1930 imposes, in section 8, a duty on every editor of every newspaper to deliver to the JNUL two copies of every newspaper, immediately upon its appearance, and whoever does not comply with this duty is guilty of an offense and liable to a penalty. Moreover, the Books Law (Duty of Delivery and Notation of Details), 2000, establishes in section 2(A): "From every book and from every newspaper published in Israel, two copies, complete and intact, as offered to the public, shall be delivered without consideration to the Jewish National and University Library." The offender is liable to a penalty. Furthermore, the JNUL is mentioned in various contexts in a string of laws and regulations: the Archives Law, 1955, section 3 (which states that the Central Council for Archives shall include, inter alia, a representative of the "National Library"); the Archives Regulations (Conditions for the Approval of Public Archives and Arrangements for the Management Thereof), 1957, regulation 2 (which states that a committee established under these regulations shall include also one member appointed by the Jewish National and University Library); the Freedom of Information Regulations, 1999, regulation 2 (which states that the Government shall distribute every year a list of all the public authorities to certain institutions, among them the Jewish National and University Library), and regulation 8 (which states that a public authority that is required

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to prepare an annual report, shall send copies of such report *inter alia* to the Jewish National and University Library).

Second, the JNUL, which sees itself as the National Library or the Central Library of the State of Israel, considers itself obligated to establish and maintain a collection suited to a National Library, beyond the needs of a university library, and it opens its doors and provides library services to the general public.

Third, the JNUL fills certain functions which, as accepted in other countries, are the functions of a National Library. Among other things, it has initiated and operated bibliographic projects, including publication of the periodical "Kiryat Sefer" from 1924 and the Hebrew bibliography program. It also serves as the depository in Israel for all publications of the United Nations, as UNESCO's representative in the State of Israel, and it is the representative of the United States Library of Congress.

And fourth, since the JNUL also fulfills functions of a National Library, it receives special funding from the State treasury through the Council for Higher Education.

For all these reasons, and despite the fact that there is no law or other official document stipulating this, it is customary to regard the JNUL as the National Library of the State of Israel and of the Jewish People.

10. However, due to a dearth of resources, the JNUL is unable, especially in the recent period, to properly fulfill the accepted functions of a National Library, and it is also hard pressed to maintain the appropriate level for a university research library. The available resources do not permit the library to update all its holdings, including the periodicals, and to acquire new books as required according to national and scientific considerations; the storage space in the library does not allow proper storage of all the existing collections, and the library is forced to store a substantial part of the collections in storage places scattered about the university campus and in rented premises throughout the city, at a steep cost and often in poor conditions that endanger the books. The opening times of the reading rooms have been cut back significantly; and the library, although it endeavors to conduct

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cultural activity of various kinds, is unable to do so on the scale and at the level expected of a National Library. Added to this is the fear that the situation in these and other areas will further deteriorate.

11. In view of the straits in which the JNUL is placed, the managements of the Hebrew University and the library itself recently came to the realization that maintaining and advancing a library with attributes and pretensions as a National Library is a burden too heavy for the university to bear. This in turn led to the conclusion that in order to prevent the library's situation from deteriorating and enable proper functioning of a National Library, the JNUL must change its status and become a National Library worthy of its name. The first step in this direction was taken with the appointment of the International Visiting Committee.

Chapter Two: The International Visiting Committee

12. The fear of a further worsening in the JNUL's situation and the desire to establish a National Library that would operate in the accepted format of national libraries in developed countries, were not confined to the Hebrew University. The Ministry of Education, Culture and Sports and Yad Hanadiv also shared in the concerns about the existing situation and the possibility of a further deterioration and demonstrated a willingness to act to change the situation in a manner ensuring the existence of a National Library on a fitting level for the State of Israel. To this end, the late Mr. Zevulun Hammer, then Education, Culture and Sports Minister, Prof. Hanoach Gutfreund, former President of the Hebrew University of Jerusalem, and Lord Rothschild, Chairman of Yad Hanadiv, decided to establish an International Visiting Committee on the subject of the Jewish National and University Library.

The Commission was appointed on December 9, 1996. Its members were: Prof. Michael Feldman, of the Weizmann Institute of Science (Chairman); Dr. James Billington, Chief Librarian of the United States Congress; Prof. Dr. Gunther Pflug, Director (retired) of the German National Library; Prof. David Shulman, Director of the Institute of Advanced Studies at the Hebrew University of Jerusalem; and Mr. David Vaisey, Librarian of the Bodleian Library at Oxford.

The Committee's spheres of activity were outlined in a document which noted, among other things, the tasks of a National Library in Israel: to be, firstly, the National Library of Israel, serving the general public; secondly, the National Library of the Jewish People; and thirdly, the Central Library of the Hebrew University of Jerusalem. The Committee was asked to evaluate the JNUL's effectiveness in performing these tasks and to recommend ways of best fulfilling these tasks in the future.

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13. The International Visiting Committee submitted a report (“The Jewish National and University Library — From Past to Future”) in June 1998. This report is attached as Appendix B; the references herein to the report indicate the page numbers as they appear in the original report — Appendix B. In the report submitted by it the Committee lauds the JNUL’s achievements. As stated in the report (p. 28), “The library was successful in realizing the founders’ vision. It indeed accumulated the largest collections of Hebraica and Judaica in the world: printed, handwritten or microfilmed, and became the storehouse of the many-faceted national memory.” However, the Committee found, on the other hand, that the JNUL today is not adequately fulfilling its function. As stated in the report (p. 4): “Recent years have seen a decline in the Library’s functioning, and other areas. Acquisition budgets have shrunk dangerously. Massive cuts in Staff have affected cataloging, preservation and other areas. Too little is being done to take advantage of developments in information technologies. Services to the public have been curtailed. The governance of the Library is loose and inadequate to the challenges... The need to sustain and enhance collections in areas outside Judaica is not being met. Nor can the Library be said to be living up to its responsibilities in the ongoing cultural life of the of the community.” The Visiting Committee’s conclusion (on p. 5) is that without a commitment to remedy the existing situation, “this great resource will no longer be in a position to serve the needs of Israel’s scholarly community and Israel will find itself without a national library in all but name”.

The International Visiting Committee therefore presented a series of recommendations designed to realize the potential functions of a National Library in the 21st century. The recommendations relate to the main functional spheres of a National Library: organization and management, budget, acquisitions policy, public services, technology, etc. The basic recommendation (pp. 6, 12) is that the Knesset legislate a law conferring on the JNUL the status of a national institution. The Committee also recommended, among other things, that a new building be erected for the National Library and that the JNUL’s existing building be thoroughly renovated (pp. 7, 14).

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14. The recommendation by the International Visiying Committee that the Knesset legislate a National Library Law was accepted by the Hebrew University. Furthermore, Yad Hanadiv showed willingness, in principle, to make a contribution towards the erection of a new building for the National Library and towards the renovation of the JNUL's existing building.

Accordingly, the Hebrew University approached the Government and requested it to prepare a draft law for the establishment of the National Library and to advance the process of legislation of this law. However, the position of various government officials was that it would be inappropriate to establish the National Library as a public corporation via a law. The main reasons for this position were, firstly, that a law is not a suitable means for regulating the functioning of a body such as the National Library, and secondly, that the National Library must be a professional body that is removed and free from any governmental involvement in its day-to-day management.

The Hebrew University continued to hold clarifications with government officials during a period of about three years, until it became apparent that it would not be practical, at least at this stage, to expect the National Library to be established by means of legislation.

This being the case, the Hebrew University management decided, in agreement with Yad Hanadiv, to set up a committee to investigate and recommend an appropriate way to establish the National Library. Accordingly, in June 2002, the President of the Hebrew University appointed this committee — the Committee for Changing the Status of the National Library.

Chapter Three: Vision of the National Library

15. The International Visiting Committee did not see fit to limit itself to recommendations for improving the situation of the JNUL within the existing functional and budgetary frameworks. Rather, it saw a need for exploiting to the full the potential inherent in a National Library in the modern era. In the words of the Committee (p. 4), “The library thus has a dynamic and creative purpose, facilitating the emergence of new forms of learning, fostering cultural creativity through research in many domains of the humanities and by imaginative dissemination of knowledge”. On this basis the International Visiting Committee listed (on p. 5) the main functions designated by it for the National Library of the State of Israel incorporating state-of-the-art information technologies, a storehouse for the literary treasures of the Jewish People, a guardian of Jewish and Israeli cultural continuity, a leader of Israeli and Judaic libraries, and as the central library of the Hebrew University, the State of Israel and the Jewish People.” In this spirit, the Committee went on to say (on p. 28): “If this is to happen, the Library must modernize itself: it must open its collections more widely and efficiently to scholars and to the community at large; it must offer the public the services only this library can truly supply and create a working environment suited to its place within the world of learning, the State of Israel and modern Jewish civilization. Instead of simply storing books (mostly underground), the library should make them present and available to users in a physical setting which is inviting, gracious and efficient — like so many excellent libraries abroad.” In short, the Commission sums up (on p. 29), “In effect, the Library must be reborn.”

The Committee for Changing the Status of the National Library also wishes, like the International Visiting Committee, to note the major achievements of the JNUL. The library never regarded itself as merely

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a university library but succeeded in advancing to become not only the most important library in relation to the Jewish People and the Land of Israel, but also a respectable library on an international scale. For this, the Hebrew University, as well as the managers and staff of the JNUL through all the years of its existence, are deserving of great appreciation and esteem. Inarguably, the JNUL today is an important asset of the first rank, not only for the Hebrew University but also for the State of Israel and the Jewish People. At the same time, the Committee for Changing the Status of the National Library believes, like the International Visiting Committee, that in view of the JNUL's current situation, and given the fear of a further deterioration in the situation, it is essential to substantially change the status and functioning of the JNUL.

16. In terms of national, social and scientific interests, a National Library should be established that includes the JNUL but is separate from the Hebrew University and operates as an independent body. The National Library must be planned and organized so as to properly fulfill all the accepted functions of a National Library in a developed country in the 21st century. Such a National Library is not just a storage place for books and a place of study for researchers, as National Libraries generally were until recently. Admittedly, even a National Library in the 21st century cannot, at least for now, forgo the necessity of storing books, including many new books in multiple fields, despite the resources needed to set up and maintain proper storage places. However, the face of the National Library in the present era is changing and needs to change rapidly in view of today's far-reaching technological developments. These developments should also bring about a change in the accepted methods of storing books. Beyond this, and more importantly, these developments should effect a fundamental change in the accessibility of the National Library, not only to the public of researchers but also to the general public, and not only inside Israel but also outside it. This can be accomplished to a great extent by means of the Internet, through which many of the collections of the National Library can be brought into the home, at a great saving

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of time, trouble and resources. Such a technological development not only would make access to the library's collections more convenient but could also serve as a powerful lever for expanding the National Library's activity in new directions in the sphere of education and culture. It could serve as a tool for integrating the National Library's collections into the school curriculum at all levels and in the ongoing activities of other education and culture institutions. In this way, a National Library can enrich the intellectual life of society, without the restrictions or limitations imposed by borders or nationality.

In the future, or at least the near future, the National Library will have to organize and operate as a combined classical and modern library. As a classical library, it will have to continue holding the collections accumulated by it and even acquire additional items for these collections, in order to complete and augment them and to maintain the library on a suitable level and scale. For this purpose, it will be necessary to put up a new building for the National Library that is able make up the lack in the existing building (the Lady David Building) and provide proper storage for the library's main collections, thereby eliminating the present necessity of storing collections of the JNUL in various warehouses that are not suited to this purpose. Concurrently, the National Library will have to organize as a modern library keeping pace with the technological developments. The assimilation of the new technology into widespread and regular use within the National Library will entail a capital investment, inter alia for placing a substantial part of the library's collections on electronic media, thereby enabling their display on the Internet as well as other uses.

Additionally, the National Library can and must become a cultural center, not only of Jerusalem but of the State of Israel. To this end, it is proposed that the library set up and open to the general public a museum showing the history and culture of the book, especially the Jewish book, and hold lectures for the general public and for special groups as well as seminars and study days, poetry— and story-reading evenings, artist-appreciation evenings, concerts and the like.

It is possible and desirable also to integrate the National Library into the educational activity of schools and other education institutions. The

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library can develop study programs, display its treasures to students in exhibitions held on the library's premises or via electronic media on the school premises, and offer continuing education courses to teachers and instruction to students in connection with book culture and history. The activity in this sphere will necessitate cooperation between the National Library and the Education and Culture Ministry as well as other education institutions.

As with certain libraries in other countries, the National Library can and must also become a popular tourist site, both for Israelis and for foreign tourists, who will visit the Museum of the Book and the different exhibitions and participate in the ongoing cultural activity conducted at the library. The library will also maintain an information system, a public cafeteria and a store selling books, copies of treasures and mementos.

17. The Committee for Changing the Status of the National Library assumes that the vision of the National Library is shared by the Ministry of Education and Culture, the Hebrew University management and Yad Hanadiv. The Hebrew University has still not held all the necessary internal discussions for adopting a decision on the change in the status of the JNUL from a department of the university to an independent National Library. However, the university's management has in recent years made statements in favor of such a change, which entails the transfer of the JNUL's collections to the National Library.

Yad Hanadiv as well has shown interest in the process of establishing a National Library as an independent body, according to the accepted format in various countries, and it has invested resources in furthering this process, including in enabling the proper work of this Committee. In an early stage of the process it even affirmed its willingness, in principle, to make a contribution towards the erection of a new building for the National Library and towards the assimilation of modern technology within the library. Yad Hanadiv has still not decided whether to commit itself regarding the establishment of the National Library. Nonetheless, the Committee for Changing the Status of the National Library wishes to express great appreciation for the

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positive attitude of the Hebrew University and Yad Hanadiv towards the idea of establishing the National Library, as conceived thus far, and expresses the hope that both the Hebrew University and Yad Hanadiv will take upon themselves to act energetically for the establishment of the National Library according to the recommendations of this Committee.

The process of establishing a National Library according to this Committee's recommendations demands, likewise, the cooperation of the Ministry of Education and Culture. The ministry has shown interest in changing the status of the JNUL and in setting up a National Library as an independent body; it was a party to the decision by which the International Visiting Committee was established; an observer from the Ministry of Education aided the work of the Committee for Changing the Status of the National Library; and the Ministry of Education's support for the process of establishment of the National Library and its cooperation on the subject of the library's activity in the sphere of education and culture are vital for the continuation of the process. The Committee hopes the Ministry of Education will extend the necessary assistance for the realization of the vision of the National Library.

Chapter Four: Aims and Functions

18. The International Visiting Committee noted (on p. 11) the subjects within the sphere of responsibility of the National Library. It indicated that the library, as the National Library of the Jewish People, would be responsible *inter alia* for the collection of all published Judaica and Hebraica and for the publication of an index of articles in the field of Jewish studies, and would serve as a center for the instilment of the Jewish and Israeli cultural heritage. As the National Library of the State of Israel it would be responsible *inter alia* for the collection of all material published in Israel, irrespective of the format or the subject; for leadership of the libraries in Israel, including the improvement and advancement of the national bibliography, the cataloging of future publications and special catalogs; and for the coordination of the acquisitions policy with respect to items of secondary importance. And as the Central Library of the Hebrew University it would be responsible for the collection of general material in the humanities, focusing on Islamic, Middle Eastern, Asian and African studies, and for the coordination of the Hebrew University's library system.

19. The Committee for Changing the Status of the National University accepts the position of the International Visiting Committee insofar as it relates to the library as a National Library of the Jewish People and of the State of Israel. However, the status of the National Library *vis-à-vis* the Hebrew University must differ from that of the JNUL. From certain aspects, the National Library will maintain a special connection with the Hebrew University, mainly in the sphere of Jewish, Middle Eastern and Islamic studies. See in this regard Chapter Fifteen: Relations with the Hebrew University. However, the National Library must be a separate body from the Hebrew University, both officially and practically, and operate independently. For this

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reason, the National Library should not be made responsible for the coordination of the Hebrew University's library system.

It is noted parenthetically that the Hebrew University recently established the Libraries Authority, whose main function will be to coordinate between the university's existing libraries (in the faculties, schools and institutes).

At the same time, the Committee for Changing the Status of the National Library believes, like the International Visiting Committee, that one of the functions of the National Library will be the collection of general materials in the humanities, focusing on the fields of Jewish, Middle Eastern and Islamic studies. In these fields, the National Library, like the JNUL, will serve also as a central research library of the Hebrew University. See in this regard section 53.

Additionally, as accepted with other National Libraries, the National Library will act as a coordinating and guiding body in the field of librarianship for all the university libraries and other public libraries in Israel. The National Library could act, besides, as a coordinating and guiding body in the field of librarianship for Jewish libraries in other countries. This activity could be expressed in the preparation of catalogs for the use of other libraries, the creation of a common catalog on Judaica, the formulation of a national acquisitions policy that allocates responsibility for the acquisition of literature among different libraries, and more. Regarding the National Library's function as a leader of other libraries, see the International Visiting Committee's report — Appendix B, p. 18.

20. The Committee for Changing the Status of the National Library has drawn up a list of aims and functions of the National Library, reflecting the Committee's perception regarding the library's status and functioning. The following are the aims and functions of the National Library:

- A. The National Library is the National Library of the Jewish People and of the State of Israel.
- B. The National Library will be open to the general public and will treat every public, body and person with equality and fairness.

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- C. The National Library will collect, acquire, curate, exhibit and foster the intellectual creation of the Jewish People and of the State of Israel. Among other things, it will serve as a home for collections, archives, manuscripts, documents, sound archives and other items of special national, historical or cultural importance.
- D. The National Library will fulfill additional functions of a National Library. Among other things it will build up collections in the humanities and the social sciences, with emphasis on Jewish, Middle Eastern and Islamic studies, with the aim of serving as the central research library of the State of Israel.
- E. The National Library will serve as a home for the culture of the book. Among other things, it will encourage research into the culture of the book and house the Book Museum.
- F. The National Museum, including the Book Museum, will conduct diverse activity serving the literary, cultural and educational needs of the general public, including the public of students and education institutions.
- G. The National Library will be accessible to the general public, including distance access via the computer or other means to the library's collections and referrals to other collections.
- H. The National Library must serve as a guiding and coordinating body for public libraries, including university libraries, in Israel and in the Jewish world.
- I. The National Library will act to set up and maintain infrastructures enabling, among other things, proper reading, storage, preservation, exhibition and research conditions.
- J. The National Library will make extensive use of advanced technological means.

The Committee recommends that a list of aims and functions of the National Library, in the above wording, be incorporated in the statutes of the National Library.

Chapter Five: The Form of Incorporation

21. As stated, the International Visiting Committee recommended that the National Library be established via a Knesset law. The State Comptroller also stated his opinion that the status of the National Library should be regulated in law, as accepted in most countries of the world. See the State Comptroller, Audit Reports on the Local Government, Unions and Higher Education Institutions, July 2003, p. 683.

Indeed, it appears that in most countries of the world the National Library is established by law as a public corporation. A law is generally the highroad for establishing national institutions, and it would appear to be appropriate also for a National Library. This is why this approach was deemed acceptable by the Hebrew University. However, as stated, protracted discussions clarified that this approach was not accepted by certain government officials. It should be noted that this position stemmed from a positive desire to regulate the establishment of the National Library in a manner enabling it to operate effectively as a professional body, without political interference. In fact, this position today underlies government policy that tends to limit as much as possible the establishment of public corporations through legislation. Moreover, the government policy tends towards changing the status of certain state bodies, including public corporations, and transforming them into companies operating under the Companies Law. In practice, there are bodies with the character of national institutions that operate as companies under the Companies Law. Such, for example, are the Jewish National Fund, the Israel Museum and the Philharmonic Orchestra.

In any event, the government position against the establishment of the National Library via a law, coupled with the urgent need to change the situation of the JNUL, and added to the possible assistance of

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Yad Hanadiv in this regard, led to the establishment of the Committee for Changing the Status of the National Library for the purpose of recommending a way to establish the National Library as a corporation of national standing.

22. The Committee is of the opinion that it is possible and appropriate to establish the National Library not by means of legislation. First, clarifications made recently by the Committee have shown that the governmental position against the establishment of the National Library via a law remains unchanged. Second, there are important advantages to setting up the National Library as a body within private law, as distinct from a public corporation that is established by law. Among other things, establishing the National Library as a public corporation by law will not provide the library with the developed and flexible tools needed for the fulfillment of its functions, while, on the other hand, it will subject the library to the public administration law which governs the proper conduct of governmental bodies but is not suited to a body such as the National Library. Therefore, the Committee applied itself to choosing, from among the forms of incorporation existing in private law, the form of incorporation most suited to a National Library.

23. In practical terms, private law allows two forms of incorporation for the National Library: the one — an association under the Associations Law, 1980; the other — a company under the Companies Law, 1999. A comparison between the laws regulating an association, on the one hand, and a company, on the other hand, as well as a comparison of the actual practice as regards these two forms of incorporation, indicates that the form of a company is preferable for the purpose of establishing the National Library. Among other things, the Companies Law is a detailed law that embodies a wealth of experience, and an extensive body of case law has developed on the basis of this law, owing to which it is possible to manage a company at a high level of security but also with flexibility. In contrast, the Associations Law is of a more general and concise nature and is ambiguous on many questions relating to the functioning of an association in a manner

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that could prove a hindrance to normal functioning, while on the other hand it allows the Registrar of Associations to interfere in the normal functioning of the association. Additionally, the structure of an association (which is based on a general meeting of the association's members and on an executive committee that to a great extent also fills the function of the association's director) is less suitable than a company (which is based on a general meeting of the shareholders, a board of directors and a general manager) for the management of a body such as the National Library.

The Committee for Changing the Status of the National Library solicited and received the opinion of an expert on the question as to which form of incorporation is preferable for the establishment of the National Library. The opinion recommends that the National Library be established as a company under the Companies Law. The Committee adopts this recommendation.

The Companies Law, which regulates the establishment of companies operating according to business considerations for profit, permits also the establishment of a company of another kind. Section 11(B) of the Companies Law states that the broad rule, according to which the purpose of the company is to act according to economic considerations, will not apply to "a company whose articles state that it has been established solely for the achievement of public purposes and whose articles forbid the distribution of profits to its shareholders." Such a company is generally called a public-service company. The Committee recommends that the National Library be set up as a public-service company.

24. The Companies Law contains several binding provisions that apply to any company. These are provisions that cannot be stipulated upon. Thus, for example, it states in section 57 that resolutions of a company on certain matters (such as amendments to the articles, the appointment of a company auditor, a merger with another company) must be adopted by the general meeting and not by another organ of the company. But the Companies Law does not contain many such provisions. In most matters, the Companies Law allows great latitude

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in the management of a company in conformity with its articles, and permission is given to any company to formulate articles that are specifically suited to it. Accordingly, it will be necessary to formulate for the National Library statutes that are suited to the library's specific purpose.

Company articles generally include quite a few standard provisions which it is customary to incorporate in the articles of every company and which deal with the day-to-day functioning of the company. The Committee deemed it unnecessary to concern itself with such provisions. It will be enough to deal with them after a decision has been taken to set up the National Library as a company under the Companies Law. However, the Committee did consider several important matters which must be reflected in the statutes of the National Library, such as the composition of the shareholders and of the Board of Directors. The Committee's recommendations on these matters are brought hereinafter in due order. At this stage, we note that the statutes of the National Library should include inter alia the following provisions:

- A. A provision stating that the National Library is being established solely for the achievement of public purposes, and that prohibits the distribution of profits to the shareholders.
- B. A provision regarding the possible dissolution of the company, dealing also with the company's assets in case of dissolution.
- C. A provision regarding the possibility of a merger with another company, so as to prevent the frustration of the National Company's purpose or the disruption of its functioning.
- D. A provision restricting the ability of the library's institutions to transfer to others certain assets, such as the sale of rare manuscripts.
- E. A provision regarding the procedure for amending the library's statutes.

25. It should be noted that the establishment of the National Library as a public-service company under the Companies Law will not prevent the possibility, in time, if and when the circumstances justify this, of changing the status of the National Library by means of a law that will constitute it as a public corporation.

Chapter Six: The Transitional Stage

26. The Committee for Changing the Status of the National Library believes that the current situation at the JNUL will make it difficult to set up the National Library immediately. Before setting up the National Library, steps should be taken to change the prevailing situation at the JNUL in a manner that will enable the National Library, once it is established, to fulfill its function properly. For this a transitional period is required. The Committee estimates that the transitional period will last up to three years. During this period, the JNUL will have to organize differently, to streamline its services, to widen the use of modern technology, and in general to prepare the JNUL for the following stage in which the National Library will be constituted as an independent body.

27. To this end, the Committee recommends that the legal status of the JNUL be changed as soon as possible. Today, the JNUL is a quasi-department of the Hebrew University managed by a Director who is appointed by the President of the Hebrew University from among the university's professors. The Committee recommends changing this status and incorporating the JNUL as a public-service company, all of whose shares will be owned by the Hebrew University. In other words, the JNUL will be during the transitional period a subsidiary of the Hebrew University. This company is referred to hereinafter as the National Library Transitional Company. At the same time, the intention is that the National Library Transitional Company, despite being wholly controlled by the Hebrew University, should be managed during the transitional period independently, by the Board of Directors, so as to achieve its aims, in conformity with the recommendations of this Committee. These recommendations should be reflected in the statutes of the National Library Transitional Company. The Committee

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recommends that the statutes contain a list of aims and functions, which will also be incorporated, in the following stage, in the statutes of the National Library. See the said list in section 20. This will create continuity between the National Library Transitional Company and the National Library.

The Committee recommends further that the Board of Directors of the National Library Transitional Company have a similar composition to that of the Board of Directors of the National Library. Accordingly, the recommended composition of the Board of Directors of the National Library Transitional Company is as follows: three directors will be members of the Hebrew University's academic staff (including emeriti); two directors will be members of the academic staff (including emeriti) of other universities and higher education institutions; four directors will be public appointees of recognized standing in the field of economics and the national economy; one director will be an expert in librarianship; and one member will be a person of recognized standing in the field of education and culture. The President of the Hebrew University will appoint the members and the Chairman of the Board of Directors. The Board of Directors will appoint the company's General Manager based on the recommendation of a Search Committee.

The Board of Directors and the General Manager will work during the transitional period to reorganize the library's institutions, recruit manpower, train workers, streamline processes, develop a modern technology base, expand the activity of the library to new fields, prepare a program for a new building for the National Library, ensure the continuation of government funding and secure additional funding for the library's day-to-day functioning, including the development of self-revenue sources.

The Committee suggests that at an early stage of the transitional period the Board of Directors, in conjunction with Yad Hanadiv, present to the Ministry of Education a proposal for formulating and promoting educational programs (incorporating modern technology) designed for schools and other education institutions, based on the Library's collections.

28. The Subcommittee for Finance, Organization and Infrastructures submitted (on August 31, 2003) a summarizing report containing, among other things, recommendations concerning the tasks and functioning of the National Library Transitional Company during the transitional period. See Appendix A. These recommendations relate in detail to the following subjects:

1. Chapter 1 — Structure of the Institutions: Activity of the Board of Directors (including approval of the annual work program) and establishment of subcommittees of the Board of Directors in different areas.
2. Chapter 2 — Organization and Management: Institution of a new organizational structure headed by a General Manager and a management including the division heads; establishment of four divisions — the Librarianship Department, the Department for Educational and Public Activity, the Technology, Information and Computing Department, the Administration and Operation Department; personnel matters, including the shifting of personnel from the JNUL to the National Library Transitional Company, and the recruitment of new personnel.

It is worth emphasizing the recommendations in the subcommittee's report regarding the new organizational structure. These recommendations specify the functions of each and every department and together provide a broad picture of the proper range of functions of the National Library.

3. Chapter 3 — Technology: Intensive development of modern technology (mainly computerized systems), as accepted in modern libraries, with a view to serving the general public, inter alia through convenient access of the public to the library's collections; holding wide-ranging cultural and educational activity, including the preparation of study programs in collaboration with the Ministry of Education and education institutions; formulation of a five-year plan by the Board of Directors, and based on this plan — an annual work program. The Committee hopes that Yad Hanadiv will assist in the funding needed for this purpose.
4. Chapter 4 — Budget: Structure of the annual budget (60 million

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shekels for 2002) and the gradual increase thereof (to 75 million shekels) at the end of the transitional stage, while implementing efficiency measures; additionally, formulation of a plan for a further increase in the annual budget, following the establishment of the National Library, to 90 million shekels.

5. Chapter 5 — Permanent Home: The need for erecting a new building for the National Library, and the question of the building's location.

The Committee adopts the recommendations of the Subcommittee for Finance, Organization and Infrastructures on these matters, as summed up in the subcommittee's report, subject to what is stated in the Committee's report.

See in the Committee's report — Chapter Ten (Institutions), Chapter Eleven (Location), Chapter Twelve (Technology), Chapter Thirteen (Budget), Chapter Fourteen (Staff).

29. Changing the status of the JNUL from that of a quasi-department of the Hebrew University to that of a subsidiary of the university could give rise to a question regarding the funding that is transferred to the library from the State Treasury through the Planning and Budget Committee (PCB) of the Council for Higher Education. This funding (amounting to an annual 30 million shekels) is transferred to the library in its capacity as a National Library, but in actuality it is funneled through the Hebrew University. Will the Council for Higher Education be able, in legal terms, to transfer this funding also when the library has been incorporated as a subsidiary of the Hebrew University? The answer depends on the interpretation of the Council for Higher Education Law. In the Committee's opinion, the answer is in the affirmative, since the incorporation per se of the library as a subsidiary of the Hebrew University does not change anything in practical terms, neither as regards ownership of the library nor as regards the functioning of the library as a National and University Library. The fact that one or another unit of a university is organized as a subsidiary of the university cannot in itself prevent continued funding by the Council for Higher Education. Nonetheless, up to such time as it is decided

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to incorporate the library as a subsidiary of the Hebrew University, it is essential to verify that the incorporation will not prevent continued funding of the library by the Council for Higher Education. In this regard, clarification and assistance are required at the earliest possible time from the Council for Higher Education and from the Ministry of Education.

30. Assuming the JNUL is incorporated as a subsidiary of the Hebrew University, as recommended by the Committee, the question will arise whether, and when, to advance from the transitional stage to the next stage in which the National Library is to be established as an independent body. The answer will depend on whether the National Library Transitional Company has succeeded during the transitional period in laying the necessary foundation for the establishment of the National Library. This question will arise on several levels: Has the regular funding required for the proper functioning of the National Library been secured? Were all the requisite steps taken for the reorganization of the National Library and the development of a modern technology base? Does the necessary funding exist for erecting a new building for the National Library? Has a law been legislated (or is one about to be legislated) that confers on the library which is to be established the status of a National Library, and that regulates certain matters that need to be regulated in a law (regarding the necessity for such a law see section 32).

These questions will be addressed following the establishment of the National Library Transitional Company, in the framework of that company and concurrently also in the framework of the Hebrew University. If and when these bodies reach the conclusion that the conditions are ripe for advancing to the next stage, i.e. the stage of establishment of the National Library as an independent body, the necessary steps will be taken for this purpose.

Once it has been decided that the time is right for establishing the National Library, there will be room for considering whether to constitute it as a new company, or perhaps to organize it within the existing framework of the National Library Transitional Company via a

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reallocation of stock, the renaming of the company and the amendment of the statutes as necessary.

The Committee recommends that the decision as to whether the time is right for establishing the National Library be taken jointly with the Minister of Education, the President of the Hebrew University, the Chairman of the Board of Directors of the National Library Transitional Company and the Chairman of Yad Hanadiv.

31. We note that should the Hebrew University be of the opinion, when it comes to consider whether the time is right for establishing the National Library as an independent body, that conditions are not ripe for establishing the National Library, or should the Hebrew Library retract its willingness to act for the establishment of the National Library for some other reason, then the university (as the shareholder of the National Library Transitional Company) will be able to halt the process. In such a case, the Hebrew University will be able to decide whether the National Library will continue to operate under the status of a subsidiary of the university, or whether to return the National Library to its previous status as a quasi-department of the university. The Committee notes this possibility in order to clarify that a decision of the university to change the status of the JNUL to that of a university subsidiary will still leave in the university's hands full control of the library, including the right to refuse to advance to the stage of establishment of the National Library.

32. The idea of incorporating the JNUL as a subsidiary of the university gained the endorsement of the Hebrew University management, as the Committee was informed by the Managing Director of the Hebrew University in the course of its discussions. The university's management came to the conclusion that incorporating the JNUL as a subsidiary of the university would enable more efficient, flexible and successful management of the library, and it is therefore a positive move from the university's point of view, even putting aside the establishment of the National Library. Accordingly, the university's management has already prepared the wording of complete and detailed

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statutes for the National Library Transitional Company, taking into account the recommendations of this Committee. It appears that even if the proposal to establish the National Library were to be shelved for any reason, the university's management would still be interested in incorporating the JNUL as a subsidiary of the university. In this spirit, the President of the Hebrew University informed the Director of Yad Hanadiv, on October 21, 2003, that he personally supported the Committee's recommendation to change the status of the JNUL to that of a wholly owned subsidiary of the Hebrew University in the transitional stage prior to the establishment of the National Library as an independent body. The Hebrew University's Management Committee also expressed, on October 28, 2003, support for this move.

On November 3, 2003, a report was brought before the Executive Committee of the Hebrew University concerning the recommendations being formulated by the Committee, including the recommendation to incorporate the JNUL as a subsidiary of the Hebrew University. The Executive Committee decided to hold a discussion on this recommendation in its next meeting, following receipt of the final report of this Committee.

Chapter Seven: The National Library Law

33. Although the Committee for Changing the Status of the National Library recommends that the National Library be established as a company under the Companies Law, the Committee is nevertheless of the opinion that there is also need of a law to regulate certain matters relating to the establishment and functioning of the National Library. These matters are as follows:

- A. Recognition of the library as a National Library. Establishing the National Library as a company under the Companies Law is not enough to guarantee the library the standing and prestige of a National Library, as distinct from public, university and other libraries. Nor is it enough, for this purpose, that the statutes of the National Library define it as such. This requires a law. See, for the sake of comparison, the law recognizes the special status of a non-statutory institution: The World Zionist Organization and the Jewish Agency for Israel (Status) Law, 1952.
- B. So that the National Library is able to serve as a coordinating and guiding body in the field of librarianship for public and university libraries in Israel, as do National Libraries of other countries, this status must be conferred on the National Library in a law.
- C. There are today various laws that relate to the JNUL. We note in particular the Books (Duty of Delivery and Notation of Details) Law, 2000, which establishes in section 2(A) that “From every book and from every newspaper published in Israel, two copies, complete and intact, as offered to the public, shall be delivered freely to the Jewish National and University Library.” See the list of these laws in section 9. A law will be required establishing that the National Library is to replace the JNUL in each of these laws.
- D. It is uncertain whether the Council for Higher Education Law, 1958, will permit this council to provide funding to the National

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Library in the same way that funding is provided today to the JNUL through the Hebrew University. Hence, it appears it will be necessary to regulate the matter of State funding for the National Library by law.

- E. It appears it will be necessary to make legal provisions for securing the National Library from government interference in the appointments to and the management of the National Library. Among other things, it should be specified that the National Library will not be deemed to be a government company or be subject to the Government Companies Authority.
- F. There may be need for a statutory provision that grants tax exemption with respect to the establishment of the National Library, the transfer of assets from the Hebrew University to the National Library and the functioning of the National Library.

It might also be necessary to enact in the law provisions on additional matters relating to the establishment and functioning of the National Library.

34. The Committee's position on the need for such a law was considered by the Ministry of Justice and the Ministry of Education. Both ministries expressed willingness in principle to draft a law establishing certain arrangements in relation to the National Library which is to be established as a company under the Companies Law. Based on this willingness, discussions were held between the Committee and senior officials in the Justice and Education Ministries, with the participation of the Hebrew University's legal adviser, concerning the contents and wording of the proposed law. Further to these discussions, the Committee prepared a draft of the wording for the National Library Law. This wording is attached as Appendix C. The Committee assumes that this wording will serve as a basis for further discussions with the Ministry of Justice and the Ministry of Education, for the purpose of formulating a government bill that will be acceptable also to the National Library Transitional Company and the Hebrew University.

The Committee's intention is, after agreement has been reached on

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the final wording of the bill, to have it brought before the Knesset towards the end of the transitional stage, when conditions will be ripe for advancing to the stage of establishment of the National Library as an independent body.

Chapter Eight: Ownership

35. At present, ownership of the JNUL (including the Lady Davis Building and all the library's collections) is fully vested in the Hebrew University. During the transitional stage, the National Library Transitional Company, as a subsidiary of the Hebrew University, will also be fully owned by the university. However, in the following stage, in which the National Library will be set up as a new company under the Companies Law, 1999, it will be removed from the Hebrew University's ownership. The question thus arises who will be the National Library's owners, i.e. the company's shareholders, in this stage.

Since we are concerned with a National Library, it is fitting that the State should be the library's owner. However, the Committee is of the opinion that the State should not be the sole owner, but that the ownership should preferably be divided between the State and other public bodies. Accordingly, the Committee recommends that the State receive one-half of the ownership (i.e. 50% of the shares) of the National Library. These shares will be allotted under an agreement with the State setting the conditions according to which the shares will be allotted and exercised on behalf of the State and inter alia also setting conditions regarding the State's share of the current funding for the National Library. See in this regard section 48. The agreement should also include an arrangement concerning the manner in which the State may use these shares in the General Meeting, so as to prevent any possibility of governmental interference in the appointments to and the management of the National Library. See section 6 for a discussion of the proposed arrangement.

As stated, the Committee recommends that ownership of the National Library be divided between the State and other public bodies. In this regard, the Committee recommends that the Hebrew University

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receive one-quarter of the ownership (i.e. 25% of the shares) of the National Library, upon agreed conditions. Why just the Hebrew University? There are several reasons which put the university in a unique position vis-à-vis the National Library. First, the Hebrew University has invested many resources and contributed enormously to the advancement of the JNUL, primarily in the continuous enlargement of the collections, thereby bringing it to its present standing. Second, the Hebrew University is prepared in principle to donate the JNUL, including the Lady Davis Building, to the National Library. And third, concurrently with the transfer of the collections of the JNUL to the National Library, the Hebrew University will also transfer its collections in the field of humanities. These collections today comprise the Hebrew University's central research library in this field. Therefore, the National Library will continue in actuality to serve as the central research library of the Hebrew University's instructors and students in this field. See more in this regard in section 53. Nevertheless, the Committee does not recommend singling out the Hebrew University in the matter of the ownership of the National Library. In the Committee's opinion, other higher education institutions (and perhaps also public institutions of another type) should be allowed to share in the ownership of the National Library upon agreed conditions.

Additionally, since the library is also supposed to be the National Library of the Jewish People, the Committee recommends approaching the Jewish Agency with a proposal to accept a part of the National Library's shares, upon agreed conditions.

At this stage, there is no possibility or need to determine the exact division of the ownership of the National Library between the State and other bodies. This division will be determined during the transitional period, on the basis of clarifications and in light of the positions of the Government, the Jewish Agency and other bodies who will be offered a share of the ownership of the National Library.

36. As stated, the State will receive shares of the National Library in the framework of an arrangement which ensures that the shares do not enable the State to interfere in the management of the National

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Library (including appointments to positions in the library), through the Government, a government minister or another government entity.

It is true that in the normal course, if the State has shares in a company, they confer on it a degree of control. Moreover, according to the Government Companies Law, 1975, if the State holds more than one-half of the voting power in the company's general meeting, the company is considered a government company, while if it holds one-half or less of the voting power in the general meeting, it is considered a mixed company, and the provisions of the Government Companies Law apply to a government company (fully) and to a mixed company (partly). Among other things, under the provisions of the law, such companies are subject to the control of the Government Companies Authority. Therefore, in order to prevent governmental interference in the management of the National Library, it will be necessary to establish in the law that the National Library will not be deemed a government company or a mixed company; that in no case will it be subject to the control of the Government Companies Authority; and that no statutory provision applying to a government company will apply to it. It will be necessary to establish further in the law, in general, that the National Library will not be deemed in any respect a government company or a corporation in the management of which the Government participates.

Apart from this, it will be necessary to devise an arrangement ensuring that a vote on behalf of the State in the General Assembly of the National Library, including a vote relating to the election and term of office of members of the Board of Directors, will not be subject to interference or influence on the part of the Government, a government minister or another government entity. To this end, it will be necessary to stipulate that the State's shares will be deposited with a limited board consisting of three members appointed by a procedure ensuring that they are of the appropriate level and qualifications, who will fill the function of trustees in a professional and practical manner, without the interference or influence of the Government, a government minister or another government entity. The proposed composition of this board is as follows: a retired judge to be chosen by the President

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of the Supreme Court, who will preside over the board; a member of the Israel National Academy of Sciences, to be chosen by the President of the academy; a member of the Hebrew Language Academy, to be chosen by the President of the academy. If it is decided that board will consist of five members, another two members will be chosen in a similar manner by bodies deemed suitable for this purpose. The board's members will be appointed for a term whose length will be determined by the President of the State. They will act in the framework of the General Assembly of the National Library according to their discretion, with no accountability to any other person or body.

It will be necessary eventually to decide whether the provisions established in this arrangement (including provisions relating to the term of office of the board's members and other provisions relating to their office) will be anchored in a law, or in the statutes of the National Library, or in an agreement with the State, or in all of these together.

Chapter Nine: The Statutes

37. The National Library, as a company under the Companies Law, must draw up statutes. According to the law, these must include certain details, including the aims of the company and certain information concerning the share capital. There are only a few such details which must be included in the 38. articles. The rest, including details of the rights and obligations of the shareholders and provisions as to the method of management of the company, are adapted in the articles of each company to its specific objects and requirements.

As stated, the company's statutes must include the company's aims. The Committee has formulated the aims and functions of the National Library. See section 20. It recommends that this formulation be included in the statutes of the National Library Transitional Company during the transitional period, and that it also be incorporated in the statutes of the National Library.

The statutes will also set out the institutions of the National Library (including their composition and powers). Regarding the organs of the National Library see section 38.

Chapter Ten: The Institutions

38. The Companies Law establishes that the institutions of a company are the general assembly, the board of directors, the general manager and anyone whose actions are regarded, by law or by virtue of the statutes, as the company's actions.

The General Assembly of the company is composed of the company's shareholders. Regarding the shareholders of the National Library see section 35. The Companies Law specifies (in section 57) different kinds of resolutions which it is obligatory to adopt in the General Assembly, and not by means of another institution of the company, such as amendments to the articles. The General Assembly has powers in addition to this, if so specified in the articles. In general, the Committee is of the opinion that the General Assembly should not be granted powers beyond those mandated by the Companies Law, so that general authority to manage the library and to supervise its management will be vested in the General Manager and the Board of Directors of the National Library.

The members of the Board of Directors of the National Library will be appointed by the General Assembly for a term of three years. The Committee recommends that the Board of Directors be composed as follows: three directors will be members of the academic staff (including emeriti) of the Hebrew University; three directors will be members of the academic staff (including emeriti) of other universities and higher education institutions; three directors will be public appointees of recognized standing in the field of economics and the national economy; one director will be an expert in librarianship; and one member will be a person of recognized standing in the field of education and culture. The Chairman of the Board of Directors will be appointed by the Board of Directors, or if so specified in the statutes, by the General Assembly. The Board of Directors will be authorized

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to set policy and to oversee the General Manager, as prescribed in the Companies Law, subject to changes that will be decided upon. Among other things, the Board of Directors will appoint the General Manager and approve the appointment of the National Library's senior officers. The Board of Directors will also be able to act through committees and subcommittees, as decided. The General Manager of the Library will be appointed by the Board of Directors, having regard to the recommendations of a Search Committee to be appointed by the Board of Directors. The appointment will be for a fixed term, as determined, and will be renewable. As provided in the Companies Law, the General Manager will be responsible for the day-to-day management of the National Library within the framework of the policy set by the Board of Directors and subject to its instructions. The statutes may list his powers. Among other things, the General Manager, although not a member of the Board of Directors, will regularly attend its meetings.

The Committee recommends that the General Assembly appoint a Board of Trustees numbering about thirty members of public standing inside and outside Israel. The Board of Trustees can add to the National Library a public and representative dimension and assist it in the fulfillment of its functions. It will receive reports concerning the activity, needs and plans of the National Library, deliberate on subjects of fundamental and practical importance relating to the functioning and development of the National Library, and assist the library inter alia in fundraising.

The statutes can include additional provisions regarding these and other organs of the National Library. See also the report of the Subcommittee for Finance, Organization and Infrastructures — Appendix A, Chapter 1 (Structure of the Institutions) and Chapter 2 (Organization and Administration).

39. The Committee recommends that the library establish and maintain the Museum of the Book, focusing on the Jewish book. This museum is meant to present, in permanent and changing exhibitions, the history of the book including the Bible and Jewish literature, ancient manuscripts and rare books. The museum will use modern technology

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for the displays and to enable distance access to the museum's treasures. It will be open to the general public and include a store in which the public can purchase copies of the exhibits in the museum and other items connected with the National Library.

Chapter Eleven: The Location

40. The Lady Davis Building, which was built to serve the JNUL and has been serving it since 1960, is located on the Edmond J. Safra campus of the Hebrew University in Givat Ram. This building will not meet all the National Library's needs. Indeed, already today the JNUL is forced to store a large part of its collections in various warehouses around Jerusalem. Obviously, it will be necessary to put up a new building that is adapted to the functions of the National Library. See also the report of the International Visiting Committee — Appendix B, on pp. 14–17. Erecting a new building will entail a large-scale investment and will require a donation from an outside source. Before the National Library is established, it will be necessary to verify that such a donation is available, so that it is possible to design and erect the new building. The Committee hopes that Yad Hanadiv, which has expressed willingness to aid in the establishment of the National Library, will make the requisite donation for setting up the new building.

The question is where the new building is to be located. The International Visiting Committee recommended locating the new building on the Hebrew University's Givat Ram campus, near the Lady Davis Building. See the report of the International Visiting Committee — Appendix B, on pp. 16–17. The Hebrew University insists that this indeed be the location of the new building. However, as opposed to this, the State Comptroller has expressed his opinion that "It is undesirable that the university set hard and fast rules regarding the location of a building for the National Library, before the library's status, the arrangements deriving therefrom and the managing bodies have been determined." See State Comptroller, Audit Reports on the Local Government, Unions and Higher Education Institutions, July 2003, p. 681.

41. The Committee for Changing the Status of the National Library recommends that the National Library be housed in Jerusalem. As to the appropriate location in Jerusalem, the Committee heard the Hebrew University's position from the planner Dan Wind, who presented to the Committee the physical possibility of erecting, in proximity to the Lady David Building, a new building for the National Library that could meet the library's needs in terms of space and that would allow a separate, off-campus entrance. However, the Committee came to the conclusion that it would not be right to determine the location of the new building at this stage, since additional clarifications must be made with various authorities, including the Jerusalem planning authorities. In the Committee's opinion, the question of the location should be discussed in an early stage of the transitional period. As a basis for the discussion the Committee has noted relevant criteria, which are, in brief, the following: an image befitting the library as a national institution, guaranteed access to the general public, the possibility of operating separately from the Hebrew University, continued interrelations with the Hebrew University and other research institutions, economic efficiency, ensuring a proper physical infrastructure, and the possibility of running education and culture programs.

Regarding the question of the location of the National Library, including the relevant criteria, see the report of the Subcommittee on Finance, Organization and Infrastructures — Appendix A, Chapter 5 (The Permanent Home).

Once the location of the new building of the National Library has been decided, preparation of the program for this building should be undertaken as soon as possible during the transitional period.

Chapter Twelve: The Technology

42. Modern technology, especially computing, is the key to a modern library. It is required not only for efficiency and economy, and not merely for the convenience of the reading public frequenting the library, but also in order to allow the general public access to the library and to make the library a significant factor in the cultural life and in educational activity. These are the attributes of modern National Libraries in other countries, and they should also characterize the National Library of the State of Israel. See in this regard sections 15–20.

Today, the technological level of the JNUL is not up to par. Admittedly, in recent years resources were invested in integrating modern technology in the JNUL's activity and a number of important projects were carried out based on such technology, including the placing of certain exhibits and collections online and the creation of a computerized catalog. The JNUL is to be commended for this, but a lot still remains to be done. For this purpose, capital is required that is not available at present to the JNUL.

The International Visiting Committee ascribed great importance to the development of the National Library by modern technological means, and accordingly it presented a series of recommendations in the technological field. Among other things, the Committee recommended preparing a national bibliography also in respect of future publications, not only in print but also in an electronic format; completing the electronic catalog; setting up an electronic cataloging service for future publications; and developing a digitized program for literature, especially the Jewish literary heritage. See the report of the International Visiting Committee — Appendix B, pp. 19–22.

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believes it is important that the National Library Transitional Company invest great effort during the transitional period in developing a technological infrastructure for improving the library's service and accessibility. Technological development is both a condition and a lever for advancing the library in such a way that it is able to properly fulfill the aims and functions of an advanced National Library, and in this context it is worth emphasizing the aims and the functions in the fields of education and culture. For this purpose, the Committee recommends that the Board of Directors of the National Library Transitional Company draw up a five-year plan dealing with the technological development and improved accessibility of the library, as well as an annual work program derived from the five-year plan. The technological development during the transitional period will require financial assistance from an external source.

For further details concerning the need for and the planning of the library's technological development, see the report of the Subcommittee for Finance, Organization and Infrastructures — Appendix A, Chapter 3 (Technology).

Chapter Thirteen: The Budget

44. At present, the JNUL, as a unit of the Hebrew University, does not operate as an independent cost center with a separate budget, but it is managed financially as part of the university's overall activity. Thus, there are joint expenses of, as well as internal budgetary transfers between, the university and the JNUL. The JNUL's actual expenses are in part recorded in the library's account books and in part charged only to the university's budget. The library's revenues derive from an allocation from the Hebrew University which receives a special subsidy for the JNUL from the Council for Higher Education (through the PBC), and from the sale of publications, from donations and from royalties.

Until 1998, the special subsidy transferred from the PBC to the Hebrew University on behalf of the JNUL was on the order of 7 million shekels per year. The International Visiting Committee noted that it would be proper for the Government to fund the part of the library's budget connected with the JNUL's activity as the National Library of the State of Israel and the Jewish People. On this basis, the Commission recommended that the Government fund 75% of the library's annual budget, while the university fund 25% of the budget. See the report of the International Visiting Committee — Appendix B, p. 12. In the wake of this recommendation, and following discussions, starting from 1999 the PBC increased the annual subsidy transferred to the university on the JNUL's behalf to 30 million shekels.

45. The JNUL's budget can be presented in two ways: one based on the income and expenses recorded in the library's account books; the other includes, in addition to the records in the account books, the value of the different services which the library actually receives from the Hebrew University (e.g.: infrastructure services, campus security,

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computing services) and which are not actually reflected in the library's account books.

The State Comptroller, who recently audited the JNUL, presented the budget according to the library's account books. He found that the library's expenses in 1998/99 amounted to 44.5 million shekels (of which 36 million shekels were payroll expenses and 5.2 million were expended on the purchase of books and periodicals). He added that the Hebrew University had stated that it was necessary to add some 8 million shekels per year as indirect expenses, such as campus security expenses. See State Comptroller, Audit Reports on the Local Government, Unions and Higher Education Institutions, July 2003, p. 684.

As against this, the JNUL budget analysis performed on behalf of the Subcommittee for Finance, Organization and Infrastructures showed that the JNUL's actual annual budget in recent years (including the value of various services which the Hebrew University provides to the library) is 60 million shekels. In 2002 the budget was composed as follows: subsidy from the State Treasury (via the PBC) — 31 millions shekels (52% of the budget); the Hebrew University — 23 million shekels (38% of the budget); self-revenues — 6 million shekels (10% of the budget).

46. The Committee for Changing the Status of the National Library is of the opinion that the present budget is sufficient for changing the JNUL's status from that of a university department to that of a subsidiary of the university during the transitional period. However, as stated, before a decision is taken regarding the change in status, it will be necessary to verify that the Council for Higher Education is able and willing to continue funding the library (through the PBC) at the present level, even when the library will begin operating as a company under the Companies Law. See section 29.

47. The Committee is of the opinion that the present budget is insufficient for readying the JNUL for the second stage in which the National Library is to be established as an independent body. For this

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purpose, it is necessary to increase the annual budget gradually until it reaches, at the end of the transitional period, an amount of 7.5 million shekels. Such a move to increase the budget must be linked to efficiency measures. At the end of the transitional period the projected budget of the National Library Transitional Company will be as follows: subsidy from the State Treasury (through the PBC) — 37.5 million shekels (50% of the budget); the Hebrew University — 23 million shekels (30% of the budget); self-revenues — 14.5 million shekels (20% of the budget). The Board of Directors of the National Library Transitional Company will need to formulate a plan for reaching the projected budget.

48. The Committee recommends taking steps to increase the annual budget also later, at the end of the transitional period, after the National Library will have been established. The Committee estimates the annual budget required to enable the National Library to properly fulfill its functions at 90 million shekels. As seen by the Committee, the correct division of the budget should be as follows: subsidy from the State Treasury — 45 million shekels (50% of the budget); the Hebrew University — 22.5 million shekels (25% of the budget); self-revenues — 22.5 million shekels (25% of the budget). The Board of Directors of the National Library Transitional Company will need to formulate a plan for the development of the National Library's budget and to secure the budgetary sources prior to the establishment of the library.

The Committee notes that the Hebrew University is prepared to participate in the National Library's budget at a rate of 25%, on the assumption that its participation does not exceed 23 million shekels per year at today's values.

The Committee likewise wishes to emphasize that, in its opinion, the National Library can be required to increase its self-revenues in various ways up to a rate of 25% of the annual budget, and it recommends that the Board of Directors of the National Library Transitional Company make a special effort in this regard.

The Committee expects that the Jewish Agency and other bodies interested in sharing in the ownership of the National Library by way

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of the allotment of shares will also participate in the library's annual budget, at the rate and upon conditions to be agreed.

Regarding the present budget and the budget in the coming stages see also the report of the Subcommittee on Finance, Organization and Infrastructures — Appendix A, Chapter 4 (Budget).

Chapter Fourteen: The Staff

49. At the start of the discussions of the Committee for Changing the Status of the National Library, the Hebrew University took upon itself to be responsible for arranging the transfer of the JNUL's staff, who today are the university's employees in all respects, to the National Library Transitional Company, which is to be a separate legal entity, albeit wholly owned by the university. The transfer of the staff can be accomplished in different ways, such as the preservation of rights, lending, etc, taking into account personal circumstances and other considerations in each individual case.

The Hebrew University has agreed to allow staff members of the JNUL to take early retirement, within the framework of the retirement plan applying to all workers of the Hebrew University, and to bear the cost of retirement arrangements.

The National Library Transitional Company will act to recruit new workers according to need. The new workers will be the company's, not the university's, employees. The personnel recruitment method and the salary of the workers recruited after the new Library Company has been established will not necessarily be identical to those prevailing at the Hebrew University.

Regarding the staff of the JNUL see also the report of the International Visiting Committee — Appendix B, pp. 24–25.

Chapter Fifteen: Relations with the Hebrew University

50. During the transitional period it will be necessary to draw up agreements with the Hebrew University regulating matters pertaining to the transfer of funds from the university to the National Library, and other matters pertaining to the establishment and functioning of the National Library. The agreements will be made between the Hebrew University (or the National Library Transitional Company), and the National Library, or the State, or other parties as the case may be.

If it is decided that the Lady Davis Building will be part of the National Library and that the new building will also be erected on the Givat Ram campus of the Hebrew University, it will be necessary to draw up an agreement with the Hebrew University, in coordination with the Israel Lands Administration and on basis of the lease agreement between the university and the administration, according to which the land will be transferred to the National Library. The Committee recommends transferring the land to the National Library under a perpetual lease (or sublease), free of monetary compensation.

51. Additionally, it will be necessary to draw up an agreement regarding the transfer to the National Library of collections and treasures currently held by the JNUL. The collections include more than five million items which are stored in the Lady Davis Building and in warehouses throughout Jerusalem: books, periodicals, photographs, maps, cassettes, etc. The Committee recommends that these collections be transferred by the Hebrew University to the National Library as a gift or as a permanent loan qualified by agreed conditions as to the fate of the books in exceptional circumstances, such as the dissolution of the National Library.

52. A question arises regarding the treasures held by the Hebrew

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University. Treasures is a term used to denote certain items which are included in the collections held by the JNUL. These are especially rare, important and costly items, by reason of their national value or cultural weight or another reason, such as books from the earliest days of printing or ancient Jewish manuscripts. The treasures are kept in the Lady Davis Building in a protected warehouse and in the protected archives section.

The Committee for Changing the Status of the National Library believes that the treasures, though mostly owned by the Hebrew University, are national assets. Moreover, the items created before 1700 are defined as antiquities by the Antiquities Law, 1978, and they are protected under this law. The Committee believes it is inconceivable that a National Library should be set up without these treasures being given over to it for safekeeping and preservation, for controlled study by researchers, and especially for viewing by the general public.

The Hebrew University recognizes this need, and it is prepared to transfer possession of the treasures to the National Library. However, the university is not prepared to transfer to the National Library ownership of the treasures, and it is possible that with respect to certain items that were donated to the university under restricted conditions it is also not permitted to transfer ownership to another body. Accordingly, the Hebrew University suggests giving the treasures to the National Library as a long-term loan.

The Committee believes that in the existing situation the university's suggestion can be accepted, provided the conditions under which the treasures are transferred from the Hebrew University to the National Library do not affect the library's ability to make proper use of them.

In this connection, the first question is — what treasures will be transferred from the university to the library solely as a loan. The treasures must be defined or described in a precise manner that will prevent any controversy in the stage following the establishment of the library. To this end, the Director of the JNUL, Prof. Yoram Tzafrir, was requested to prepare and to submit to the Committee a definition or description of the treasures. According to the description which was submitted to the Committee, the treasures include tens of incunabula

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published since printing first began and up to 1500; thousands of books that were printed up to 1700; other rare books; ancient maps; thousands of manuscripts, in Hebrew and in other languages, that were written starting from the 10th century; and special collections and personal archives of philosophers and scientists. Notable treasures are, for example, the Maimonides manuscript, the Damascus Bible, the Ahad Haam archives, the Isaac Newton archives, aerial photographs of the Land of Israel from the period of the First World War. The description submitted to the Committee provides a picture of the scope and importance of the treasures. However, it does not determine precisely what the treasures are, and does not enable deciding which items should be included in the inventory of treasures, and which items, although they are kept in a protected warehouse, should not be so included. As the Director of the JNUL wrote, it is extremely difficult to clarify and decide which manuscript should be deemed a treasure and which manuscript is of lesser importance, scientifically, culturally and financially. This being the case, such a clarification should be held at the earliest opportunity and an exact list prepared setting out the treasures that will be given to the Hebrew University on loan. Obviously, from the perspective of the National Library it is preferable that this list be as limited as possible. Upon completion, the list of treasures will form part of the agreement to be concluded with the Hebrew University prior to the establishment of the National Library.

The agreement made with the Hebrew University must also specify the period of the loan, the conditions in which the treasures will be kept by the National Library and the circumstances in which the Hebrew University will be able to remove certain treasures from the library. Among other things, the National Library will have to give the Hebrew University its undertaking to keep the treasures under good conditions and handle them properly, as dictated by advanced international standards designed to properly safeguard treasures of this sort. The university will be entitled to exercise occasional follow-up and control to verify that the treasures are in fact being kept according to the agreed conditions.

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The agreement will also set out the circumstances in which the Hebrew University will be entitled to take back treasures. The guiding principle in this regard is that the library will be able to rely, in the normal course, on the treasures remaining in its possession for an unlimited time, and the University will be precluded, for example, from arbitrarily removing a key item of a permanent exhibit in the Museum of the Book. Hence, the agreement should set out the circumstances that would justify removing an item from the treasures held by the National Library and transferring it to the Hebrew University. A decision to remove an item from the treasures would entail a certain period of advance notice which could be set, for example, at a year. The agreement should also establish a procedure for settling controversies between the Hebrew University and the National Library as to the existence of circumstances justifying such a decision.

Considering that the university will be able to regain possession of treasures, the term of the loan should be lengthy. The Committee recommends lending the treasures under the said conditions for a prolonged period (e.g. 25 or 49 years), with an option for extending the period. Additional details (such as whether it will be possible to sell or lend an item from the treasures) will be regulated in an agreement to be drawn up in this regard.

53. At the request of the Hebrew University, a further agreement will be drawn up between the university and the National Library designating the National Library also as the central research library of the Hebrew University for the humanities, and especially for Jewish, Middle Eastern and Islamic studies. The reason for this is that in other fields the Hebrew University has set up, over the years, professional libraries in the different faculties, schools and departments. These libraries exist separately from the JNUL and they satisfy the instruction and research needs of the faculties, schools and departments. Such, for example, are the libraries of the Law Faculty and the School of Medicine. The establishment of the National Library and transfer of the collections from the JNUL to the National Library will not affect these libraries. The situation is different in the humanities. Although

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the Hebrew University has set up on the Mt. Scopus campus a library in this field serving the instructional needs of BA students and to a certain extent also of MA students, this library is inadequate for instructors and students engaged in higher level research in this field. Therefore, the collections in the field of humanities located in the library are essential for the proper functioning of the Humanities Faculty. There is no intention or point in removing these collections now from the JNUL in order to set up a separate library in the Humanities Faculty, nor is there any intention or point in beginning to acquire collections for the purpose of setting up such a separate library. In this state of affairs, it is obvious that the existing collections will continue to serve the instructors and students of the Humanities Faculty as a central research library also following their transfer to the National Library. In this connection, it should be noted that the Board of the Humanities Faculty of the Hebrew University decided (on February 26, 2003) that "The library has served until now, and will continue to serve in the future, as the main research library of the Humanities Faculty. The faculty wishes to maintain and assure the cooperation between its members and the National Library in the future as well, chiefly in the area of acquisitions and the building of collections." The National Library will have to take this into account in its acquisitions policy and act (in conjunction with the instructors of the Humanities Faculty) to update and foster these collections so that they can properly fill the instruction and research needs of this faculty. Such was the recommendation of the International Visiting Committee. This Committee too views favorably the connection in this sphere between the National Library and the Hebrew University. This connection, which also serves the aims of the National Library, must be expressed in an agreement to be drawn up between the Hebrew University and the National Library.

It should be noted that from the National Library's perspective, there is room for and benefit in a similar connection with other research institutions, should they so wish, upon conditions to be agreed between the National Library and every such institution.

54. Additionally, it will be necessary to draw up an agreement

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between the Hebrew University and the National Library regarding the provision of services by the Hebrew University to the National Library. The Hebrew University provides various services to the JNUL in the Lady Davis Building on the Givat Ram campus: electricity, sewage, access, security, computing, etc. The university will continue providing various services to the Lady Davis Building also after it begins serving the National Library. It will provide services as well to the National Library's additional building, if it is decided to erect it on the Givat Ram campus. Hence, it will be necessary to regulate the provision of the services in an agreement. The principle in this agreement will be that the services are to be provided by the Hebrew University to the National Library on basis of economic calculations as determined in the agreement.

The Committee recommends setting up a joint coordination committee of the National Library and the Hebrew University for the handling of day-to-day problems in this area.

Chapter Sixteen: Timetable

55. The Committee recommends the following timetable for advancing the process of establishment of the National Library:

- A. April 2004–December 2004: Establishment of the National Library Transitional Company as a subsidiary of the Hebrew University; appointment of a Board of Directors and General Manager; approval of the new organizational structure; approval of the work program for 2005.
- B. January 2005–December 2006: Running in of the National Library Transitional Company; preparation of a multi-year plan for the development of the library, including an annual increase in the budget; organization and efficiency measures; drawing up of agreements with the Government and the Hebrew University; advancement of the National Library Law; steps for the erection of the additional building.
- C. The year 2007: Establishment of the National Library as an independent body.

For further details of the timetable see the report of the Subcommittee for Finance, Organization and Infrastructures, Final Chapter (Summary of Recommendations and Timetables).

Chapter Seventeen: Participation of Yad Hanadiv

56. The Committee ascribes supreme importance to the participation of Yad Hanadiv in the establishment of the National Library. Yad Hanadiv has been a partner in this process from its inception up to the present time. It decided, together with the Ministry of Education, Culture and Sports and the Hebrew University, on the appointment of the International Visiting Committee and supported the Commission until it submitted its report in June 1998. Thereafter, it was a partner in the move that led the President of the Hebrew University to appoint the Committee for Changing the Status of the National Library. Both the Commission and the Committee relied on the assumption that Yad Hanadiv ascribes great importance to the establishment of a National Library for the Jewish People and the State of Israel and is prepared, in principle, to extend the necessary assistance for establishing such a library that will operate as an independent body, using modern technology, and that will play a meaningful role in the cultural life and educational arena in Israel and also serve the interested public outside Israel, the Jewish communities in particular. The vision of the National Library, as articulated by this Committee, cannot be realized without such assistance on the part of Yad Hanadiv.

The Committee assumes that after the Hebrew University has adopted the Committee's report and the National Library Transitional Company has been established in accordance with the report, contacts will be held between the Hebrew University, the National Library Transitional Company and Yad Hanadiv with a view to taking all the necessary steps for establishing the National Library as an independent body. One of the key steps in this stage is the assimilation of modern technology that will enable the National Library to properly fulfill its designated functions in the field of education and culture, while opening itself up and providing maximum access to the general public. This move will

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not succeed without outside help. The Committee hopes Yad Hanadiv will see fit to make the necessary contribution in this stage, thereby also preparing the ground for the next stage of the establishment of the National Library.

Against the backdrop of the activity and achievements of the National Library Transitional Company during the transitional period, a decision will be taken in the year 2007, also in collaboration with Yad Hanadiv, as to whether it is possible and appropriate to establish the National Library at that time.

Chapter Eighteen: Participation of the Government

57. The move to set up the National Library was made from the outset in collaboration with the Ministry of Education, Culture and Sports, which was one of the bodies sponsoring the International Visiting Committee. The Ministry of Education and Culture even sent an observer who followed the work of the Committee for Changing the Status of the National Library. The Committee sees this as a mark of the great importance which the Ministry of Education and Culture ascribes to the establishment of a National Library for the Jewish People and the State of Israel, which will operate in coordination with the ministry also in the field of education and culture. Indeed, it is inconceivable that a National Library should be set up without the approval, involvement and support of the Government, acting on behalf of the State. The support of the Government — which in this sphere is represented by the Ministry of Education and Culture, is essential for the success of the move leading to the establishment of a National Library, and thereafter for the fitting and orderly operation of the library.

The Government's support is required not only in principle, for the move per se of establishing a National Library as an independent body, but also practically, in different stages of the process.

In the first stage, it is necessary to ensure that the funding currently provided by the State Treasury to the JNUL through the Hebrew University will continue also after the Hebrew University will have changed the status of the JNUL from that of a unit of the university to that of a subsidiary under the Companies Law, in accordance with this Committee's recommendation. Without this funding, the move to establish the National Library will not get off the ground.

During the transitional period, following the establishment of the National Library Transitional Company, the Government, the Hebrew

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University and the National Library will have to cooperate in advancing the legislation of the National Library Law. Such a law is required in order to confer on the library which is to be established recognition and standing as a National Library, and also in order to solve practical problems relating to the establishment and functioning of the National Library. Discussions concerning the wording of such a law were held between the Committee and the competent officials in the Ministry of Justice, with the participation of the legal adviser of the Ministry of Education and Culture. Further to these discussions, the Committee drafted the wording for such a law, which can serve as a basis for discussions ahead of the preparation of a government bill, as early as possible during the transitional period.

Establishing the National Library will be contingent on the prior guarantee of funding by the State Treasury, enabling the library to fulfill its designated functions, as accepted in other countries. The Committee hopes the requisite funding for the assimilation of modern technology during the transitional period as well as the funding necessary for erecting a suitable building for the National Library, will be forthcoming as a donation from an external source. However, the current funding of the library's activity must come from other sources. The Committee recommends that the State subsidize the National Library's annual budget at the rate of 50%, and that the balance of the budget be covered by the Hebrew University at the rate of 25% and from self-revenues of the library at the rate of 25%.

Additional matters related to the establishment and functioning of the National Library will necessitate regular contact and cooperation between the Government, the Hebrew University and the National Library Transitional Company. The Committee assumes that after the Hebrew University will have adopted the Committee's report, contacts will be held between the Hebrew University and the competent government authorities, and first and foremost the Ministry of Education and Culture, in order to advance the process of establishing the National Library according to this Committee's recommendations. Specifically, the Ministry of Education and Culture and the National Library will need to cooperate in the development and implementation

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of plans in the field of education and culture for the public of students as well as the general public. The Committee hopes that the competent government authorities will render the assistance required for the establishment of the National Library, thereby promoting research, culture and education.

Chapter Nineteen: Summary

58. The Committee for Changing the Status of the National Library was requested to suggest a way of establishing a National Library incorporating the Jewish National and University Library (JNUL) which has operated within the framework of the Hebrew University since its founding in 1925. The Committee was established further to the recognition that the JNUL, although it has chalked up impressive achievements in the development of a large and important library, is unable to properly fulfill the accepted functions of a modern National Library, and is also hard pressed, due to a dearth of resources, to maintain itself at the appropriate level for a university research library. The Ministry of Education and Yad Hanadiv, who were aware of this situation, played a role in the establishment of the International Visiting Committee (in 1996). The International Visiting Committee suggested setting up a modern National Library as an independent body. Yad Hanadiv expressed its willingness in principle to make a contribution towards the establishment of such a library. Against this background, the Hebrew University showed willingness in principle to transfer the collections of the JNUL, and the building serving the JNUL, as a cornerstone for the library.

The Committee for Changing the Status of the National Library ascribes great importance to the establishment of a library serving as the National Library of the State of Israel and of the Jewish People and fulfilling the accepted functions of a modern National Library. A modern National Library should be highly accessible to the general public, by means of modern technology, and should also be active as a cultural center and involve itself in the educational system. The National Library will incorporate the JNUL's collections. At the same time, to assure the proper functioning of such a library, it is necessary

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to put up another building that will be adapted to the library's needs, and to base the current activity on modern technology.

The Committee recommends setting up the National Library in the form of a public-service company whose shares will be held, in proportions to be determined, by the State, by the Hebrew University and by other public bodies.

In the transitional stage, the Committee recommends that the JNUL, which is today a university department, be incorporated as soon as possible in the form of a subsidiary of the Hebrew University. During the transitional period, which is to last an estimated three years, various steps will be taken to reorganize the library and prepare it for the next stage, in which the National Library will be established.

The Committee presents in this report recommendations as to the steps that need to be taken for this purpose.

Chapter Twenty: Principal Recommendations

59. Below are the Committee's principal recommendations for changing the status of the National Library:

1. A library should be established serving as the National Library of the Jewish People and the State of Israel. See sections 15–19.
2. The National Library will include the Jewish National and University Library, which is currently run as a unit of the Hebrew University, but it will be separate from the Hebrew University and operate as an independent unit. See sections 1–19.
3. The National Library should fulfill the accepted functions of a modern National Library, including the function of the Central Research Library of Israel. It will set itself a special target of collecting, fostering and displaying the intellectual treasures of the Jewish People and the State of Israel. The National Library will have to utilize modern technology so that it is accessible from every home. It should act as a cultural center and integrate in educational activity. Additionally, it must serve as a coordinating and guiding body in the field of librarianship for public libraries in Israel. See sections 15–20.
4. The National Library will be set up as a public-service company under the Companies Law. The company's statutes will include certain provisions which are obligated by the special nature of a National Library, such as a restrictive provision concerning the sale of antique or especially important books and manuscripts. See sections 21–25.
5. A transitional period is needed prior to the establishment of the National Library. In this connection the status of the JNUL should be changed as soon as possible from that of a university department to that of a subsidiary of the university. The statutes of this company (hereinafter — the National Library Transitional Company) will

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set the same aims and functions for the company as will afterwards be set for the National Library, and will place at its head a professional and representative Board of Directors, most of whose members will come from outside the Hebrew University. The Board of Directors will take the necessary steps for reorganizing the library and increasing its efficiency, including the assimilation of modern technology, in order to ready it for the establishment of the National Library. The transitional period will last up to three years. See sections 26–32.

6. The Committee sees the need for legislating a law that will confer on the library, even though it is to be set up as a company, recognition as a National Library. This law will have also to include provisions enabling the library to properly fulfill the functions of a National Library. Among other things, the law will have to establish the duty of transferring to the National Library (instead of the duty imposed today of transferring to the JNUL) two copies of every book, periodical, record and film published in Israel; the function of the National Library to serve as a coordinating and guiding body in the field of librarianship for public libraries; the possibility of providing funding to the National Library through the Council for Higher Education; an exemption from the statutory provisions applying to government companies and from the oversight of the Government Companies Authority. See sections 33–34.
7. Ownership of the National Library will be divided between the State and other public bodies. The Committee recommends that 50% of the shares of the National Library Transitional Company be allotted to the State and 25% of the shares to the Hebrew University. The balance of the shares will be offered to the Jewish Agency and public institutions upon agreed conditions. Additionally, it will be necessary to establish an arrangement ensuring that the shares held by the State are used in a manner guaranteeing professional and practical management, without governmental involvement in the library's management. Such an arrangement is suggested by the Committee. See sections 35–36.
8. The Board of Directors of the National Library will be composed

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in part of members of the academic staff of the Hebrew University and other higher education institutions, and in part of public representatives and experts in various fields. The General Manager of the Library will be appointed by the Board of Directors having regard to the recommendations of a Search Committee. See section 38.

9. The General Assembly of the shareholders of the National Library will appoint a Board of Trustees numbering about thirty members of public standing inside and outside Israel, that will assist the library with advice as well as with fundraising. See section 38.
10. The National Library will set up and maintain a Museum of the Book, focusing on the Jewish book. See section 39.
11. The National Library will be housed in Jerusalem. It will be necessary to erect a new building for the library's use. The question of the location of this building requires further clarification. See sections 40–41.
12. The Committee emphasizes the importance of modern technology as a tool for improving services and access and for developing the cultural and educational activity of the National Library. This calls for the preparation of a five-year plan for the technological development of the library. See sections 42–43.
13. The Committee is of the opinion that the JNUL's budget should be gradually increased. At present the annual budget (including the value of the services which the library receives from the Hebrew University) stands at 60 million shekels. The annual budget up to the end of the transitional period should be increased to 75 million shekels. Following the establishment of the National Library, steps should be taken to increase the annual budget to 90 million shekels. The recommended allocation of the annual budget is as follows: the State — 50%; the Hebrew University — 25%; self-revenues — 25%. See sections 44–48.
14. The Hebrew University has taken upon itself to arrange the transfer of the staff of the JNUL to the National Library Transitional Company, and thereafter to the National Library, taking into

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account the personal circumstances of each worker. See section 49.

15. In the course of the transitional period it will be necessary to draw up agreements with the Hebrew University in various matters relating to the establishment and functioning of the National Library. The agreements should include, inter alia, an arrangement for the transfer of the collections of the JNUL to the National Library free of consideration; an extended lending arrangement, upon agreed conditions, for the use, by the National Library, of treasures (i.e. ancient books, special manuscripts, etc.) which are held by the JNUL. It should likewise be established in an agreement that the National Library will continue to serve as the Hebrew University's central research library for the humanities. Additionally, it will be necessary to draw up an agreement with the Hebrew University concerning the provision of various services by the university to the National Library. It is advisable to set up a joint committee of the National Library and the Hebrew University for day-to-day dealing with the provision of these services. See sections 50–54.

60. The recommendations of this Committee, even after they are adopted by the Hebrew University, cannot be realized without support on the part of the Government — particularly the Ministry of Education and Culture, and on the part of Yad Hanadiv.

The Committee assumes that both the Government and Yad Hanadiv are aware that the continuation of the existing situation at the JNUL will lead to grave results in the fields of research and culture, and that they also recognize the great importance of setting up an accessible, modern National Library that is active also in the fields of education and culture. Hence the Committee's hope that the Hebrew University, the Government and Yad Hanadiv will cooperate so as to realize the vision of the National Library, on basis of the Committee's recommendations.

The Committee for Changing the Status of the National Library
Signed in Jerusalem, February 2004, Shevat 5764.

Itzhak Zamir (Chairman) David Blumberg Joseph Hacker

Amos Horev David Milgrom Yoram Tsafirir

Moshe Vigdor Zvi Yochman Moshe Zakai

Part Three
Appendices

Appendix A
Sub-committee for
Finance, Organization and Infrastructures
Summary Report

David Blumberg, Chairman
Elhanan Adler
David Milgrom
Yoram Tsafirir
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Introduction

A modern national library is based on two fundamental principles — collections and access to them. In the past national libraries focused on administering, developing, storing, cataloguing and preserving collections. A library acted as a treasure house of assets which constituted a heritage and culture that had to be preserved and protected against damage and mishap; access to these resources was a privilege for the favored few. Beginning with the Enlightenment, national libraries have been called upon to expand access to their collections. These have remained the focus of their activities and their *raison d'être*, but they have been given “additional tasks”. Slowly, the library’s doors have been opened to the public at large, albeit subject to a number of conditions and restrictions.

In the last few decades a complete revolution has taken place in national libraries worldwide. Developments in the area of culture, society and technology are calling into question the role and *modus operandi* of the national library in the 21st century. Today, national libraries around the globe are reflecting this state of affairs by focusing their outlook on the issue of the general public’s use of their collections. Their agendas and priorities are now set by such topics as how to integrate technology, educational programs, schools, and the public at large, exhibitions, tourism, cultural and leisure-time events. In order to survive today’s ever faster pace of change, the national library must strive to switch from being a closed, inward-looking body to an active public institution that plays a vital role in modern cultural life.

Following, for example, is the accepted policy in one of the most important national libraries in the world, that is the British Library (New Strategic Directions, 2001).

The present strategic plan is based on two strategies: access and

collections. Implementation of the plan in these two fields is based on three principles: user focus, partnerships with organisations which have a stake in our activities, and migrating our traditional service offerings to the Web wherever appropriate, in accordance with users' requirements, including providing new services which we could not offer without the Internet. In order to bring the program to fruition, changes in the Library's organizational structure and management practices are being carried out... **The Library's vision is making accessible the world's intellectual, scientific and cultural heritage. The collections of the British Library and other great collections will be accessible on everyone's virtual bookshelf — at work, at school, at college, at home...** We want the British Library to make a difference to the broadest possible range of people and for them to be able to engage with us wherever they happen to be and whenever they choose. The Library provides a wide range of services to a great variety of user groups. We are now working with our users to establish their changing patterns of need. Our goal is to provide services that are relevant, easy to use and fulfil expectations. We will integrate related services and offer seamless access in ways which are appropriate to our different user groups... We will focus on improving access to our collections in order to realise their value. We will reduce our collecting in some areas or cease to collect if we can be certain that access is guaranteed elsewhere...We will reach out to schools and lifelong learners in collaboration with public libraries and education agencies who share this commitment.

The Jewish National and University Library (JNUL)

Today the JNUL, which functions as a central research library of the Hebrew University in the field of Humanities, also plays in part the role of a national library. The revolution sweeping national libraries on a global level has not yet taken place in the JNUL. The library is having difficulties in properly carrying out its traditional role, let alone assuming new approaches and tasks. This picture was outlined to the

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members of the International Visiting Committee who wrote in their summary report (June 1998):

Recent years have seen a decline in the Library's functioning. Acquisition budgets have shrunk dangerously. Massive cuts in staff have affected cataloguing, preservation and other areas. Too little has been done to take advantage of developments in information technologies. Services to the public have been curtailed. The governance of the Library is loose and inadequate to the challenges. Reinforced by severe budgetary restraints, conflict has sharpened between the Library's Jewish and university roles even as the Library has failed to function as an effective national library... [below, Appendix B, page 4]

... the Library must modernize itself: it must open its collections more widely and efficiently to scholars and to the community at large; it must offer the public the services only this library can truly supply and create and working environment suited to its place within the world of learning... Instead of simply storing books (mainly underground), the Library should make them present and available to users in a physical setting which is inviting, gracious, and efficient — like so many excellent libraries abroad... Our recommendations aim at a major reorganization in all areas — governance and administration, financing, long-term policy and planning, technology and physical plant. In effect, the Library must be reborn. [below, Appendix B, pages 28–29].

The Visiting Committee's report makes it quite clear that in order to establish a national library and assure its future, a number of basic conditions must be guaranteed:

1. Guaranteeing an annual budget which is needed to operate the Library and develop it in accordance with a multi-year plan.
2. Guaranteeing independence for the Library, with an emphasis on controlling assets, funds, policy, governance, operations, physical plant and personnel.

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3. Guaranteeing national status in law as a national institution responsible for meeting recognized needs.
4. Guaranteeing the vital operation of a library as a modern, open public institution, with the emphasis on educational and cultural activities and serving the general public.

In light of the above, the Committee for Changing the Status of the Jewish National Library recommends re-establishing the national library as a vital and permanent public institution and setting it up as an independent institution with national status. The Committee recommends that the Hebrew University transfer the Library to a separate independent body; and that the State recognize the Library as a national institution by virtue of law, and assume responsibility for the major part of the budget required for the current operations for many years to come. In order to prepare the ground for this, the Library must make internal organizational changes designed to turn the present Library into the new breed of library, involving strengthening the classical components. Adaptations must be made on the level of the Library's governance, organization and functioning so that it can come to grips with the mission of a national library as an institution designed to provide high-caliber public services. The experiences and lessons provided by national libraries worldwide indicate that this is a complex, multiphase process.

In a first phase, the Hebrew University will incorporate the Library as a subsidiary company wholly owned by it for an interim period of two to three years. During this period, and following the Committee's recommendations, a Board of Directors and an administration will be appointed, agreements will be signed, assets and personnel will be transferred to the company, the streamlining process will be carried out, involving organizational changes, engaging new personnel and obtaining additional financing, thereby making it possible to expand activities to include new areas. It will be necessary to focus efforts on developing budgetary sources, including own sources, by developing and diversifying profit-making centers. With the assistance of Yad Hanadiv, the Library's Board of Directors will develop and apply a

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program for opening the collections to a wide-ranging and diverse public, with an emphasis on educational programs, making full use of up-to-date technology. The Hebrew University and the Library's Board of Directors will be instrumental in meeting the conditions outlined above, which are required for assuring the future of a national library.

With the success of the transitional process in the interim stage and the securing of the conditions, the Committee recommends that the plan be completed with the incorporation of the Library as a national and independent institution and the erecting of a new building suited to the Library as recommended by the Visiting Committee. The decision about moving on to the permanent phase will be taken, as will be explained below, in a joint decision by the Education Minister, the President of the Hebrew University, Yad Hanadiv's Director, and the Chairman of the Board of Directors of the National Library Transitional Company.

A. The structure of the institutions

This report does not deal with the subject of the ownership of the National Library, and therefore not with the subject of the general assembly of the Library. Regarding these matters, see the Committee report above (Chapter 8: The Ownership; Chapter 10: The Institutions).

The structure of the Board of Directors

The Board of Directors will consist of 11 members, as follows:

1. Three Hebrew University faculty members (including emeriti).
2. Two members (three during the permanent phase) who are faculty members (including emeriti) of other universities and colleges.
3. Four (three during the permanent phase) from the business and economics sphere.
4. One expert in librarianship.
5. One member from the world of education and culture.

The Hebrew University will have greater representation on the Board than any other single institution. The Board will be appointed for a period of three years.

The Board of Directors will appoint the Director of the National Library and will approve the appointments of the senior officeholders. The Library's Director will take part in meetings of the Board of Directors, but will not be a Board member.

The subjects that will be discussed by the Board of Directors are as follows: current operations (Director's report); multi-year and annual plans, monitoring and supervising the work plan; approving the inspection plan and monitoring both the findings and their implementation; acquisitions policy and approving the annual acquisitions plan; budgetary policy and approving the annual budget plan; educational and cultural activities; integrating and placing

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increased emphasis on technology; and approving agreements. The full complement of the Board of Directors will meet once a month during the interim phase.

During the permanent phase, the Board of Directors will examine the composition of the Board's committees. During the transitional phase the following Board of Directors committees shall operate as follows:

1. **Librarianship Committee:** To work out the Library's acquisitions, content and collection-development policy, as approved by the Library's Board of Directors, and to monitor implementation.
2. **Governance and Finance Committee:** To work out policy on budget, financial governance and developing sources, to approve the financial planning of the work plans and to monitor their implementation; to oversee the process of organizational change and the course of personnel transfer, retirement and recruitment; to oversee the process of analyzing physical needs and program preparation.
3. **Educational and Public Activities Committee:** To work out policy and monitor the implementation of multi-year and annual plans for opening the Library up to the public through means of education, presentations, cultural events and technology.
4. **Information Technologies and Computerization Committee:** To lay down principles for the integration of technologies in the Library, and to approve, supervise and monitor the progress and integration of technologies in the working procedures as part of the multi-year plan.
5. **Inspection Committee:** To identify shortcomings and deficiencies, inter alia, on the basis of consultations with the internal comptroller or the comptroller's accountant, and to propose to the Board of Directors ways of correcting them; and to decide whether to approve actions and transactions that require the approval of the Inspection Committee.

If so decided by the Board of Directors, it will be possible to appoint

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subcommittees for the Board's committees which will also include experts who are not members of the Board.

Once a year the Board of Directors will hold a strategic discussion. Inter alia, this will decide on the principles applicable to the multi-year planning approach and changes to it; criteria for evaluating the progress in implementation, while learning from the constant developments taking place in national libraries worldwide and in other libraries in Israel; and goals for developing partnerships and working relationships with institutions in Israel and elsewhere, including the Israel State Archives, Israel Museum, Judaica libraries, libraries in the Jewish world, as well as public and university libraries in the State of Israel.

In conjunction with government ministries, the Board of Directors must work out legislative steps so as to obtain recognition for the Library's national status and deal with the requisite subjects as stipulated in the Committee's recommendations.

Board of Trustees

During the permanent phase, the General Assembly will appoint a Board of Trustees whose purpose will be to generate the broad-based public backing for the Library's activities in Israel and overseas. The Board of Trustees will appoint some thirty members of public stature in Israel and other countries, whose membership will in and of itself confer a special status on the Library's activities.

The Board of Trustees will convene once a year and discuss the Library's overall strategy, matters of public interest, fundraising policy, and all other matters as it sees fit.

Administration

The administration of the National Library will be composed of a Director-General of the Library and heads of departments. The administration will be responsible for the day-to-day running of the Library's affairs, for formulating proposed policies, development plans, and locating the requisite development and operating resources. The Library's administration will undertake a process of analyzing physical needs for the coming decades, to be based on the National Library's

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new goals. The Library's administration will operate in the framework of the policy to be laid down by the Board of Directors as well as the budget to be approved by it, and will be subject to its instructions.

A **Coordination Committee** will be set up for the Library's and the Hebrew University's administrations, to deal with the subject of services. This committee will work out recommendations for the scope, level and price of the services that the University is to supply to the Library. The decision about acquiring services from the University will be taken by the Library's Board of Directors on the basis of economic considerations. The acquisition of services from the University will be financed by offsetting their cost from the annual budget that the Hebrew University will provide for the Library.

Recommendations

- A.1) The Hebrew University shall set up a wholly owned subsidiary company and shall appoint a Board of Directors for it, to be composed in accordance with the aforementioned recommendations of the Committee.**
- A.2) When the decision is taken to move to the permanent phase, the Library will be set up as an independent corporation, the ownership will be changed, and a change will be made in the composition of the institutions in accordance with the Committee's recommendations, including General Assembly, Board of Directors and Board of Trustees.**

II. Organization and administration

Today the Jewish National and University Library (JNUL) functions as a unit of the Hebrew University of Jerusalem. It has no statutes, no Board of Governors, no advisory academic committee, no long-term plan and multi-year work plans, no independent budget, and no regular discussion procedures. Its present organizational structure is not suited to the purposes, tasks and areas of operation of a modern, independent national library.

In the Committee's opinion, the construction of an organization suitable for the mission and new goals must be based on working assumptions to the effect that the Library will switch to a format in which it enjoys independent governance, with expanded public access, the addition of new target audiences, diversification of services to the public, and a quantum leap in the area of technology. The proposed structure must express the full range of activities of a new national library, make it possible to implement a proper set of priorities, and give full expression to the institution's independent character. Moreover, during the interim phase the Library's Board of Directors must implement an orderly process of transition from the present organizational structure to a new organizational structure. The Committee was assisted by the services of Sibam Systems Inc. in analyzing the existing organizational situation and working out recommendations for the future.

Existing situation

The JNUL's personnel are employed by the Hebrew University of Jerusalem. In 2002 the Library comprised one hundred and eighty-five positions. As in classical libraries, the profession of librarianship is extremely dominant (one hundred and twelve librarians), but there is a shortage of other professions on which modern libraries place an

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emphasis such as operations, education, culture, technology, service, and so on. The staff are all senior, with forty three of the Library's employees having more than thirty years service. It may be assumed that there will be a problem associated with changing the existing staff's organizational culture. One hundred of the Library's staff are aged fifty and above. In the next decade a significant number of retirements can be expected.

The Library's organizational structure is not strictly hierarchical, and the burden of organizational control is unbalanced. The Library is run by a senior faculty member of the Hebrew University of Jerusalem, who at the same time continues to carry out his academic teaching and research duties on a limited basis. The deputy director for librarianship has responsibility for the field of collections. The position of deputy director for administration and operations is vacant, and hence administrative aspects are handled by an accountant. More than fifteen departments report directly to the deputy director. The sub-units are very small. There are no middle echelons. For all organizational matters, including personnel, money, acquisitions and computerization, the Library is tied to the apron strings of the Hebrew University's departments. Any awareness of service is internally oriented. There is a manifest shortage of professionals, of people able to contribute to management aspects, and of people with specialist skills in areas of new activities.

New organizational structure

An organizational structure is intended to reflect an activity-related outlook and to contribute to its implementation. Below is a recommendation for a new organizational structure, based on an analysis of a national library's goals and areas of activity, as well as on experience and lessons derived from other countries. A change in the organizational structure is required as a preparatory phase, which will help to prepare the ground for the re-establishment of a national library. The Library's Board of Directors will discuss and approve a new organizational structure for the Library.

Administration

The Library's administration will consist of the Director and the division heads, who will meet weekly. The agenda of the administration's meetings will include, among others, the following: monitoring the advancement of the Library's goals (branch heads' reports), progress of the work plan in the areas of budget, technological integration, educational activities, exhibitions, public events, governance and organization, storage, conservation and cataloguing, and also working out initiatives for development.

The Director-General of the National Library. The Visiting Committee recommended that "the Director be chosen from among the most qualified available candidates and s/he should devote full-time to her/his Library responsibilities. The search for a Director should not be limited to the professorate... and faculty of the Hebrew University" [below, Appendix B, pages 23–24]. It should be emphasized that the position of Director of the National Library will have outstanding weight and importance generally, and in particular during the period of organizational changes.

The current director of the JNUL was appointed by the Hebrew University. After the current director's period of office has come to an end, the Board of Directors will appoint a Director for the National Library. The Library's Board of Directors must appoint a search committee for the Library's Director. The skills and qualifications required include a proven successful track record of experience in running large systems and playing a leadership role in processes of organizational change, experience and expertise in management and developing a budget, a sympathetic approach to the world of books, and identification with the goals of bringing about the requisite changes in the Library. When it appoints the Director, the Board of Directors will consider whether his/her period of office should be limited to a predetermined period. The Director's contract of employment will contain the possibility of terminating his/her employment subject to notice of a predetermined set time.

Four division heads will be subordinate and accountable to the Library's Director: the head of the Librarianship Division, the head

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of the Educational and Public Activities Division, the head of the Information Technology and Computerization Division, and the head of the Administration and Operations Division. Other functions and positions also directly subordinate to the Director will be fundraising, the internal comptroller, and legal counsel. The Library's Board of Directors will set the parameters of these posts (extent and functions).

Librarianship Division

This department will be responsible for the professional aspects of the Library's work, the collections and reading rooms, cataloguing, content acquisition, conservation and restoration.

1. **Collections and Reading Rooms.** The heart of the Library's professional operations lies in administering the collections, which is the reason why the collections directors are the key figures in changing the nature and image of the Library. In national libraries worldwide, the collections directors are actively involved in broadening access to their collections by means of education and technology, as well as fundraising in order to develop the collections. The requisite physical settings must be made available at the National Library in the form of modern reading rooms. The National Library must adopt a non-loans policy, with its collections being kept in its facilities. Resources must be made available so that documents can be photocopied readily and easily.
2. **Cataloguing and Bibliography.** The Library must assume a leadership role in the library world both in Israel and in the Jewish world. Through legislation, the Library must be given the same authority vis-à-vis institutions in the State of Israel as is enjoyed by its counterparts in other countries. The Library must provide public and university libraries with Hebrew-language catalogues in a timely fashion. It must also provide these libraries with guidance and assistance on professional matters. The Library will establish cataloguing standards, and also draw up a national bibliography and central national union catalogue of the items held in other libraries and archives in Israel and worldwide.

3. **Content Acquisition.** The Library's collections must be developed by working out an acquisitions policy and generating a proper acquisitions budget. Today, donations from the Jewish world are mainly given to advanced libraries worldwide which have holdings of Jewish collections outside the State of Israel. The Library must be proactive, initiating the acquisition of relevant materials both in Israel and overseas. No effort must be spared to ensure that important cultural collections of the Jewish people find a home in the National Library. Equally, the Library Law must require meticulous observance of the legal deposit requirement with the National Library.
4. **Conservation and Restoration.** The National Library must be a quality center in the field of conservation and restoration, and must also provides services to other institutions. As the holder of special and exceptional collections of rare books and manuscripts, and as the leader of libraries that document the cultural achievements of the Jewish people, the Library bears a heavy burden of responsibility to preserve and conserve these assets as their custodian for the sake of future generations. Technical and professional abilities must be developed in keeping with the expectations and standards of the twenty-first century, with a broad-based survey being carried out concerning needs and priorities in terms of what must be dealt with.
5. **National Sound Archive.** The collection of audio material covering Jewish traditions and Jewish communities. The National Sound Archive also functions as the Archive of Hebrew Song and of the world of song in Israel, covering many diversified aspects.

Educational and Public Activities Division

A key challenge confronting all modern national libraries is to make its collections as accessible as possible to the public-at-large, by making use of a broad range of means to match the needs and possibilities of their target publics. The aspiration and expectation — and accordingly the preparations — should be geared for hundreds of thousands of visitors a year, and millions of “visitors” in remote locations by means

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of the Internet. This is the area for which the Educational and Public Activities Department is responsible.

1. **Education.** As a public institution whose holdings constitute national resources, the Library will become an information resource serving a broad learning public. The Library will have working ties with educational systems, and will hold in-service training courses for teachers in addition to offering courses for school pupils. The Library will help teachers and institutions to develop educational projects based on the Library's content. The Library will develop learning programs that tie in with the Educational Ministry's curricula, with an emphasis on integrating technology.
2. **Museum of the Book and Writing.** The Museum will include a permanent exhibition as well as temporary exhibits, presenting the history of the book from its earliest beginnings all the way to e-books. The museum will present ancient manuscripts, rare books, outstanding audio recordings and maps, as well as manuscripts by writers and philosophers. The Museum will highlight the culture of the Jewish book over the generations, as well as Hebrew and Israeli literature. The opening up of the Library's collections to the public at large will be done in a state-of-the-art fashion, including exhibitions and publications, with technology offering remote access.
3. **Cultural Events and Courses.** The Library will hold a wide range of cultural events, including symposia and conventions, evenings of readings of poetry and stories, tributes to creative writers and so on. The possibility should be considered of holding the opening ceremony at the Library of Hebrew Book Week. The Library will issue publications on its treasures, collections, book culture, exhibitions and events. It will also have an information center, a store selling books and mementoes, and a cafeteria. It will offer courses for organized groups from Israel and overseas, and it will develop resources and programs for populations with special needs.
4. **Marketing and Public Relations.** In order to facilitate access to the treasures and collections through the intermediary of educational

and cultural means, efforts must be undertaken to attract the public to take part in the Library's activities. A professional PR approach must be adopted for this purpose.

Information Technology and Computerization Division

Technological development is impacting all areas of the Library's activities, traditional and new alike. Fields which are coming into being include new (electronic) collections which must be developed, innovative cataloguing and indexing tools, techniques for conservation and restoration (physical and electronic), storage, preservation and protection. Technology also makes it possible for any individual or institution anywhere in the world to have unrestricted access to the Library's collections at any time. The use of technology can help develop new income-generating centers to support the development of independent revenue. The Information Technology and Computerization Branch will be in charge of the following areas:

1. **Information Technologies.** Developing the infrastructure for electronic information storage, maintaining an ability to cope with different computer languages, information management and retrieval, to be made available for the purpose of digitizing and opening up the Library's collections to the general public.
2. **Digitization and Document Provision.** Developing means for computer and Internet-based remote accessing of the Library's collections, using the Library's computer infrastructure. The work plans will be developed in close conjunction with the Educational and Public Activities Branch and the Librarianship Branch.
3. **Electronic Collections.** In the modern age, a great deal is published electronically (books, journals, data bases, newspapers, CDs and Internet sites). A national library must increasingly come to grips with this medium, including cataloguing it, which means adapting its work to take account of frequent technological changes. There are national libraries (the most prominent being Iceland's National and University Library) which are seeking on behalf of the State to acquire user rights in journals, encyclopedias, dictionaries, lexicons

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and electronic books for all of the country's citizens). The National Library must investigate the possibility of integrating the activities of the country's Inter-university Center for Digital Information Services (Malmad) and broadening the areas of its activities to include more than just the academic community.

4. **Computerization.** Developing technological infrastructure in the National Library, to enable heightened efficiency in terms of work procedures, including physical storage, handling, maintenance, administration, budget and personnel.

Administration and Operations Division

The Administration and Operations Division will be responsible for the implementation of the National Library's operations outlook, including developing working procedures and performance criteria, effective operation of a balanced budget, developing and operating profit-making centers, accountancy, personnel, construction, storage, security and guards, equipment and maintenance.

1. **Budget and Accountancy.** As an independent institution, the Library will rely on three budgetary sources: the government, the Hebrew University (and possibly also additional public institutions), and own income. Budgetary responsibility will lie with the Library, which will have to institute and apply effective, efficient and balanced operations, developing tools and an ability to generate sources of independent income and profit centers.
2. **Work Procedures.** A national library is an institution that requires an extensive workforce, diversified "production lines", and multiple technologies. Its goals are affected by constant changes in the consumption patterns of its target audiences, the growth and diversification of collections, and technological developments. Its budgetary requirements grow constantly, while public sources of funding depend on the country's economic state of affairs. It is vital to have an effective and efficient operations outlook in addition to learning from the experience and lessons of national libraries worldwide (for example, the performance and progress indices introduced in national libraries in the Netherlands and Canada).

On the basis of such an approach, the Library must develop and adopt rigorous working procedures and performance criteria.

3. **Personnel.** The shift from a traditional library to a modern library requires firm leadership, an experienced management team with a sense of vision and mission, the right professionals for the various areas, an appropriate budget, and a suitable organizational structure. National libraries have proper pay scales which enable them to attract the best people from the world of librarianship, education, culture, finance, technology, planning, management and so on. During the interim phase it will be necessary to undertake a process of staff transfers and suitable retirement arrangements in conjunction with the Hebrew University. The Library will itself recruit its new employees.
4. **Construction and Storage.** The size needed for a national library is constantly expanding, with a parallel need for increased physical and electronic storage space. Care must be taken to assure suitable storage conditions, taking account of the special needs of rare and old material.
5. **Security.** The Library's collections are priceless assets. Thefts from national libraries in recent years have led to the introduction of security systems and guards and the development of international standards for protecting national libraries. The Library must adopt a non-loans policy and introduce and maintain suitable security systems.
6. **Equipment and Maintenance.** The Library makes use of professional and general equipment on a variety of technological levels. An internal service arrangement must be introduced for equipment acquisition, supply and maintenance.

Personnel

The pay conditions at the National Library will not necessarily be dependent on those of the Hebrew University. They will reflect the aspiration on the one hand to attract the best people to the National Library for the right jobs, and on the other to reflect increased efficiency and cost cutting, since the institution is a public body.

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A highly motivated, high-caliber managerial and professional team will be established, with the appropriate skills for the Library's various areas of activity in accordance with the Committee's recommendations.

From the transitional phase onwards, each new member of staff will be employed by the subsidiary company. The process of "borrowing" existing employees from the Hebrew University for the National Library will take place in the framework of the Coordination Committee between the Library's management and the Hebrew University, which will discuss the search for suitable solutions on an individual basis. The Hebrew University will include the Library in the framework of a retirement and personnel-reduction plan applicable to University staff. Financing for personnel retirement arrangements will be borne by the Hebrew University. All of the savings resulting from these actions will be used to develop the Library and expand its areas of activity.

Recommendations

- B.1) The Library's Board of Directors shall appoint a Search Committee to appoint a Director-General towards the end of the period of office of the present Director.**
- B.2) The Board of Directors of the Library shall discuss and approve the organizational structure.**
- B.3) The Library's Board of Directors shall appoint a Director-General.**
- B.4) The Library's Board of Directors shall approve the appointment of senior office holders and the working plan in the course of 2004.**
- B.5) The practice of borrowing staff from the University for the Library will continue in the framework of the Coordination Committee between the Library's management and the Hebrew University, which will discuss the search for suitable solutions on an individual basis. The Hebrew University will include the Library in the framework of a retirement and personnel-reduction plan applicable to University staff. Financing for the**

personnel retirement arrangements will be borne by the Hebrew University.

- B.6) The Hebrew University will encourage efficiency measures for the Library and will provide incentives for it to implement such programs, inter alia by allowing the Library to retain all of its savings and results of increased efficiency).**
- B.7) The Library's management will recruit new personnel in order to institute a managerial and professional team with the appropriate skills for the Library's various areas of activity, in accordance with the Committee's recommendations. The pay conditions at the National Library will not necessarily depend on those of the Hebrew University and will reflect the aspiration on the one hand to attract the best people for the right jobs, and on the other to reflect increased efficiency and cost cutting, since the institution is a public body. From the transitional phase onwards, each new member of staff will be employed by the subsidiary company.**

III. Technology

The technological infrastructure at the JNUL is of a low level, not only in comparison with the world's leading libraries but also compared with university and public libraries in Israel, including the Hebrew University of Jerusalem. The Library lacks any orderly planning of technological development, improving accessibility and improving the quality of service. The Committee recommends that the Library's Board of Governors work out and implement in the transitional phase a plan for opening up the collections to as diversified and wide a public as possible, making extensive use of technology. This plan will act as a "lever" for wide-ranging organizational change in the areas of management, operations, fields of activities, priorities and working procedures. The Committee used the services of Sibam Systems Inc. to analyze the existing situation and work out recommendations for the future.

Existing situation

The Library's computer systems are primarily intended for the Library's staff, rather than for the body of users. It is obvious that the systems are operated from the viewpoint of collections and research, and not from the point of view of providing service to the public at large. As a result, the public's access to the collections is extremely limited. As in other areas, in the area of computerization also the Library relies on the Hebrew University and its physical plant. The servers available to the Library are located on the University's Computer Authority site and are maintained by it. The University's Computer Authority is responsible for communications, maintenance agreements with suppliers, and peripheral equipment procurement agreements. The administrative systems that serve the Library are all operated by the University's Information Systems Unit. The Library's development

budget is largely determined by the University's development policy, priorities, equipment procurement, and choices of the type of equipment acquired.

The computerization unit at the Library comprises three posts. Its task is to provide support to users in the Library, to define needs in the areas of equipment and physical plant, and to coordinate activities with the professional bodies at the University. The existing workforce's size and training are sufficient for the current operations, but are far from sufficient in light of the future development and opening up of the Library to wide-ranging publics.

The technological revolution

Technology is not just "another" means used by a library in the modern world. Technology is changing the very essence of the concept of a "library". Libraries in democratic countries which are based on public financing have long since come to the conclusion that in order to make a contribution and play their role in society, they must make relevant services available to as wide a public as possible and change from being closed, inward-looking bodies into vital public institutions that play an active role in cultural life. Integrating technology is one of the key ways of doing so, because it makes it possible to reach a broad diversified public while protecting the Library's treasures. Technology is a key subject on national libraries' agendas worldwide, and it affects all strata of the Library's activities, from developing electronic collections, through cataloguing, conservation, storage and protection, to expanding accessibility and generating income. Integrating technology also contributes greatly to researchers and students alike, enabling them to access the collections at all times from all locations.

It is difficult to advance an estimate of whether and if so when it will be possible to have an entirely digital national library, i.e. a "virtual library". A national library is still first and foremost an archive of manuscripts and printed material. The model known as "The hybrid library" is generally accepted as coming into existence in the next few decades. This would be a combination of content "from the old world"

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with content and tools “from the new world”. A modern national library combines a physical visit to the library and its exhibits with remote access to the collections’ content.

In advanced national libraries, enhancing and expanding access by means of technology is a primary “cutting-edge project” designed to carry everything in its wake, bringing about far-reaching changes in terms of organization, management and budgets. The two pioneers in this area are the Library of Congress and the British Library, and many other libraries are following in their footsteps today:

1. Library of Congress (American Memory Project). In the early 1990s the Director of the Library of Congress initiated an ambitious digitization project, designed to make American history (primary sources) available to anyone, anywhere, and at any time. As early as the initial experimental phase it became clear that the main requirement for material is from the American educational system, from elementary school to high school. Accordingly, the project is based on cooperation with educational systems and is adapted to their needs. Today the project comprises seven million original documents from over one hundred collections, and involves lesson plans, curricula, training for teachers and on-line courses for school students.
2. The British Library (Turning the Pages Project). In order to enhance accessibility, the British Library is undertaking activities involving two parallel channels: culture and education. In 1998 the British Library launched a project called “Turning the Pages”, based on advanced Internet technology that makes it possible to remotely “turn the pages” of the Library’s collections using computer-based means. At the same time the Library offers wide-ranging educational activities together with the Ministry of Education and educational institutions, including developing educational material, training for teachers and pupils, and guidance concerning on-line curricula.

The New Situation

In order to bring about significant change in the Library in terms of

its managerial, organizational and operational outlooks, the Committee considers that there is a need for a “lever” which can help illustrate the new direction and bring about wide-reaching changes. The Committee recommends that the Library’s Board of Governors work out and begin implementing during the transitional phase a plan for opening up the collections to as broad and varied a public as possible, making full use of technology. The fact that no broad-based organizational change has taken place even though the Library has in recent years undertaken activities to integrate technology, is an indication from which lessons should be derived. The experience of national libraries worldwide indicates that technology will only be successfully integrated when it constitutes a key part of a broad-based managerial and organizational outlook (vision) designed to open the Library up to the public, as indicated in the Committee’s recommendations.

The Library’s Board of Governors will attach major weight to this subject in the interim period and will follow the following stages in its actions:

1. Five-year plan. Working out a multi-year plan to increase access to the Library’s collections by means of integrating technology. Setting up a steering committee chaired by the Library’s Director, with the participation of members who will reflect specialisms in librarianship, technology, education and culture. The Committee will appoint a number of working parties for different subjects such as education, culture, electronic collections, information management, and so on.
2. Annual working plan. Preparing a detailed plan to be derived from the five-year plan and to focus on the area of education, including stages, timetables, and budget. The plan will be based on a needs and expectations analysis for the target audiences, with an emphasis on appropriate curricula. The project will be undertaken under the leadership of the head of the department for public activities and in close cooperation with the Education Ministry, educational institutions, and experts in integrating information and communications technology in education. The plan will be reflected in the annual budget.

3. Putting the plan into practice.

The Committee calls upon Yad Hanadiv to contribute to this process, by making available its acquired experience in these fields, as well as assisting as appropriate on a financial level.

Recommendations

C.1) The Library's Board of Directors shall work out and apply in the transitional phase a plan for opening up the collections to as broad and varied a public as possible, making full use of technology. This plan will act as a "lever" for bringing about wide-ranging organizational change in the areas of management, operations, fields of activities, priorities and working procedures. The Committee calls upon Yad Hanadiv to contribute to this process, by making available its acquired experience in these fields, as well as assisting as appropriate on a financial level:

C.1.a) Working out a multi-year plan for increasing access to the Library's collections by means of integrating technology.

C.1.b) Preparing a detailed plan to be derived from the five-year plan and to focus on the area of education, including stages, timetables, and budget.

C.1.c) Putting the plan into practice.

IV. Budget

The Library's budget today is around NIS 60 million a year. In order to put the Committee's recommendations into practice and upgrade the Library's activities, the budget must be increased to around NIS 90 million a year. The Library's Board of Directors must develop and put into practice a plan for graduated transition from the present-day budget to the target budget. At the end of the transitional phase, the Library should have a budget of NIS 75 million, and should have adopted efficiency measures. In parallel, the Library must develop a plan for developing the budget to NIS 90 million in the permanent phase. The plan will be based on increasing the budget from existing sources of finance, and at the same time developing and diversifying new sources. The Library will operate with a balanced budget and without a deficit: all expansion in the Library's activities will be conditional on first obtaining the requisite sources of funding for operations purposes. Only once a budgetary target has been assured can a decision be taken about moving to the final stage and erecting a new building.

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	2002: starting point for setting up subsidiary company		End of transitional phase			Final stage		
	NIS million	% of budget	NIS million	% of budget	Additional money (NIS millions)	NIS million	% of budget	Additional money (NIS millions)
Government	31	52	37.5	50	6.5	45	50	7.5
Hebrew University	23	38	23	30	0	23	25	0
Independent income	6	10	24.5	20	8.5	22	25	7.5
Total	60	100	75	100	15	90	100	15

Present-day Budget

Today, the JNUL does not operate as an independent cost center with its own budget, since in financial-economic terms it is run as part of the other activities of the Hebrew University. The Library does not submit financial reports and/or comprehensive reports about its expenditure and income. There are joint costs incurred by the University and the Library, and there are internal budgetary transfers between the University and the Library. In practice the situation is that the Library's expenditure is divided between expenditure that is recorded in the Library's account books, and expenditure that is recorded only in the University's budget and charged to the Library. The Library's revenue derives mainly from the Hebrew University's allocation of funds, from sales of publications, from donations and from royalties.

The University receives special support from the Planning and Budgeting Committee (PBC) of the Council for Higher Education for

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the JNUL's activities. Until 1998 the PBC's support to the Library was around NIS 10 million annually, with the remainder coming from the Hebrew University. The Visiting Committee recommended that in the future outline, the State should bear some 75% of the Library's budget, with the University covering the remaining 25%. As a result, the Hebrew University took steps vis-à-vis the PBC, which increased its contribution to NIS 30 million annually.

The Committee for Changing the Status of the Jewish National Library used the services of Kesselman Consultants Ltd. in order to reconstruct the pro forma budget for the JNUL. The following budget is based on an analysis of the annual budget of the Library in the four years from 1999 to 2002. In these years the Library acted within an annual budget framework of around NIS 60 million, as follows:

Income			Expenditure		
Source		% of budget	Item	NIS million	% of budget
PBC allocation	31	52	Salaries	36	60
Independent income	6	10	Content acquisition	4.5	7.5
Supplement from the Hebrew University	23	38	Infrastructure, equipment, maintenance and operations	19.5	32.5
Total	60	100	Total	60	100

It should be noted that the University charges the Library an overhead calculated at the rate of 20% of the Library's income which is not from the University's fund allocations. The salary component at the JNUL is very high in relative terms. In addition, in recent years expenditure for leasing external storage space has increased steadily as a result of the increase in the Library's capacity. These facts are responsible for

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the fact that the Library's ability to operate and develop is practically paralyzed.

New Budget

An analysis of the JNUL's annual current budgetary requirements in the future, after its establishment as a modern national library, was carried out on the basis of specific costing of the operations required. As a control, a comparative analysis was performed of the income and expenditure structure of national libraries worldwide. The conclusion is that in the permanent phase, the National Library will need a current annual budget of NIS 90 million. The following table gives a number of examples of national libraries worldwide, giving some indication of the budget needed for the National Library in Israel.

National Library	No. of inhabitants (million)	No. of employees	Annual budget (local currency)	Annual budget (~ NIS million)	Government/ university financing (% of budget)	Independent sources (% of budget)	Expenditure on salaries (% of budget)
Britain	50	2,500	£121 m	860	73.3	26.7	47.7
Australia	19	430	\$61 m. Aus.	175	75.4	24.6	47.5
Holland	16	260	E36.5 m.	183	75.3	24.7	40
Finland	5	179	E17 m.	85	88	12	unknown
Israel	6	185	NIS 60 m.	60	90	10	60

Against the background of these indicators and after examining needs, it is the Committee's considered opinion that the National Library's operating cost budget will be around NIS 90 million, distributed as follows:

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Income			Expenditure		
Source	NIS million	% of budget	Item	NIS million	% of budget
Government	45	52	salaries	43	48
Hebrew University	22.5	10	Content acquisition	10	11
Independent income	22.5	38	Infrastructure, equipment, maintenance and operations	26	29
—	—	—		11	12
Total	90	100	Total	90	100

Conditions for setting up a subsidiary company

Changing the existing situation and moving to a transitional phase in the framework of a subsidiary company will make it necessary to secure a number of introductory conditions in advance:

1. The Hebrew University will take steps to ensure that when the transitional phase begins, the Library has a basic budget totaling no less than NIS 60 million. The Committee recommends that the Hebrew University reach an agreement with the relevant agencies to the effect that the scope of the budget currently received from the Planning and Budgeting Committee (PBC) will be maintained at no less than its present level.
2. The Library will operate with a balanced budget and without a deficit. Any expansion of the Library's activities will be conditional on the advance securing of the financial sources needed for operations.
3. Any additional budget obtained during the transitional phase by internal cost-saving measures will remain in the Library and will be channeled to developing new areas of operations.
4. The cost of financing staff retirement arrangements will be borne

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by the Hebrew University and will not be deducted from the overheads covered by the Hebrew University.

5. The Library will be able to acquire services from the Hebrew University as it sees fit and at standard prices based on an agreement for exchanging services to be signed between the Library's Board of Directors and the University.

The Library's subsequent development in accordance with the implementation plan is based on the generation of additional financial sources from the three existing sources:

1. A properly run organizational system will be able to increase independent income and donations from 10% to 25% of the budget.
2. Government involvement, by integrating the Library with the educational system, will increase the participation of the public system.
3. The Hebrew University will continue to make its investment, with more or less its current scope, as recommended by the Visiting Committee.

The National Library Transitional Company's success during the interim stage in developing its budget from the starting point of NIS 60 million to NIS 75 million a year will provide an indication of the practicability and feasibility of moving on to the permanent phase. Towards the end of the interim stage, the Library's Board of Directors will sign agreements with the Hebrew University and the Education Ministry in which they will give commitments concerning the scope of the current budget that they will make available to the Library, which will guarantee the graduated reaching of an annual budget of NIS 90 million. With the securing of financing for operations in the permanent phase, the Library's Board of Directors will have to take steps in order to assure the availability of sources of financing in order to put up the new building.

Independent sources

During the budgetary examination, a new trend was identified — a drop in the Library's own income, from a total of NIS 9.5 million in 1999 to around NIS 6 million in 2001–2002. The Library's

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management investigated this state of affairs and identified the cause as one-time income-generating activities (an exhibition put on in 1999 and an increase in Einstein Collection royalties the same year), as well as fluctuations in recording donations and changes in internal arrangements within the Hebrew University (transferring most of the income from the Einstein Collection royalties from the Library's budget to the University's budget, from 2000 onwards).

The amount of independent income generated at the Library amounts today to around NIS 6 million a year, or some 10% of the total budget. Modern, open-access national libraries are aware that in order to survive, to exist and develop, they have to develop their own sources in addition to their government budgets. At these libraries, independent income represents 25% of their total budgets. What this means is that the Library must increase its independent income from its current NIS 6 million level to NIS 22 million annually.

In order to reach this goal, the Library will have to give this matter top priority and take action:

1. To operate the Library as a "living business", which as part of its operations will run profit-making centers that sell services.
2. To inaugurate a setup which will actively promote fundraising activities. A new National Library of the Jewish People should attract special attention, which should in turn be reflected in large donations.
3. To sell information services which will expand with the increase in Internet-based access.

Recommendations

D.1) The Hebrew University will take steps to ensure that during the transitional phase the Library has a budget of at least NIS 60 million. The Hebrew University will reach an agreement with the government over canceling the cuts and continuing the transfer of the budget to the subsidiary company through the PBC.

D.2) The Library's Board of Directors will work out and put into practice a plan for a graduated shift from the present

budget (NIS 60 million) to a budget of NIS 75 million at the end of the transitional phase, involving internal cost-saving measures, and a budget of NIS 90 million during the permanent phase.

- D.3) The Library will operate with a balanced budget and without a deficit. Any expansion of the Library's activities will be conditional on the advance securing of the financial sources needed for operations. The Library will take steps to develop and diversify sources of financing for its current operations, including developing profit-making centers for generating own income.**
- D.4) The National Library's sources of funding during the permanent phase will break down as follows: 50% government budget (NIS 45 million), approx. 25% budget from the Hebrew University (NIS 23 million), and some 25% from the Library's own sources (NIS 22 million). Although should additional public institutions participate in the financing, it will be possible to reduce the share of the income from independent sources.**
- D.5) Towards the transition to the permanent phase, the Library's Board of Directors will sign agreements with the government and the Hebrew University which will secure on a long-term basis the size of the budget with which they will provide the Library during the permanent phase, and will make possible the direct transfer of the budget to the new corporation.**

V. Permanent Home

The Visiting Committee recommended improving the library's physical infrastructure, including erecting a new building. The Committee for Changing the Status of the Jewish National Library does not consider its remit to include pinning down the Library's physical location, since discussing it is premature until the administrative and organizational processes of change have taken place. It is both desirable and advisable for the National Library's administration to undertake a detailed analysis of the Library's physical needs and prepare a program. Such an analysis should be based on a vision of the needs for the coming decades in accordance with the Library's new goals. The Committee recommends that the Library engage in this process after completing the organizational changes and when expanding its activities, in consultation with experts, on the basis of the criteria that will be described below. The Library's Board of Directors and the Hebrew University administration shall take steps to ensure that sources of financing are secured for building a new structure and improving the existing physical infrastructure.

Current situation

The JNUL is currently situated on the Givat Ram campus of the Hebrew University of Jerusalem. The existing Lady Davis building was inaugurated in 1960, with the plans calling for it to serve the Library's anticipated needs for twenty years. During the planning phase the intention was to build the "Shrine of the Book" next to the Library building, to house an exhibition of Dead Sea Scrolls. This combination of a library with a display of these treasures was intended to act as a magnet for visitors from Israel and overseas, as well as educational and cultural activities. For various reasons to do with the Hebrew University, it was eventually decided not to hold activities

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involving the public at large on its campus, and hence the Shrine of the Book was moved to the Israel Museum. Today also, some wonder whether there should not be a physical separation between the Library's academic and public roles, as is the case at a number of national libraries worldwide.

The Library is open to the general public on the basis of the Hebrew University's hours and activities. In practice, access to the JNUL is sometimes restricted and not always available. The prevalent impression is that the Library is viewed by the public and the Library itself as a university library whose main role is to serve the community of researchers, students, and academic faculty of the Hebrew University, as well as research and higher education institutions.

The total (net) constructed area of the existing building is 18,375 sq. m. This is not enough to enable the traditional functions of a national library to be performed in its present format, let alone any new functions. The area used for storage in the current building is 8,332 sq. m. In addition, the library rents storage space outside the University (in Jerusalem's Givat Shaul neighborhood) totaling 4,150 sq. m. The Library also makes use of additional space totaling around 1,000 sq. m. in University buildings (for which no rent is recorded). The cost of renting storage space in Givat Shaul is increasing in proportion to the amount of space used (NIS 1.2 million in 2001 and NIS 1.5 million in 2002).

Describing the JNUL's difficulties in performing its traditional duties, specifically with regard to storage and maintenance, the Visiting Committee wrote: [below, Appendix B, page 15]

The stacks and reading rooms were designed to hold approximately two million volumes...*

The Library has been constrained to transfer a substantial part of the collections to storage sites outside the Lady Davis building. None of these remote sites is designed for the storage of books; they are not air-conditioned, nor even ventilated. Approximately

* The Library's collections currently comprise over five million items.

one-third of the collections are stored under improper conditions. Improper storage has an irreversible detrimental effect on those parts of the Library's collections.

A number of the building's physical systems are in need of replacement or repair. These include temperature and humidity control systems, book delivery systems (elevators, conveyor belts, etc.), passenger elevators, electricity and plumbing systems.

The Hebrew University reported to the Committee that with its agreement, the existing building, other buildings next to it and areas adjacent to it had been declared conservation sites. The Library's Board of Directors must investigate the limitations resulting from this declaration if it wishes to consider building a new structure near the existing one and if the possibility of renovating the existing building is to be explored.

National libraries worldwide

In recent decades, two main trends have been visible in respect of the physical location of national libraries:

1. **Physical separation of the public and academic functions and storage sites.** The growth in library capacity or volume and technological developments have acted as a constraining factor on the one hand, and on the other hand make it possible to put up new buildings for libraries which are not in the same location as the existing buildings. In recent years national libraries have put up buildings for storage purposes in peripheral areas, where costs are lower. Libraries and new facilities which have been built in the last few decades in order to serve new functions of a national library are generally located in urban centers, in order to provide easy and convenient access for the general public. Positioning a national library in the center of a country's capital contributes to efforts to revive the city center. Such buildings house the Library's treasures and display areas, and both cultural events and educational activities take place on their premises. The administration and operations of this type of library pose a

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complex challenge. If this possibility is chosen for the National Library, it will be possible to have storage space provided at a remote location, at lower cost and with unlimited possibilities for expansion; to renovate the existing building and to make it available specifically for academic and research activities; and to build a new structure at an appropriate location which will be suitable for a national library, to be accessible and convenient for the general public.

The library which most resembles the JNUL in terms of size is the **Royal Danish Library**. This functions both as Denmark's National Library and as the University of Copenhagen's central research library for the humanities, social sciences, law and theology. The library operates under the auspices of Denmark's Ministry of Culture, and has three separate physical sites. The humanities library is on the University of Copenhagen Amgar campus, while the social sciences library is at the Fiolsride campus. Both facilities have undergone renovation and expansion in recent years. A third facility is at the national site (Slotsholmen) at Copenhagen's harbour front, where it occupies two buildings — the Hansen Building and a new structure called Black Diamond (named after its granite facing). The total constructed area at the harbor-front site is 40,000 sq. m. gross (23,000 sq. m. net). The total cost of the construction and renovation project is 465.5 Danish kroner (around \$72 million US), to be financed by a government grant. The Black Diamond building has 450 rooms, including the Queen's Hall for musical performances (up to 600 seats), which cost 35 million DKK to build; an exhibitions area (up to 1,000 sq. m.); an area for changing exhibitions (300 sq. m.); the National Museum of Photography (520 sq. m.); six reading rooms (up to 500 seats); a computer-based information area (up to 60 seats); a reading room for newspapers and periodicals (131 seats); a research reading room (163 seats, including 12 small study rooms); a Center for Manuscripts and Rare Books (24 seats); a Center for Maps, Prints and Photographs (26 seats); a Center for Music and Theater (17

seats), a Center for Orientalia and Judaica (17 seats); and three seminar rooms (seating 46, 14 and 100 people).

2. **Single location.** National libraries which enjoy extensive facilities and are located at sites which are accessible to the general public try to run all of the Library's activities in a single central installation, or at a number of adjacent facilities. This applies to old established libraries set up in "palaces" during the country's "royalist" period, as well as brand-new libraries built recently as prestigious national construction projects with great resources.

An example of this approach is the main building of the British Library's at St. Pancras — the largest public building to be constructed in Britain in the twentieth century. The building is in Central London. Its four basement levels extend to a depth of 24.5 meters, and it has a total floor area of 112,000 sq. m. The library covers 14 floors, of which nine are above ground and five are below. The reading rooms are divided by subject. The Library's treasures are shown in three display areas totaling 1,350 sq. m. The basements house 12 million items on four fireproof and waterproof floors with in a controlled atmosphere. The British Library's center for document supply and legal deposit as required by law is in West Yorkshire. The newspaper center is in northwest London.

The physical location of the new building

The discussion about the physical location of the new building for the National Library is the upshot of the change in the definition of its mission and the shift in gravity from operating as a university library mainly serving a limited public of researchers and students, to a national library serving the public at large.

The International Visiting Committee noted in its final report that it had discussed three alternatives for building a new structure for the National Library's new functions: a building adjacent to, if possible adjoining the existing Lady Davis building on Givat Ram; building on Mount Scopus, close to the existing Hebrew University Library of Humanities and Social Sciences; building outside the two University campuses, for example close to the Supreme Court building. The

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Visiting Committee recommended building the new structure on Givat Ram.

In the Committee's discussions, the Hebrew University's representatives made the point that in their opinion the right place for the Library is Givat Ram.

The Committee to Change the Status of the National Library considers that it should not determine the location of a new building for the National Library, but that this should be in Jerusalem, the capital of Israel. The Committee recommends that the Library's Board of Directors examines these matters on the basis of experts' views, taking account of a number of criteria, as follows:

1. Providing a suitable presence for the National Library in a setting and in a space where it is to be located; possibility of creating a fitting public image as a national institution.
2. Guaranteeing easy, convenient and available access for the general public, totaling hundreds of thousands of visitors a year.
3. Possibility of operating separately from the Hebrew University, in terms of access routes, parking, and visiting days and hours.
4. Continuing ties with the academic community of the Hebrew University and other research establishments.
5. Economic efficiency, which will naturally be reflected in using the existing building.
6. Making sure that there is proper physical infrastructure (parking places, security, etc.).
7. Possibility of using the National Library's facilities for the purpose of educational and cultural formats.
8. The extent to which the possible locations match the range of the Library's physical needs.

Recommendations

E.1) The Library's Board of Directors will, as early as possible and following the internal organizational changes, initiate a process of analyzing needs and preparing a program for the National Library's physical infrastructure. This

process will be based on the vision for the coming decades in accordance with the Library's new goals.

- E.2) The National Library's Board of Directors shall take a decision on the Library's physical location, on the basis of the above-mentioned criteria, and taking account of the recommendations of the Visiting Committee and the Hebrew University.**
- E.3) The Library's Board of Directors and the Hebrew University will take steps to ensure that sources of financing are available for constructing the new building and improving the existing physical plant.**

Summary of Recommendations and Timetables

The Visiting Committee's recommendations were based on the basic principle that the National Library should operate as an independent body on the basis of an official national mandate. The Library must have an assured annual budget suitable for its purposes, and it must be properly managed, operated and organized.

The plan proposed by the Committee to Change the Status of the National Library is based on the recognition of the fact that these basic conditions have not yet been secured, and hence it would not be practicable to carry out the stages required in a single phase. The Committee does, however, believe that these changes can be achieved by adopting a multi-phase process. In such a plan, each of the phases must be designed with the final stage in mind, reflecting the permanent status of the Jewish National Library as well as making it vital to make progress towards achieving the final goal.

Carefully putting each of the different stages into practice no later than the recommended deadlines will constitute a series of "milestones" towards the next stage, and will make it possible to assess how well the process is advancing. It is suggested that the Hebrew University adopt in full the process specified in this document, including the recommended timetable, and take steps in order to secure the active involvement in it at the appropriate times and stages of the higher education institutions, the government, Yad Hanadiv, and other bodies.

First Stage — Setting up the Subsidiary Company (April 2004–December 2004)

The Hebrew University will take steps to ensure that the Library will have an annual budget of NIS 60 million during the transitional phase. The University must take steps to ensure that the government budget for the Library, which is reflected in both direct and indirect support

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from the Hebrew University, during the transitional phase will be at least at the level of the funding provided during 1999–2002.

By the end of August 2004, the following steps will have been undertaken:

1. The Hebrew University will take an official decision in its institutions adopting the recommendations and requiring them to be implemented.
2. The Hebrew University will make the Library into a wholly owned subsidiary company, which will have the form of a corporation as well as the institutions that comply with the Committee's recommendations. The Hebrew University will draw up the subsidiary company's regulations in accordance with the Committee's recommendations, including the chapter on purposes and tasks as formulated by the Committee.
3. The Hebrew University will appoint a Board of Directors for the subsidiary company, whose members will be as recommended by the Committee and will transfer the responsibility for the Library of an opening budget of NIS 60 million.

By the end of December 2004, the following steps will have been undertaken:

1. The Board of Directors will discuss and approve a new organizational structure for the Library in accordance with the Committee's recommendations.
2. The Board of Directors will appoint the Library's Director and will approve the senior office holders.
3. Agreements will be signed between the Library's Board of Directors and the Hebrew University, arranging for the transfer of the Library's assets and treasures to the subsidiary company, and arranging for the mutual exchange of services, in accordance with the Committee's recommendations.
4. Employees will be transferred from the Hebrew University to the Library while the arrangements for employees retirement will fall on the Hebrew University. Efficiency measures will be carried out regarding the Library's expenditures, inter alia, with respect to personnel whose contribution is low. All savings resulting from

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these activities will be used for the development of the Library and for the broadening of the fields of its activities.

5. A permanent joint Committee of the Board of Directors of the Library and the Hebrew University management will be established to deal with shared services.
6. The Board of Directors will approve a working program for the Library for the year 2005.

Upon completion of this stage, the Library will have a new “address” including the Board of Directors and the management team with authority and responsibility that will act for the promotion of the subsequent stage in the process.

Second Phase — Functioning in (January 2005–December 2006)

The Library will operate as an independent entity in accordance with the following guidelines:

1. Constructing a detailed multi-year plan for opening the Library to the general public, with an emphasis on developing an educational system based on the use of technology. Bringing about a planning process teamed with educational systems, with the purpose of generating use of the Library’s content by as wide-ranging a public as possible; and putting the first phase into practice in conjunction with the development of educational activities, with the help of technology. The Committee recommends that the Library’s Board of Directors take steps to recruit the Ministry of Education and Yad Hanadiv to provide assistance on this matter.
2. Preparing a multi-year plan for developing the current budget from the starting point of NIS 60 million to a target budget of NIS 90 million in the permanent phase (50% government budget, 25% from the Hebrew University, and 25% from own sources).
3. The Library will operate with a balanced budget and without a deficit — any expansion of the Library’s activities is conditional on securing in advance the financial sources needed for operations.
4. Towards the transition to the permanent phase, the Library’s Board of Directors will sign agreements with the government and the Hebrew University which will secure on a long-term basis the size

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of the budget with which they will provide the Library during the permanent phase, as well as its direct transfer to the Library (even though it will be incorporated as an independent entity which is not an institution of higher education).

5. Increasing and diversifying the Library's independent sources of income, such as: donations, royalties, payment for services (including services to be provided using new technologies).
6. Changing the organizational structure in accordance with the Committee's recommendations, including recruiting new staff in order to institute a managerial and professional team with the appropriate skills for the Library's various areas of activity.
7. Improving and streamlining the level of service to Library users, both from the world of academe and from the public at large.
8. Working out a program for the Library's physical needs, based on the National Library's goals and a vision for the coming decades.
9. The Library's Board of Directors, the Hebrew University and government ministries will take steps to pass legislation which will assure recognition of the national status of the Library and its assets, define the government's commitment to provide suitable annual funding, enable the budget to be transferred directly to the Library (even though it will not serve as an institution of higher education) and make it possible for shares to be distributed in accordance with the Committee's recommendations, establish statutory provisions and regulations relating to the University Library, and define the Library's authority as a body which will occupy a leading role vis-à-vis other libraries. The law must include safeguards which will preserve the National Library's independence and make possible the incorporation, composition of the institutions, and regulations in accordance with the Committee's recommendations.
10. Determining the precise location for the National Library's permanent home according to the foregoing criteria. The Committee recommends that the Library's Board of Directors, the Hebrew University and Yad Hanadiv take steps to ensure that sources are available for building a new structure and improving the existing physical plant and infrastructure.

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During the running-in period, the Hebrew University shall take steps to promote the following matters:

1. The Hebrew University will act in conjunction with the Ministry of Education and other government agencies in order to secure a fitting and direct current annual budget for the Library in accordance with the multi-year plan of sources and uses to be developed by the Library.
2. The Hebrew University shall include the Library in the framework of a retirement and staff-reduction plan applicable to University staff.
3. The Hebrew University shall encourage processes for cutting the Library's costs, and shall provide incentives for it to put such plans into practice, inter alia by leaving all of the ensuing savings and results of such efficiency measures at the Library's disposal.

The transition to the permanent status is conditional on the implementation of the "milestones", with an emphasis on securing a reliably sourced budget, assuring independence, grounding the Library's national status in law, and making sure of vital functions (management, organization, operations, and actions to open the Library to the public through educational and cultural means, with a heavy emphasis on the use of technology).

When the time comes to switch to the final stage, the Education Minister, the President of the Hebrew University, the Chairman of the Library's Board of Directors, and Yad Hanadiv's Executive Director will have a meeting in order to assess how far implementation has advanced and how far conditions have progressed. In the case of an understanding that the requisite conditions have not been secured, the Hebrew University's administration will be able in conjunction with the Library's Board of Directors to decide whether to continue in the interim format for a further period, or to go back to how things were earlier. If, on the other hand, it is agreed that the basic conditions have been achieved, the Committee recommends that at this stage each of the bodies concerned decide separately to proceed to a joint decision to move over to the permanent phase, on the Committee's recommendation.

Third stage — final status (During 2007)

At this point, the following steps will be taken in accordance with the Committee's recommendations:

1. The ownership of the Library and the composition of its institutions will be modified in accordance with the Committee's recommendations, either by distributing shares or by setting up a new company.
2. A meeting of the shareholders will appoint a Board of Trustees for the Library.
3. The Library will initiate the stage of detailed planning for the erection of a modern permanent structure, in conjunction with Yad Hanadiv.

Appendix C

Text Proposed by the Committee for Changing the Status of the National Library to the National Library Act

Text Proposed by the Committee for Changing the Status of the National Library to the National Library Act

- Objective: 1. The objective of this law is to assure the existence and proper functioning of the National Library.
- Definitions 2. In this law –
“The National Library Company Ltd.” — A company in the public’s interest named The National Library Company Ltd. which was registered in Israel on.....
“The National Library” — The National Library Company Ltd.
- Functions 3. The National Library will act —
(a) To collect, preserve and nurture the knowledge and cultural treasures of the State of Israel and the Jewish People;
(b) To put the knowledge and cultural treasures in its possession at the service of any person;
(c) To guide the public libraries in Israel in the field of librarianship;
(d) To fulfill additional functions of a National Library as will be determined in the constitution of the National Library;
- Seat 3. The seat of the National Library is in Jerusalem.
- The State as Owners 4. (a) The State will exert its right as owners of the National Library through a council that will be appointed by the President of the State of Israel, and will operate in accordance with the instructions of this law.
(b) The Council will comprise three members and will be of the following composition:
(1) A retired judge selected by the President of the High Court of Justice who will serve as Chairman;

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- (2) A member of the Israel Academy of Sciences and Humanities, selected by the President of the Academy.
 - (3) A member of the Academy of the Hebrew Language, selected by the President of the Academy.
 - (c) The members of the council will participate in the general assembly of the National Library and will vote therein under the power of the shares held by the State.
 - (d) The members of the council will fulfill their duties in the National Library faithfully towards the Library and will act with diligence to fulfill the duties of the National Library as determined in this law and in the constitution of the National Library.
- Transfer of Rights
And
Obligation
5. (a) Any right granted by legislation to the Jewish National and University Library will be granted to the National Library
- (b) Any obligation decreed by legislation to the Jewish National and University Library will be decreed to the National Library
- Non applicability of Legislation
6. (a) The Government Companies Act 5735 — 1975, and all instructions under legislation applicable to a government company or to a combined company will not apply to the National Library
- (b) The National Library will not be considered to be a government company or combined company or corporation that the Government participates in its management in the matter of all laws and for all intents and purposes.

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- Amendment 7. In the Higher Education Act of 5718 — 1958, in clause of the 17 —
Council (a) In the headline of the clause, after the words
for Higher “Budgets of Institutes”, the words “and the
Education National Library” will be added.
Act (b) At the end, the words “and in the budget of the
National Library in its significance in the National
Library Act” will be added.

- Notes:**
1. Additional instructions are likely to regulate additional details with respect to the council members mentioned in article 4 above, such as period of incumbency, expiry of incumbency, etc.
 2. The question of whether the transfer of assets from the Hebrew University to the National Library and the activities of the National Library will be taxable, must be clarified. If so, it is possible that there will be a need for an instruction in the law with respect to an exemption from taxes.
 3. It is worth considering whether to include an additional instruction in the law, and inter alia, instructions granting the treasures of the National Library protection against sale, attachment, liquidation etc., as well as an arrangement limiting the transfer of the shares of the National Library.