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ACTIVITIES OF NONDIPLOMATIC REPRESENTATIVES OF  
FOREIGN PRINCIPALS IN THE UNITED STATES

15384

HEARING

BEFORE THE

*cap*

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

*58th* EIGHTY-EIGHTH CONGRESS,

*1st* FIRST SESSION

UNDER THE AUTHORITY OF SENATE RESOLUTION 362, 87TH CONGRESS, AND SENATE RESOLUTION 26, 88TH CONGRESS, AUTHORIZING THE COMMITTEE ON FOREIGN RELATIONS TO STUDY THE ACTIVITIES OF NONDIPLOMATIC REPRESENTATIVES OF FOREIGN PRINCIPALS IN THE UNITED STATES

(4) PART, 91

MAY 23, 1963,

Printed for the use of the Committee on Foreign Relations



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**Note.—This hearing was held in executive session, and released August 1, 1963, pursuant to committee determination.**

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## APPENDIX 1

## Additional information requested from Mr. Gottlieb Hammer:

1. List of the Officers and Members of the Board of Directors of the Jewish Agency for Israel, Inc., a membership corporation organized under the membership laws of the State of New York
2. Certified copy of Bylaws of the Jewish Agency for Israel, Inc., effective May 23, 1963
3. Certified copy of Bylaws of the Jewish Agency for Israel, Inc., effective prior to April 1, 1960
4. List of members, members of the Executive Committee and officers of the United Israel Appeal
5. Copy of Charter and Bylaws of the United Israel Appeal effective May 23, 1963
6. Request to submit for the record the status as of May 23, 1963, of the corporate control of the United Israel Appeal
7. Request of the Bylaws of the Palestine Foundation Fund effective May 23, 1963
8. Request for a year-by-year accounting of all payments to the American Zionist Council
9. Request for set of periodic accountings rendered by the American Zionist Council to the Jewish Agency from January 1, 1955, to April 1, 1960
10. Request for the year-by-year accounting as to all payments either directly or through the American Zionist Council or through the Rabinowitz Foundation to the Council on Middle Eastern Affairs
11. Request for a year-by-year accounting of payments or loans to the Jewish Telegraphic Agency from the Jewish Agency for Israel, Inc., to April 1, 1960
12. Date of acquisition of stock of Jewish Telegraphic News Agency by the Jewish Agency for Israel, Inc.
13. Request for a detailed itemization of \$50,000 expenditure which appears in the report dated November 4, 1960, rendered to the Jewish Agency for Israel, Inc., by Green, Strocker & Co., on the page marked Exhibit B, Schedule 4(a) Jewish Agency for Israel, Inc., Administrative Expenses for the year ended March 31, 1960, listed as "Special public relations \$50,000"
14. Request for a letter given some time in 1951 or 1952 relative to arrangements for transference of funds from the United Israel Appeal to the Jewish Agency for Israel, Inc., prior to April 1, 1960
15. Letter to Senator Fulbright from Mr. Hammer received subsequent to hearing.

## APPENDIX 2

## Requests for additional information to be supplied by Mr. Hamlin:

1. Certified copy of the bylaws of the Jewish Agency—American Section, Inc., effective May 23, 1963
2. Request for a copy of the constitution of the Executive of the Jerusalem Agency
3. Request for a list of individuals comprising the board of directors of the Executive of the Jerusalem Agency
4. Request for excerpts of minutes of meetings of the Executive in Jerusalem since April 1, 1960, relating to activities through agents in the United States
5. Request for a brief description of the Departments and operations in Israel of the Executive

Requests for additional information to be supplied by Mr. Hamlin—Con.	
6. Request for a year-by-year accounting for payments which the Jewish Agency—American Section made to the American Zionist Council since April 1, 1960.....	Page 1416
7. Request for the number of refugees per year who have been taken into Israel in the last 10 years through the work of the Jewish Agency for Israel, Inc.....	1418
8. Request for year-by-year accounting of payments made by the Jewish Agency—American Section, Inc., through the American Zionist Council or directly to Mr. I. I. Kenen and/or the American-Israel Public Affairs Committee.....	1418
9. Request for year-by-year accounting of payments to the Council on Middle Eastern Affairs from the Jewish Agency—American Section, Inc., either directly or through the American Zionist Council.....	1419
10. Request for a copy of the written arrangement referred to in a letter dated May 20, 1962, addressed to Dr. I. Moyal, and signed by L. A. Pincus, which reads as follows: "The details of how we finalize the accounts of the past year and future payments will be worked out during the month of June and then put in writing as an arrangement between us and the American Zionist Council....."	1420
11. Request for monthly audits, if any, from the American Zionist Council to the American Section or the Jerusalem Executive or Dr. Moyal referred to in the letter of May 20, 1962.....	1420
12. Request for a copy of the letter addressed to Moshe Sharett concerning the "Council situation," referred to in a letter dated February 5, 1963, addressed to Dr. Nahum Goldman and signed Isadore Hamlin.....	1420
13. Request for a year-by-year accounting of all payments made by the Jewish Agency—American Section, Inc., to the Jewish Telegraphic Agency since April 1, 1960.....	1421
14. Request for information as to identity of organization making the \$60,000 payment to the Jewish Telegraphic Agency referred to in a memorandum dated August 1, 1960, addressed to Rose L. Halprin from Isadore Hamlin.....	1422
15. Request as to payments to the JTA referred to in a memorandum dated October 12, 1960, to Fannie Speiser from Isadore Hamlin, reported in registration statements filed with the Department of Justice.....	1422
16. Request for itemized accounting of \$20,000 item which appears in the report rendered by Green, Strocker & Co., Certified Public Accountants, in schedule B-3n, entitled "Miscellaneous, for year ending March 31, 1961".....	1422
17. Request for listing of payments to the JTA in the registration statement for the 6 months ending September 30, 1961, as well as the amendment to that filing dated October 6, 1962, filed by the American Section, Inc.....	1422
18. Request for further information relating to items in reports to the Jewish Agency—American Section, Inc. by Green, Strocker & Co., CPA's, on operations for the fiscal year ending March 31, 1962:	
(a) From schedule B-1 of that report, entitled "Budgetary Expenses Information, Year Ending March 25, 1962," the item "Jewish Telegraphic Agency, Inc., budget, \$60,000, expenditures, \$60,000." Were any of these expenditures reported on registration statements filed with the Department of Justice?.....	1422
(b) From schedule B-1-g, item "Public Relations Special Projects, Year Ending March 31, 1962." Was this expenditure reported on registration statements filed with the Department of Justice?.....	1423
(In itemizing these expenditures, in accordance with the chairman's request, please state names to whom funds were paid; purpose of the payment; date of the payment; and the amount of payment.)	
19. Letter from Mr. Isadore Hamlin to Senator Fulbright dated July 25, 1963, commenting on certain portions of his testimony.....	1424

## ACTIVITIES OF NONDIPLOMATIC REPRESENTATIVES OF FOREIGN PRINCIPALS IN THE UNITED STATES

THURSDAY, MAY 23, 1963

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
Washington, D.C.

The committee met, pursuant to call, at 10:10 o'clock a.m., in room 4219, New Senate Office Building, Senator J. W. Fulbright (chairman) presiding.

Present: Senators Fulbright, Sparkman, Humphrey, Symington, Dodd, Hickenlooper, and Aiken.

Also present: Mr. Marcy, Mr. Pincus, Mr. Sifton, and Mr. Yingling of the committee staff.

### IDENTIFICATION OF WITNESS AND COUNSEL

The CHAIRMAN. Mr. Hammer, will you state for the record, please, sir, so the record will show, your full name, address, and business address.

Mr. HAMMER. My full name is Gottlieb Hammer. I live at 1154 East 27th Street, Brooklyn, N.Y.

My business address is 515 Park Avenue, New York.

The CHAIRMAN. And you are accompanied by counsel?

Mr. HAMMER. I am accompanied by counsel.

The CHAIRMAN. Give his full name, please.

Mr. HAMMER. Mr. Maurice M. Boukstein of the firm of Guzik & Boukstein.

Mr. BOUKSTEIN. 150 Broadway.

The CHAIRMAN. And this young lady is your assistant?

Mr. BOUKSTEIN. A member of my staff.

The CHAIRMAN. Give her name, please.

Mr. BOUKSTEIN. Mrs. Elaine Rosenbaum.

The CHAIRMAN. Mr. Hammer, you have had an opportunity to read the opening statement of the committee outlining the purposes and procedures to be followed at this hearing?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Without objection that statement will be inserted in the record at this point.

(The statement referred to follows:)

## OPENING STATEMENT BY SENATOR FULBRIGHT

## Executive Session Hearings on the Activities of Nondiplomatic Representatives of Foreign Principals

We continue today the hearings before the Committee on Foreign Relations, held pursuant to Senate Resolution 362, of the 87th Congress, 2d session, and Senate Resolution 26, agreed to March 14, 1963. Copies of these resolutions will be inserted in the record at this point.

[S. Res. 26, 88th Cong., 1st sess., Rept. No. 2]

## RESOLUTION

*Resolved*, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to continue its study of the activities of nondiplomatic representatives of foreign principals including, without limitation, foreign governments, foreign political parties, and individuals, partnerships, associations, corporations, organizations or other combinations of individuals, whether foreign or domestic, acting in the place of, or in the interests of, or on behalf of a foreign government or foreign political party, tending or intended to influence the foreign or domestic policies or interests of the United States.

SEC. 2. The committee is further authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946 to give thorough consideration to existing and proposed legislation relating to the activities of nondiplomatic representatives of foreign principals, as aforesaid, and to make such recommendations with respect thereto as may be found by it to be appropriate.

SEC. 3. For the purposes of this resolution the committee is authorized from February 1, 1963, to January 31, 1964, inclusive, (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, such technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC. 4. The expenses of the committee under this resolution which shall not exceed \$48,600 for the period ending January 31, 1964, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 5. The committee shall complete its study and submit to the Senate not later than January 31, 1964, such results of the study herein authorized together with such recommendations as to existing or proposed legislation as herein authorized as may be found by it to be appropriate.

[S. Res. 362, 87th Cong., 2d sess., Rept. Nos. 1679 and 1708]

## RESOLUTION

Whereas the Senate of the United States has special constitutional responsibilities in matters bearing upon the foreign relations of the United States; and

Whereas the discharge of this responsibility requires a thorough review and full public disclosure of the nondiplomatic activities of representatives of foreign governments and the extent to which they attempt to influence United States policies: Now, therefore, be it

*Resolved*, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized under sections 134 and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to conduct a full and complete study of all nondiplomatic activities of representatives of foreign governments, and their contractors and agents, in promoting the

interests of those governments, and the extent to which such representatives attempt to influence the policies of the United States and affect the national interest.

SEC. 2. For the purposes of this resolution the committee is authorized (1) to make such expenditures; (2) to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Senate; (3) to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (4) to take such testimony; (5) to employ, upon a temporary basis, such technical, clerical, and other assistants and consultants; and (6) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government as it deems advisable.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed \$50,000 for the period ending January 31, 1963, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

SEC. 4. The committee shall complete its study by June 30, 1963, but it shall submit to the Senate not later than January 31, 1963, such results of the study herein authorized together with such recommendations as may be found to be appropriate.

The committee is authorized by these resolutions to inquire into the activities of nondiplomatic agents of foreign principals where those activities have tended or were intended to influence policies and interest of this country.

Today's hearing is a continuation of the series of hearings to which individual nondiplomatic agents will be called. The purpose of this series of hearings will be to examine some activities carried on by selected nondiplomatic agents. Once the nature of these activities is understood, the committee will be in a better position to consider the need for the enactment, amendment, or repeal of legislation relating to activities of all nondiplomatic agents.

The scope of the committee's investigation is limited to activities of representatives who are neither recognized nor accredited as members of the diplomatic corps. The committee's investigation will involve, however, activities of nondiplomatic agents which either are of the nature of activities traditionally carried on by diplomats, or bring the agents in contact with members of the diplomatic corps.

The term "representative," as used in the resolutions, includes any person acting on behalf of, or in the interest of another whether in the field of law, public relations, economic consultation, information or press services, lobbying or in other areas.

The fact that the representation is gratuitous, noncontractual, or pursuant to oral or written agreement, the duration or scope of the representative's duties, will not be relevant in determining the scope of the committee's inquiry.

The foreign principals with which the committee will be concerned, pursuant to the resolutions, will include foreign governments, foreign political parties, and individuals and associations acting on behalf of, or in the interest of, foreign governments or foreign political parties. The committee will be concerned as well with individuals or associations whose activities are of the nature of those traditionally performed by governments. In such a case the foreign principal acts in the place of a government. Finally, the resolutions also direct the committee's attention to foreign principals having no connection with foreign governments or foreign political parties where the activities of agents of those principals tend or were intended to influence policies or interests of the United States.

The influence upon U.S. policies or interests to which the resolutions direct the committee's attention may, needless to say, be direct or indirect. Influence may be brought to bear not only in the establishment and formulation of U.S. policies and interests, but also in their furtherance and execution. The influence may, moreover, either aid or impede those policies or interests; we are more interested in the nature of the activities themselves than in the direction they take in each particular case.

With respect to the object of the activities of nondiplomatic agents, the resolutions are concerned with policies and interests which may be formed or furthered by either the legislative or executive branches of our Government. The

particular policies or interests involved may be expressed, for example, in proposed or adopted legislation, statements of departmental policy, or in the general course of conduct of our Government.

With respect to the procedure to be followed by the committee, I note that today's hearing is being held in executive session in order that the committee will be in a position to determine whether the character of the testimony heard warrants public disclosure. In making that determination, the committee will bear in mind the national security and the interests of individuals named in the course of testimony as well as the legislative purposes of this investigation.

Pursuant to a committee order unanimously adopted by a majority of the committee then being present in a meeting held January 15, 1963, duly called by the chairman, the legal quorum of the committee or of any of its subcommittees for the purpose of taking sworn testimony has been fixed at one. Authority for this action may be found in rule 253 (b) of the Standing Rules of the Senate.

Attendance at this hearing has been limited to members of the committee and of the committee staff as well as the witnesses.

The witnesses whose testimony will be heard today have been called to appear pursuant to subpoenas addressed to them and dated May 13 and May 16, 1963. A copy of these subpoenas will be inserted in the record at this point.

## UNITED STATES OF AMERICA

## CONGRESS OF THE UNITED STATES

To GOTTLIEB HAMMER,  
Jewish Agency for Israel, Inc.,  
515 Park Avenue,  
New York 22, N.Y., Greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the full Committee on Foreign Relations of the Senate of the United States, on May 23, 1963\*, at 10 a.m., at their committee room, 4219 New Senate Office Building, Washington, D.C.,\* then and there to testify what you know relative to the subject matters under consideration by said committee, and to bring with you the below listed papers, documents, records, etc., to wit: All journals, ledgers, books of account, other financial records and supporting documents or papers of every kind and description within your possession or under your control including, but not limited to, all canceled checks, banks statements, vouchers, vendors' invoices, sales invoices, contracts and other supporting papers relating to any and all activities of the Jewish Agency for Israel, Inc., on behalf of the Jewish Agency for Israel, Jerusalem, Israel, where those activities have tended or were intended to influence the establishment or furtherance of policies or interests of the United States and were engaged in during the period January 1, 1958 through and including March 31, 1960; and

All correspondence, memoranda, cables, telegrams, teletype messages and other written communications to and from all persons, all books, records, files, memoranda, documents, papers of every kind and description in your possession or under your control relating to any and all activities as hereinbefore described during the period January 1, 1958, through and including March 31, 1961.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To Joseph C. Duke, Sergeant at Arms of the Senate of the United States to serve and return.

Given under my hand, by order of the committee, this thirteenth day of May in the year of our Lord one thousand nine hundred and sixty-three.

J. W. FULBRIGHT,  
Chairman, Committee on Foreign Relations.

\*Or at such date or dates and at such place or places to which the meeting of the committee shall be adjourned.

## UNITED STATES OF AMERICA

## CONGRESS OF THE UNITED STATES

To Mr. ISADORE HAMLIN, Executive Director,  
Jewish Agency—American Section, Inc.,  
515 Park Avenue, New York 22, N.Y., Greeting:

Pursuant to lawful authority, you are hereby commanded to appear before the full Committee on Foreign Relations of the Senate of the United States, on May 23, 1963,\* at 10 a.m., at their committee room, 4219 New Senate Office Building, Washington, D.C.,\* then and there to testify what you may know relative to the subject matters under consideration by said committee, and to bring with you the below listed papers, documents, records, etc., to wit: All journals, ledgers, books of account, other financial records and supporting documents or papers of every kind and description within your possession or under your control including, but not limited to, all canceled checks, bank statements, vouchers, vendors' invoices, sales invoices, contracts, and other supporting papers relating to any and all activities of the Jewish Agency—American Section, Inc., on behalf of the Jewish Agency for Israel, Jerusalem, Israel, where those activities have tended or were intended to influence the establishment or furtherance of policies or interests of the United States and were engaged in during the period April 1, 1960, through and including December 31, 1962; and

All correspondence, memoranda, cables, telegrams, teletype messages and other written communications to and from all persons, all books, records, files, memoranda, documents, papers of every kind and description in your possession or under your control relating to any and all activities as hereinbefore described during the period April 1, 1960, through and including December 31, 1962.

Hereof fail not, as you will answer your default under the pains and penalties in such cases made and provided.

To Joseph C. Duke, Sergeant at Arms of the Senate of the United States to serve and return.

Given under my hand, by order of the committee, this sixteenth day of May in the year of our Lord one thousand nine hundred and sixty-three.

J. W. FULBRIGHT,  
Chairman, Committee on Foreign Relations.

The subpoenas served on the witnesses will require their attendance at this and subsequent meetings of the committee at which they are requested to appear until such time as they are finally excused by the chairman.

Upon being excused, the witnesses are invited to report to the offices of the committee, room S-116, Capitol Building, Washington, D.C., to sight appropriate vouchers for travel allowances and witness fees upon the committee.

A transcript is being taken of the testimony and proceedings at this hearing. Each witness will be given a reasonable opportunity to inspect the transcript of his testimony in order to determine its accuracy and to make representations to the committee on that subject.

Counsel for each witness may attend the hearing for the purpose of advising the witness as to his rights.

Objections by each witness to questions posed during the hearings should be addressed to the chairman.

Each witness will be permitted to present a prepared statement as to matters of fact and opinion relating to the subject matter concerning which he has been called to testify.

The CHAIRMAN. Mr. Hammer, it is the committee's practice to require witnesses testifying on matters of fact to do so upon oath or affirmation.

Will you please rise.

Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HAMMER. I do.

\* Or at such date or dates and at such place or places to which the meeting of the committee shall be adjourned.

The CHAIRMAN. You have a prepared statement, Mr. Hammer, you would like to give to the committee?

Mr. HAMMER. If I may, sir.

Mr. BOUKSTEIN. Mr. Chairman, would you approve if we asked Mr. Hamlin also to come into the room? I think it would be helpful because some of the areas interlap or overlap, and his presence in the room may be helpful.

The CHAIRMAN. We expect to call Mr. Hamlin later, but I think it confuses the record to have these questions all mixed up one over the other, because they are set out each individual according to his responsibilities. As I understand it, Mr. Hammer preceded Mr. Hamlin, did he not?

Mr. HAMMER. That is correct.

The CHAIRMAN. I may say this is very difficult for me to keep it straight in any case. It is not a simple case. But Mr. Hamlin, of course, will be called.

Mr. BOUKSTEIN. Thank you, Mr. Chairman.

The CHAIRMAN. You may proceed with your statement, Mr. Hammer.

#### TESTIMONY OF GOTTLIEB HAMMER; ACCOMPANIED BY MAURICE M. BOUKSTEIN, ATTORNEY, OF GUZIK & BOUKSTEIN

Mr. HAMMER. Mr. Chairman, may I express my appreciation for the privilege of presenting an introductory statement. I hope it will prove helpful, Mr. Chairman, if I would first describe the functions of the following three organizations which bear a certain similarity in their names, and the relationship between them. They are:

I. The Jewish Agency for Israel, Jerusalem, to which I shall refer for convenience as the Jerusalem Agency.

II. The Jewish Agency for Israel, Inc., to which I shall refer for convenience as the INC.

III. The Jewish Agency-American Section, Inc., to which I shall refer for convenience as the American Section.

Four charts describing the flow of funds and functions of these three organizations are submitted with this statement.

##### I. THE JEWISH AGENCY FOR ISRAEL, JERUSALEM (JERUSALEM AGENCY)

The Jerusalem Agency, with headquarters in Jerusalem, was organized in 1929 under the League of Nations mandate for Palestine.

It was established by Jewish groups, both Zionist and non-Zionist, from all over the free world, for the purpose of creating a haven for Jewish refugees and to facilitate their rehabilitation and resettlement in Palestine, and later, Israel. Until 1948, the Jerusalem Agency served as the representative Jewish authority in Palestine vis-a-vis Britain, and later in the presentation of the Jewish case before the United Nations.

Since 1948, when the State of Israel was established, the Jerusalem Agency has performed no political functions.

The Jerusalem Agency is a unique organization. It is a nongovernmental body which was burdened with the extremely complicated task of rehabilitating and resettling over 1 million refugees.

It continues to care, annually, for tens of thousands of refugees and settles them permanently. It probably is the largest organization of its kind in the world. It spends approximately \$100 million a year for transportation, initial care, rehabilitation, shelter, and resettlement of Jewish refugees. American Jews contribute roughly about 40 percent of this amount. Contributions are also received from Jewish communities in Great Britain and the Commonwealth countries, free Europe, South Africa, and Latin America.

In addition to charitable contributions, the Jerusalem Agency has other important financial sources. These include:

(a) A share in German reparations funds.

(b) Grants from the Government of Israel for assistance in the agricultural settlement of refugee immigrants.

(c) Loans and credits. Under the pressure of large-scale refugee immigration, a substantial part of the Jerusalem Agency budget had to be financed by loans and advances in anticipation of future years' contributions.

Since the independence of Israel in 1948, the Jerusalem Agency carried out the transportation and resettlement of approximately 1,100,000 refugee immigrants. First came approximately 250,000 from the DP camps of war-torn Europe. Following the first wave of European refugees, there came mass migrations from Yemen, Iraq, Bulgaria, Czechoslovakia, Poland, and other countries. Large-scale immigration is still continuing.

##### II. THE JEWISH AGENCY FOR ISRAEL, INC.

###### A. PRIOR TO APRIL 1960

In 1944, the Jerusalem Agency established a representative office in the United States under the name of the Jewish Agency for Palestine. This office registered with the Department of Justice under the Foreign Agents Registration Act. In February 1949 this office was incorporated as a membership corporation under the laws of the State of New York, as The Jewish Agency, Inc., which name was changed in April 1959 to The Jewish Agency for Israel, Inc.

During the initial period of large-scale refugee immigration to Israel (1949-52), the INC. worked intensively in the United States in a number of areas:

(a) The INC. did whatever it could to strengthen the fundraising activities of the United Jewish Appeal.

(b) The INC. obtained commercial loans and credits from banks and suppliers to supplement funds available from current contributions so that the Jerusalem Agency would be in a position to cope with the flood of refugee needs.

(c) The INC. acted as purchasing agent for the Jerusalem Agency in acquiring necessary equipment and supplies in the United States. The purchases included blankets, tents, foodstuffs, medical supplies, building material, farm machinery, tractors, automotive equipment, livestock, and other supplies.

It may be of interest to the committee to note that in 1949, when Israel obtained its first Export-Import Bank loan, \$25 million of that loan was earmarked for agricultural settlement programs of the Jerusalem Agency. This amount, plus an additional sum of approximately

\$50 million provided through the INC. out of United Jewish Appeal campaign proceeds or loans, made up a total of \$75 million in purchases from U.S. suppliers during a 3-year period (1950-53).

In more recent years, the INC. carried on also a program of other activities in the field of education and public information. These activities included:

(a) Maintaining contact with and assisting Zionist groups in the United States and strengthening fundraising efforts.

(b) Promotion of the study of the Hebrew language and Hebrew, Zionist, and Israel literature.

(c) Promotion of religious education and the study of the Bible.

(d) Securing American know-how and technical skill to work in Israel and occasional assistance and guidance to Americans who desire to work or settle in Israel.

(e) Publication and distribution of books on Israel and of general Jewish interest.

(f) Servicing Jewish communities throughout Latin America with information, printed material, Jewish educational guidance, and so forth.

(g) Cooperating with American youth organizations in the establishment of summer camps, seminars, study and travel groups to Israel, instruction in Jewish music and folklore.

The INC. was reorganized in 1960 in order to provide a closer identification on the part of the people who raised funds with the problems of actual operations in the field, and in order to satisfy the requirements of the Internal Revenue Service with respect to domestic organizations operating overseas.

As a result of the reorganization, on the basis of a plan and method of operation previously cleared with the Internal Revenue Service, the INC. came under the control of American organizations and citizens and thenceforth ceased being the agent and representative of the Jerusalem Agency. Accordingly, it deregistered as a foreign agent.

#### B. SUBSEQUENT TO APRIL 1, 1960

Under the reorganization, the INC. is the body which determines the use of United Jewish Appeal collections intended for Israel. The board includes principal officers and national leaders of United Jewish Appeal. The board studies the needs and makes specific and detailed allocations for rescue, resettlement, and rehabilitation programs in Israel. These programs are carried out in the field under the terms of an agreement between the INC. and the Jerusalem Agency, which acts as the operating agent of the INC., subject to strict accounting and controls. The INC. maintains a representative office in Jerusalem which supervises and observes the work of its agent (the Jerusalem Agency) in the spending of the American earmarked dollars and makes periodic reports and recommendations.

In addition, the INC. sends an American certified public accountant to Jerusalem each year to audit, verify, and report back to the board the specific details of the expenditures made for the account of the INC.

As of the effective date of its reorganization in 1960, the INC. divested itself of all activities which had been carried on, on behalf of

or at the request of the Jerusalem Agency. Its activities were thereafter, and are at present, confined to the administration of the expenditure of United Jewish Appeal proceeds intended for Israel, as I have just described.

The activities in the United States on behalf of the Jerusalem Agency, have, since April 1960, been carried on by an organization which was specifically incorporated in New York for this purpose and is known as the Jewish Agency—American Section, Inc. (the American Section).

#### III. THE JEWISH AGENCY—AMERICAN SECTION, INC.— (AMERICAN SECTION)

The American Section acts as the representative of the Jerusalem Agency in the United States and it is so registered under the Foreign Agent Registration Act with the Department of Justice. It operates exclusively with funds furnished by the Jerusalem Agency, which it receives from sources outside the United States, or otherwise made available for its account. The American Section does not receive any United Jewish Appeal funds or other charitable contributions in the United States.

In addition to strictly fiscal and purchasing functions on behalf of the Jerusalem Agency, the American Section, of which Mr. Isadore Hamlin, who is also here today, is the executive director, took over the responsibility for the Zionist, educational, cultural, and other activities which had been carried out by the INC. prior to its reorganization and deregistration as a foreign agent.

And now, Mr. Chairman, in conclusion, I should like to say:

(1) The Jerusalem Agency, with the funds provided by American Jews and other Jewish communities, carries on a most vital historic function. Without it, the job of resettling and rehabilitating the hundreds of thousands of Jews who had no place to go, and who might have perished, could never have been accomplished.

(2) This job could not have been done without the enlightened support of the free world, principally the United States. The job of dealing with these refugee immigrants could only have been done by an organization which enjoyed the broad support of Jewish groups all over the world, who were determined that the age-old homelessness of Jews, constantly seeking a haven where they could live a free and productive life as Jews should come to an end.

(3) In order to rally this concern effectively and consistently over many years, a job of organization is required which calls for the use of all modern means of communication, including mass media.

Few contributors spontaneously send in their checks each year. Most of them must be made aware of the magnitude of the problems and that what they are doing is important and necessary. The information they require relates not only to the immediate needs of the refugees, but also to the social and economic and general conditions in Israel, which affect the process of rehabilitation and resettlement of refugee immigrants.

It is for this reason that the INC., prior to April 1, 1960, and the American Section after 1960, have found it necessary to support educational and informational activities.



(4) Over the past 25 years the United Jewish Appeal raised approximately \$11½ billion. American Jews contributed this money in order that something be done about the lot of their less fortunate brethren overseas. Contributions are made by Americans, Jews and non-Jews, from all walks of life and in all social strata. American Jews do not necessarily agree on all matters. Some are Democrats, and some are Republicans, some are liberals and some are conservatives, some are Zionists and some are non-Zionists, some are rich and some are poor.

However, the overwhelming majority of American Jews do agree and are united in their concern for refugees as demonstrated by the outpouring of this tremendous sum over a 25-year period. More than 1 million Jewish families in the United States, which contribute annually to the United Jewish Appeal, will continue to give so long as the need for such assistance exists, for deeply rooted in the consciousness of American Jews is the tradition "For I am my brother's keeper."

In making this very substantial effort to alleviate human suffering abroad, American Jews are gratified to know that they are acting in the democratic and humanitarian traditions on which this country was founded.

Jews of this generation who have witnessed the slaughter of 6 million of their kin in the Nazi holocaust are reassured by the knowledge that every Jew requiring a haven will find it because the State of Israel exists.

Thank you, Mr. Chairman.

May I point to the attachment of these charts. If I may, I would merely like to summarize and say that the purpose of attaching these charts was to try to put graphically the flow of funds prior to 1960, and the flow of funds after 1960, and the flow of funds of American funds after 1960, which refers to the reorganized INC. And finally a chart indicating the present functions of the American Section.

The CHAIRMAN. Thank you, Mr. Hammer.

(The charts referred to follow :)

CHART A  
PRIOR TO 1960  
SOURCE OF FUNDS FOR PROGRAMS OF JEWISH AGENCY FOR ISRAEL, JERUSALEM  
(THE JERUSALEM AGENCY)

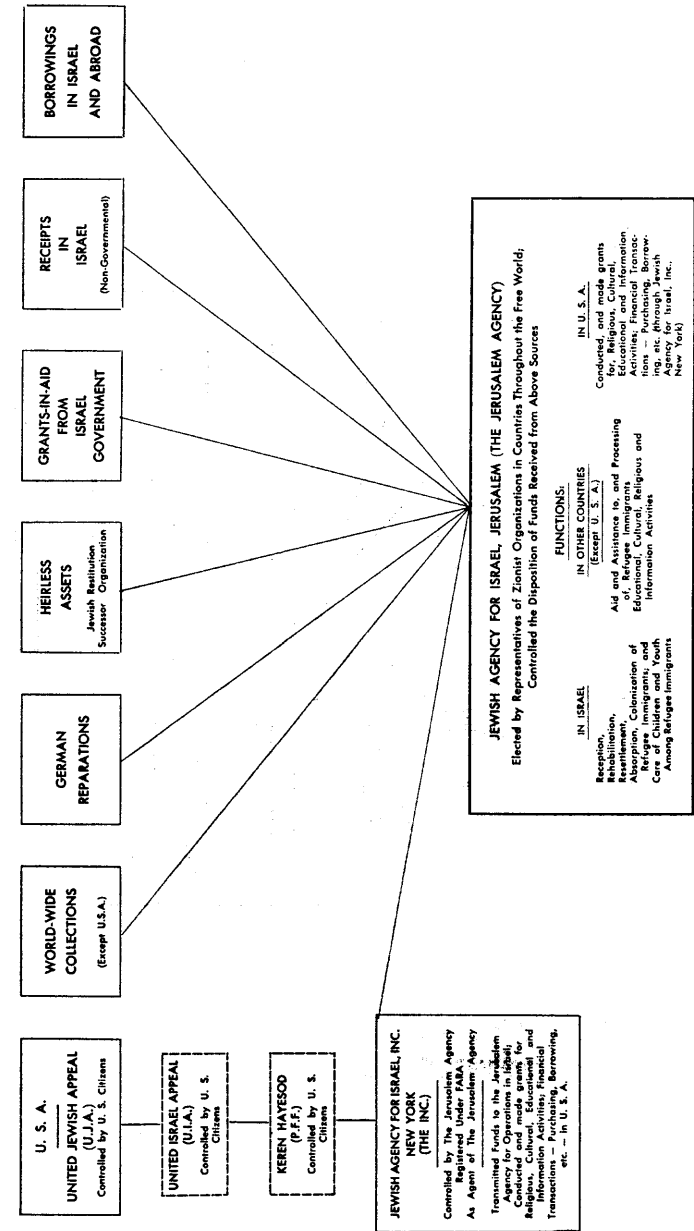


CHART B  
 AFTER APRIL 1960  
 SOURCE OF, AND FLOW OF FUNDS (Except from USA) TO JEWISH AGENCY FOR ISRAEL, JERUSALEM  
 (THE JERUSALEM AGENCY)

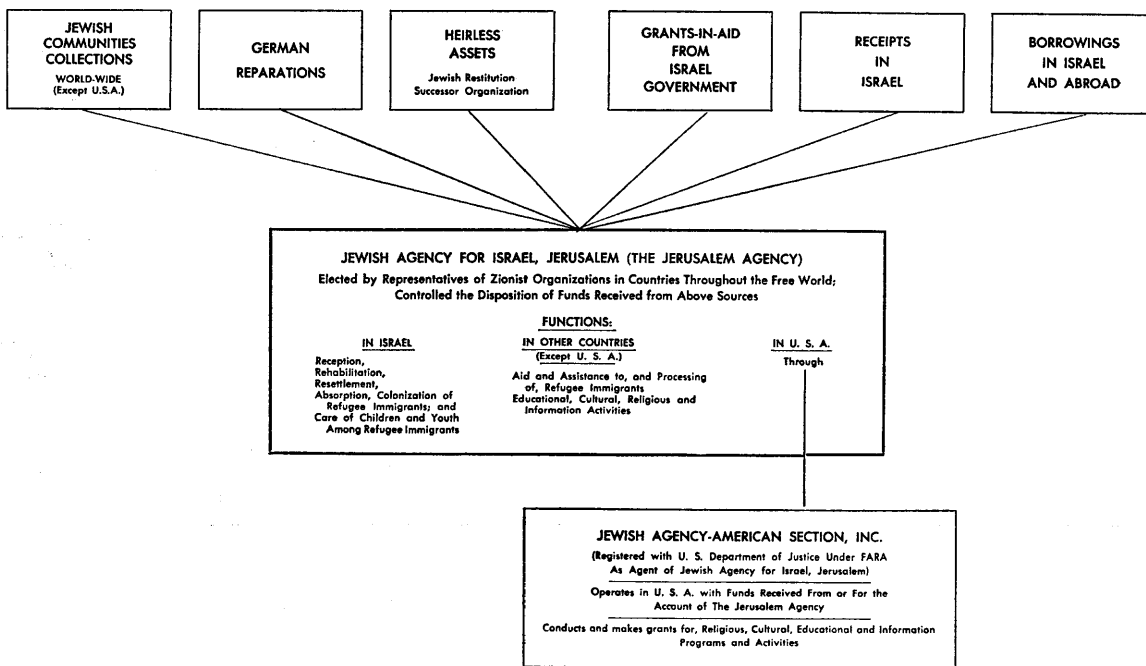


CHART C  
 AFTER APRIL 1960  
 FLOW OF FUNDS FROM U.S.A. FOR RELIEF, REHABILITATION AND RESETTLEMENT IN ISRAEL

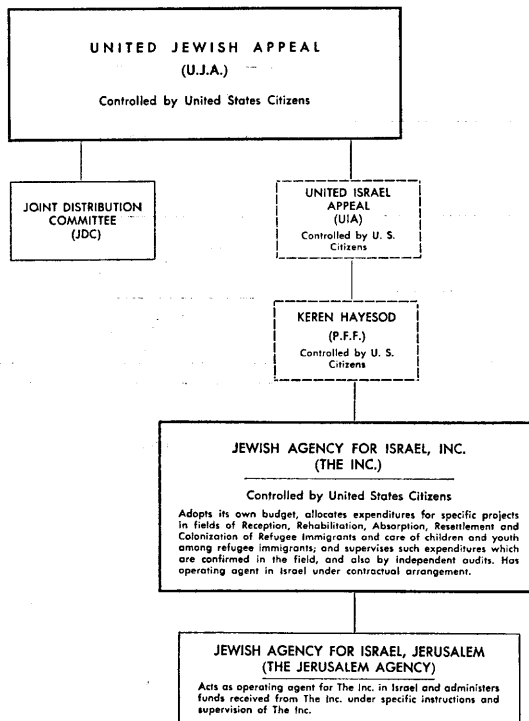
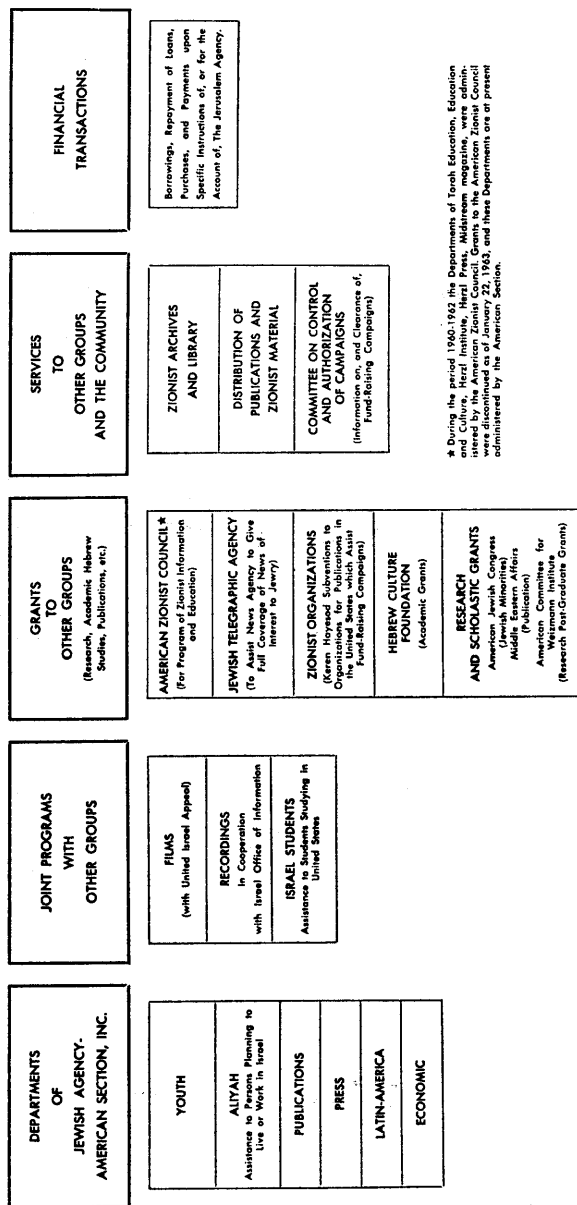


CHART D  
FUNCTIONS AND SERVICES  
JEWISH AGENCY—AMERICAN SECTION, INC. (AMERICAN SECTION)  
1960-1962



\* During the period 1940-1949 the Department of Jewish Education, Education and Culture, Herzl Institute, Herzl Press, Midstream magazine, were administered by the American Zionist Council. Grants to the American Zionist Council were administered by the American Zionist Council, and these Departments are at present administered by the American Section.

OFFICERS OF THE JEWISH AGENCY FOR ISRAEL, INC.

The CHAIRMAN. Mr. Hammer, your present position is exactly what; I mean, are you with the Jewish Agency for Israel, Inc.?

Mr. HAMMER. I am with the reorganized Jewish Agency for Israel, Inc., I am executive vice chairman.

The CHAIRMAN. Is that a corporation?

Mr. HAMMER. That is a corporation, sir, organized under the membership laws of the State of New York.

The CHAIRMAN. And you are what, the executive vice chairman?

Mr. HAMMER. Executive vice chairman.

The CHAIRMAN. Do you have a list of the officers?

Mr. HAMMER. I know who the officers are.

The CHAIRMAN. Could you give the officers for the record?

Mr. HAMMER. There is a board of 21. The chairman of the board is Mr. Dewey D. Stone of Brockton, Mass. There are two vice chairmen. One is Mr. Joseph Meyerhoff of Baltimore, Md. He is vice chairman and he is also general chairman of the United Jewish Appeal, I might add.

The other vice chairman is Mrs. Rose L. Halprin. There are two treasurers. One is Mr. Max M. Fisher of Detroit, Mich., and the other one is Mr. Abraham Goodman of New York. The secretary is Mr. Louis Segal of New York, and myself as executive vice chairman.

The CHAIRMAN. Those are the officers. It is controlled by this board of directors of 21?

Mr. HAMMER. The officers I listed are members of the board, and in addition there are other directors all totaling 21. I am not a member of the board.

The CHAIRMAN. Could you supply for the record a list of the members of the board?

Mr. HAMMER. Yes, sir. Would you want me to do that now?

The CHAIRMAN. No, you can do it later. There will be a number of things—unless you have a list with you.

Mr. HAMMER. I don't have a list with me but I can recall from memory.

The CHAIRMAN. Well, you can supply that.

Mr. HAMMER. Yes, sir.

(See appendix 1, p. 1397, Item 1.)

The CHAIRMAN. You have bylaws?

Mr. HAMMER. We have bylaws.

The CHAIRMAN. Could you supply a copy of the bylaws for the record?

Mr. HAMMER. We will, yes, sir.

(See appendix 1, p. 1397, Item 2.)

The CHAIRMAN. It is registered under the State of New York?

Mr. HAMMER. It is incorporated as a membership corporation under the laws of the State of New York.

Mr. BOUKSTEIN. If I may say, Mr. Chairman, I think the bylaws and certificate of incorporation have been made available to your staff in New York.

The CHAIRMAN. I am told we do not have a certified copy of it for the record.

Mr. BOUKSTEIN. We will be glad to furnish it.

The CHAIRMAN. If you have got one you could identify it and put it in the record.

Mr. HAMMER. We will be glad to furnish a certified copy, Mr. Chairman.

The CHAIRMAN. All right.

Senator HUMPHREY. What is the difference between a certified copy and the one we have got?

The CHAIRMAN. I don't know.

Senator HUMPHREY. Is there a difference, Mr. Pincus? If there is any difference I would like to know what it is. What is the difference between a certified copy and the one that you have got? I am not a lawyer. I just want to know.

Senator SPARKMAN. There would be no difference. It is just a matter of identifying this. You might have to read the whole thing or perhaps he knows from the appearance of it whether or not it is a true copy. If he can identify it right now.

Senator HUMPHREY. That is all right.

Senator HICKENLOOPER. He would not be able to identify it unless he read every word in it. It is only a question of having an accurate one in the record.

#### MR. HAMMER'S DESCRIPTION OF FUNCTIONS OF JEWISH AGENCY, AMERICAN SECTION

The CHAIRMAN. Mr. Hammer, are you an officer in the Jewish Agency—American Section?

Mr. HAMMER. No, sir; I am not.

The CHAIRMAN. You have no connection with that?

Mr. HAMMER. I have no connection with the American Section.

The CHAIRMAN. I notice you spoke about the American Section on page 7 of your prepared statement. In what capacity were you describing the functions of the Jewish Agency—American Section?

Mr. HAMMER. Well, in April 1960, when we reorganized the INC. and divested ourselves of the functions which I indicated we did, I was aware of the nature of these functions because prior to 1960 they were an integral part of the INC., the organization of which I was then executive director.

Subsequent information was given to me by Mr. Hamlin. I asked him to check and verify the facts contained in my statement prior to coming here.

The CHAIRMAN. That has been cleared with Mr. Hamlin?

Mr. HAMMER. Yes.

The CHAIRMAN. I wanted the record to show that, I believe, he has a similar position in the American Section.

Mr. HAMMER. In the American Section, sir.

#### DUTIES OF EXECUTIVE VICE CHAIRMAN

The CHAIRMAN. Would you just briefly describe for the record your duties as executive vice chairman of this organization?

Mr. HAMMER. As executive vice chairman of the Jewish Agency for Israel, Inc., my functions are that of principal administrative officer. More specifically, I am responsible for the financial affairs of the organization. I negotiate whatever loans or credits we may require.

I attempt to keep funds flowing in accordance with a predetermined budget. I supervise the preparation of reports. I obtain information from our representative office in Jerusalem and circulate it to all the members of our board and perform such other functions as may be required of me by my board.

The CHAIRMAN. Is it fair to summarize it as saying you are the principal executive officer of this particular corporation?

Mr. HAMMER. Well, I referred to myself as principal administrative officer, but I will accept the other, thank you, sir.

#### JERUSALEM AGENCY AND RELATION TO STATE OF ISRAEL

The CHAIRMAN. Mr. Hammer, the Jewish Agency for Israel, Inc., was at one time registered under the Foreign Agent Registration Act of 1938, as amended, as an agent of the Jewish Agency for Palestine; is that correct?

Mr. HAMMER. That is correct, sir. Prior to 1960.

The CHAIRMAN. The registration statements filed were executed and prepared by you.

Mr. HAMMER. Yes, sir.

The CHAIRMAN. The Jewish Agency for Palestine is, I believe today called the Jewish Agency for Israel; is that correct?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. And it is located in Jerusalem?

Mr. HAMMER. In Jerusalem.

The CHAIRMAN. And for convenience you have already stated we will refer to it as the Jerusalem Agency. It is rather difficult to keep these separated in our own mind.

Would you explain to the committee the relation, first of the Jerusalem Agency to the State of Israel?

Mr. HAMMER. The Jerusalem Agency is the body which, as I have described, is responsible for the bringing of immigrants and for their initial care and resettlement. In this regard they obviously have to consult and cooperate with the host government, in this case the Government of Israel. They coordinate their activities, they coordinate their policies in all questions affecting the immigration and resettlement of refugee immigrants.

I think I should make it clear they are not part of the Government, they are not a governmental agency, nor are they an agency of the Government. The Jewish Agency for Israel, Jerusalem, is an international body created by Jewish groups throughout the world who meet once every 4 years in a congress or convention at which time they elect or designate individuals to serve as the "Executive of the Jewish Agency."

#### CORPORATE STATUS OF THE JEWISH AGENCY

The CHAIRMAN. Is it a corporation?

Mr. HAMMER. I believe it is a corporation under Israel law.

The CHAIRMAN. Incorporated in Israel?

Mr. HAMMER. In Israel. It was an unincorporated association for many years, established first in Zurich, Switzerland, in 1929, but after the establishment of the state sometime in the early 1950's it was incorporated under Israel law.

The CHAIRMAN. Does it have a board of directors?

Mr. BOUKSTEIN. Mr. Chairman, I think I could help you in this respect.

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. It has the same kind of special legal recognition that was given in this country to the Red Cross in the sense that it was created as a legal entity by a special act of Parliament rather than by the filing of a certificate of incorporation by a clerk in some county clerk's office.

The CHAIRMAN. Does it have a board of directors?

Mr. HAMMER. Yes, sir. It has a board of directors which is called the Executive of the Jewish Agency.

The CHAIRMAN. How many members of the Executive?

Mr. HAMMER. Approximately 19, I think.

The CHAIRMAN. Do you have a list of them?

Mr. HAMMER. I don't have one but one can be obtained. I think Mr. Hamlin could provide such a list because he is, or his organization represents the Jerusalem Agency and he would probably have it.

#### QUESTION OF AGREEMENTS BETWEEN JERUSALEM AGENCY AND GOVERNMENT OF ISRAEL

The CHAIRMAN. We can ask Mr. Hamlin that.

Now, are there any agreements existing between the Jerusalem Agency and the Government of Israel with respect to its functions?

Mr. HAMMER. There is an agreement spelling out the functions, the broad general functions and character of the Jewish Agency for Israel, Jerusalem, the Jerusalem Agency which was, I believe entered into between the Government of Israel and the Jerusalem Agency some years ago.

The CHAIRMAN. Do you have a copy of that?

Mr. HAMMER. I don't have a copy with me. I have no particular—

The CHAIRMAN. Do you have one available you could supply for the record?

Mr. HAMMER. Again, I think Mr. Hamlin might probably be able to supply that.

#### RELATIONSHIP OF EXECUTIVE BODY TO THE JERUSALEM AGENCY

The CHAIRMAN. Well, what is the relationship of this executive body, you say of 19?

Mr. HAMMER. Approximately 19.

The CHAIRMAN. To the Jerusalem Agency.

Mr. HAMMER. It acts as the executive committee or the board of directors of the Jerusalem Agency.

The CHAIRMAN. Does it also have an executive officer similar to yours?

Mr. HAMMER. It is a most unusual setup, one which we don't generally find here. It is both an executive committee and also an administrative body. Individual members of this executive group have specific responsibilities, one in the field of immigration, another in the field of absorption, a third in the field of agricultural settlement, one is a treasurer, and so on.

They divide up the administrative responsibilities among themselves, each one responsible for his particular part of the job, and then they get together and meet as an executive board or board of directors.

In addition there is a secretary general who helps coordinate the activities.

The CHAIRMAN. Who is he?

Mr. HAMMER. A man by the name of Dr. Moshe Avidor.

Mr. BOUKSTEIN. Senator, just if I may as an aside, I was at his home one day and I saw a certificate on his wall that he is an honorary citizen of your State, given to him by the Governor of your State in connection with some educational activity, I don't know what it is.

#### MR. HAMMER'S RELATIONSHIP WITH JERUSALEM AGENCY PRIOR TO 1960

The CHAIRMAN. When you were vice chairman; is that correct? before 1960, in other words?

Mr. HAMMER. I was executive director of INC. before 1960.

The CHAIRMAN. At that time what was your relationship with the Jerusalem Agency?

Mr. HAMMER. We represented the Jerusalem Agency, and we carried out all of the functions of the fiscal agent, purchasing agent, as well as carrying on educational and informational activities in the United States.

The CHAIRMAN. Let me see, this organization of which you were executive chairman at that time, executive—

Mr. HAMMER. Director.

The CHAIRMAN. Director; was established in 1949?

Mr. HAMMER. It was established in 1949. It was established as an office in 1944, and incorporated in 1949.

The CHAIRMAN. Under the name of the Jewish Agency, Inc.?

Mr. HAMMER. Right.

The CHAIRMAN. Which later became the Jewish Agency for Israel, Inc., is that correct?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. Is there any particular reason why you changed the name at that time?

Mr. HAMMER. Yes, sir. The name was changed in order to reflect more accurately the area in which we worked.

Prior to 1948 it was known as the Jewish Agency for Palestine. After the establishment of the State it was felt that it was incorrect to continue under the old name, and it was changed in order to update it.

#### RELATION OF JEWISH AGENCY PRIOR TO 1960

The CHAIRMAN. Prior then to 1960, your relation to the Jerusalem Agency was that of an agent in this country; is this correct?

Mr. HAMMER. That is correct, sir, and that is the way we registered.

The CHAIRMAN. And you were directed in your operations by the Executive in Jerusalem?

Mr. HAMMER. That is correct, sir. In addition to the general overall policies which were formulated by the entire board of the Jewish Agency, the 19 I referred to, there were resident in the United States

6 or 7 American members of that Jewish Agency Executive who would meet frequently and regularly for the purpose of conducting the affairs of the Jewish Agency in the United States.

## OWNERSHIP AND DIRECTION OF JEWISH AGENCY, JERUSALEM

The CHAIRMAN. Was the Jewish Agency a member of the New York corporation prior to 1960, during the period you were in charge of it?

Mr. HAMMER. By member of the corporation, I am not a lawyer, Senator—

Mr. BOUKSTEIN. Senator, can I tell him the legal facts?

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. The members of the corporation were the members of the entire Executive of the Jewish Agency for Israel, the Jerusalem Agency, which included the American members. The directors of the corporation were the American members of the Executive.

The CHAIRMAN. They were the directors, but the Jewish Agency, Jerusalem, was a member of the corporation?

Mr. HAMMER. The 19 members, they were the members of the corporation.

The CHAIRMAN. They were the only members, weren't they?

Mr. HAMMER. They were the only members.

The CHAIRMAN. So that the Jewish Agency in effect owned and directed completely the one in New York?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. Do you have a copy of the bylaws effective prior to 1960 of the New York corporation?

Mr. HAMMER. There is a set of bylaws in existence, I presume, and I don't have them in my physical possession at this moment, but—

The CHAIRMAN. Will you supply those for the record; that is, those effective prior to 1960?

Mr. HAMMER. Prior to 1960.

The CHAIRMAN. Before the change.

Mr. HAMMER. I would be glad to.

(See appendix 1, p. 1399, Item 3.)

## MEMBERSHIP OF NEW YORK CORPORATION AFTER REORGANIZATION

The CHAIRMAN. When the corporation was reorganized in 1960, was the membership of the New York corporation at that time changed?

Mr. HAMMER. Yes, sir. When the corporation was reorganized in 1960, the membership was changed in order to insure American control. Under the reorganization the United Israel Appeal, an American corporation, became the major member controlling two-thirds of the Board of the reorganized INC., and the Jewish Agency—American Section, became the other member, with a representation of one-third of the board.

## REASON FOR REORGANIZATION

The CHAIRMAN. What was the reason for that change?

Mr. HAMMER. The reason for that change was to give effect to the desire to identify the people who were actively engaged in fundrais-

ing in the United States with the problems in the field, and also to buttress our position insofar as the requirements of the Internal Revenue Service were concerned regarding domestic organizations operating overseas. In short, what we attempted to do was to divest the INC. of foreign control, set it up as an American-controlled organization, and give it the function of controlling American funds intended for use overseas.

The CHAIRMAN. So the INC., in effect became the Jewish Agency—American Section; is that correct?

Mr. HAMMER. I hesitate to use the term "American Section." It was not the American Section. It was an independent organization, allocating American money for such programs overseas as it deemed worthy and necessary, and simply used the facilities of the Jerusalem Agency to implement this program for reasons of economy and efficiency.

The CHAIRMAN. Was this American Section a member of INC.?

Mr. HAMMER. Yes, sir; I have so stated, that the American Section—there are two members: One is the United Israel Appeal, with a weight of two-thirds of the board, or 14; and the American Section, with a weight of one-third, or 7.

(See appendix 1, p. 1397, Item 2.)

## UNITED ISRAEL APPEAL (UIA)

The CHAIRMAN. I see.

Now, the United Israel Appeal, Inc., is also a New York membership corporation?

Mr. HAMMER. Yes, sir; that is correct.

The CHAIRMAN. Do you hold, or have you held, any positions with the United Israel Appeal, Inc.?

Mr. HAMMER. I am secretary of the United Israel Appeal, Inc.

The CHAIRMAN. How long have you been secretary?

Mr. HAMMER. I daresay 6 or 7 years.

The CHAIRMAN. And it is also a corporation?

Mr. HAMMER. It is also a membership corporation.

The CHAIRMAN. Who are the members of the United Israel Appeal, Inc.?

Mr. HAMMER. There are 120 Americans from various communities throughout the United States.

The CHAIRMAN. Are these private individuals?

Mr. HAMMER. Private individuals.

The CHAIRMAN. Are they members of the board of directors?

Mr. HAMMER. Most of them are members of the board of directors. I would say that they coincide, the list coincides.

The CHAIRMAN. A hundred how many?

Mr. HAMMER. 120.

Mr. BOUKSTEIN. Mr. Chairman, so that the record will be absolutely correct, it is a legal fact which I would like to be helpful with.

The CHAIRMAN. Yes.

Mr. BOUKSTEIN. The membership of the UIA is, as Mr. Hammer stated, I believe, 120. The board consists of the same 120 people, and a number of people, 10 or 15, elected at large by the 110 from all over the United States.

The CHAIRMAN. Wait a minute, you said 120 first.

Mr. BOUKSTEIN. 120, I do not remember exactly the number.

The CHAIRMAN. Approximately?

Mr. BOUKSTEIN. Yes, I wanted to add the fact that these 120 elect additional 15 at large.

The CHAIRMAN. As members?

Mr. BOUKSTEIN. As members.

The CHAIRMAN. Do they have a smaller board, an executive committee?

Mr. HAMMER. There is a smaller executive committee.

The CHAIRMAN. Of how many?

Mr. HAMMER. I would say the smaller executive committee is probably 35 or 40, approximately. I am not certain of the exact number.

The CHAIRMAN. Who are the officers?

Mr. HAMMER. The chairman, the national chairman, of the United Israel Appeal is Mr. Dewey D. Stone, of Boston. The chairman of the board is Mr. William H. Sylk, of Philadelphia, and then there are other officers, various vice presidents and treasurers.

I can supply a detailed list of officers later, if you so desire, Mr. Chairman.

The CHAIRMAN. I think we ought to have it if we are to get this straight.

Mr. HAMMER. I would be very happy to furnish it.

(See appendix 1, p. 1399, Item 4.)

The CHAIRMAN. And I asked you, I believe you said you would provide a copy of the bylaws of the United Israel Appeal?

Mr. HAMMER. Prior to 1960.

(See appendix 1, p. 1400, Item 5.)

#### RELATION OF PALESTINE FOUNDATION FUND TO UIA

The CHAIRMAN. What relation does the Palestine Foundation Fund, Inc., have to the United Israel Appeal, Inc., if any?

Mr. HAMMER. Perhaps it would appear clearer if I were permitted to state that the first organization to appear on the scene was the Palestine Foundation Fund, and that was in 1921. It was organized as the fundraising arm of the Jewish Agency for Palestine.

In 1927, it was found that there were two competing organizations attempting to raise money for the Jews in Palestine: One was the Palestine Foundation Fund, and the other was the Jewish National Fund. For the sake of expediency, the two were combined for fundraising purposes under an organization called the United Palestine Appeal, which name was later changed to the United Israel Appeal, about which you have just been asking me questions.

That was in 1927.

For many years, the United Israel Appeal, previously known as the United Palestine Appeal, raised funds.

Then, in 1938, it was found that Jewish needs overseas had grown tremendously as a result of the Nazi excesses, and the United Jewish Appeal was established in order to raise money for the United Israel Appeal and the American—Jewish Joint Distribution Committee, so that you have an active fundraising organization called the United Jewish Appeal, I say today. This is the body which raises the money.

The United Israel Appeal is a standby organization in the sense that it is not very active, because its fundraising job is being done by the United Jewish Appeal, and then you have the old Palestine Foundation Fund, which has not functioned for many, many years, other than to merely serve as a transmission of funds.

The CHAIRMAN. Well, the Palestine Foundation Fund is a member of the United Israel Appeal, Inc.?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Does it control the United Israel Appeal, Inc.?

Mr. HAMMER. If I may, I would like to refresh my memory.

The CHAIRMAN. Yes. Ask your lawyer.

Mr. HAMMER. Mr. Chairman, this has gone through a number of metamorphoses; at one time it did. Then at another time—there were two members who controlled the United Israel Appeal: It was the Palestine Foundation Fund and the Jewish National Fund. In 1951, the Jewish National Fund was separated out from this arrangement. At that time there were other changes made in the corporate structure.

I would ask your indulgence, sir, if I may refresh my memory, check these facts, and then submit for the record the present status of the corporate control of United Israel Appeal.

The CHAIRMAN. That would be reflected in the bylaws, would it not?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. If you supply the bylaws of these corporations?

Mr. HAMMER. Yes, sir.

(See appendix 1, p. 1401, Item 6.)

The CHAIRMAN. Were you an officer in the Palestine Foundation Fund, Inc.?

Mr. HAMMER. I am associate treasurer of the Palestine Foundation Fund.

The CHAIRMAN. Were you, during this period prior to 1960?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Associate what?

Mr. HAMMER. Associate treasurer.

The CHAIRMAN. Throughout that period, or most of it?

Mr. HAMMER. Most of that period, I would say.

The CHAIRMAN. The Senator from Missouri.

#### BALFOUR DECLARATION OF 1917

Senator SYMINGTON. Would you describe the Balfour Declaration, and what year?

Mr. HAMMER. The Balfour Declaration.

Senator SYMINGTON. The Balfour Declaration.

Mr. HAMMER. It was issued in 1917. It represented a statement on behalf of the British Government by its then Foreign Secretary to Lord Rothschild on behalf of the Jewish community in which Mr. Balfour—

Senator SYMINGTON. Lord Rothschild was representing the—

Mr. HAMMER. He was head of the Zionists. Lord Balfour informed the Jewish community that it was the sense of the British Government that they would expedite the establishment of a Jewish national home in Palestine at the earliest opportunity.

Senator SYMINGTON. A declaration on the part of the British Government to form the State of Israel in the future?

Mr. HAMMER. At some point in the future.

Senator SYMINGTON. It was made during wartime?

Mr. HAMMER. World War I, 1917, November 1917.

Senator SYMINGTON. Thank you, Mr. Chairman.

Mr. HAMMER. Thank you, sir.

## MEMBERS OF PALESTINE FOUNDATION FUND

The CHAIRMAN. Mr. Hammer, I find it difficult for myself to follow. The reason for these questions is to try to establish the relationship between these various organizations and the registrant; that is what the line of questions is designed to reveal, if possible.

On the Palestine Foundation Fund, I do not believe I asked you who the members of that corporation are.

Mr. HAMMER. Various Zionist groups in the United States.

The CHAIRMAN. Groups or individuals?

Mr. HAMMER. I believe it is groups. Of course, the groups designate individuals who serve as members of the board. They were the ones who originally constituted the Palestine Foundation Fund, and they continue in this regard.

The CHAIRMAN. Do you know how many there are?

Mr. HAMMER. There are four major groups. There is the Zionist Organization of America; there is the Hadassah, the National Woman's Zionist Organization; there is the Labor Zionist Organization of America; and the fourth one would be the Mizrahi Organization.

The CHAIRMAN. The bylaws of that organization would reveal—

Mr. HAMMER. Would reflect these facts.

The CHAIRMAN. Would you supply us with a copy of those facts?

Mr. HAMMER. Yes, sir, I will do so at the earliest moment.

(See appendix 1, p. 1401, Item 7.)

## JEWISH NATIONAL FUND (JNF) AND PALESTINE FOUNDATION FUND (PFF)

Senator HUMPHREY. Mr. Chairman, on the chart we have where—where it says PFF, and above it, it says Keren Hayesod.

Mr. HAMMER. That is the organization we were just discussing.

Senator HUMPHREY. That is the one you were just discussing and at one time that was the same as the Jewish National Fund?

Mr. HAMMER. No, sir; it was the sister fund to the Jewish National Fund.

Senator HUMPHREY. It was the sister fund to the Jewish National Fund. Is the JNF now under the United Israel Appeal?

Mr. HAMMER. No. The JNF, Senator, is an independent fundraising body, operating by itself and raising its own funds.

Senator HUMPHREY. So it is split off?

Mr. HAMMER. It is split off.

Senator HUMPHREY. Yes.

## OFFICERS AND DIRECTORS OF JEWISH AGENCY FOR ISRAEL, INC., AND UIA

The CHAIRMAN. Are any members of the Palestine Foundation Fund subject to the direct or indirect control of the Jerusalem Agency?

Mr. HAMMER. No, sir.

The CHAIRMAN. Do any of the directors and officers of the Jewish Agency for Israel, Inc., also occupy positions as directors or officers of either the United Israel Appeal, Inc., or the Palestine Foundation Fund?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Who are they?

Mr. HAMMER. Well, in the United Israel Appeal, Mr. Dewey Stone—excuse me, Mr. Chairman. When you refer to the Jewish Agency for Israel, Inc., was this prior to 1960 or after 1960?

The CHAIRMAN. After 1960, if you know.

Mr. HAMMER. Yes.

After 1960, the chairman of the Jewish Agency for Israel, Inc., and the chairman of the United Israel Appeal is one and the same person, Mr. Dewey D. Stone. I occupy a position in both organizations. I am executive vice chairman of the INC., and I am secretary of the United Israel Appeal.

There are other officers, there are other gentlemen who, I am sure, serve as either directors or members of the United Israel Appeal. It is purely an honorary list. It is not a very active corporation. These facts will be brought out in greater detail when I submit the list of the officers and members of the United Israel Appeal.

## TAX REASONS FOR REORGANIZATION OF JEWISH AGENCY FOR ISRAEL, INC., IN 1960

The CHAIRMAN. You mentioned in your statement one reason for the reorganization in 1960 of the Jewish Agency for Israel, Inc., as being tax reasons. What were those reasons?

Mr. HAMMER. In 1959, the then Under Secretary of the Treasury, Mr. Fred Scribner, convened a meeting to which a number of representatives of various organizations were invited to attend—I was one of them—at which he described a dilemma in the Department, in the Treasury, and in the Internal Revenue Service, with respect to the operations of domestic organizations working overseas. He was concerned about the fact that there were a number of organizations which he termed "conduit" organizations. We helped clarify the thinking on that, and this happened to coincide with a desire of our people, on the part of our people, to bring into closer identification some of the leaders of the United Jewish Appeal with the problems overseas.

We therefore submitted a plan of reorganization under which the Jerusalem Agency divested itself of control of the INC.; the INC. was reorganized as an American-controlled corporation, with the responsibility for studying refugee needs overseas and for making allocations with American dollars for such needs, and to supervise the spending of American money overseas.

I should point out when I say "our people," I mean Americans; I do not mean Israelis.

I should also like to make the point, Mr. Chairman, that since April 1960 I am no longer responsible to the Jerusalem Agency, nor am I under the control of the Jerusalem Agency. Since April 1960, I am responsible only to the board of directors of the Jewish Agency for Israel, Inc.



The CHAIRMAN. Is that the American Section?  
 Mr. HAMMER. No, sir; the INC., the American organization.  
 Senator HUMPHREY. Mr. Chairman, may I ask a question?  
 The CHAIRMAN. Yes.

## CITIZENSHIP OF INC. BOARD MEMBERS

Senator HUMPHREY. The chart says "controlled by U.S. citizens" of the Jewish Agency, Inc. Does it mean that all members of the board are U.S. citizens?

Mr. HAMMER. Twenty out of twenty-one members of this board are U.S. citizens. The one exception is the treasurer of the Jewish Agency, and the reason for inviting him to serve on the board is so that he can have the opportunity of coming to the board and presenting his global requirements and to furnish us with such information as we may need in order to frame our own budget of expenditures.

This, incidentally, is not the only method we use in order to obtain information. We employ the services of a representative, in this case Dr. Isador Lubin, who served for many years in the U.S. Government, an eminent economist, who heads our office, consultative office, and he examines the programs in Israel; he makes four or five trips a year over there. His assistant is resident there.

We obtain a constant flow of information which we then evaluate as to needs, and we determine, upon Dr. Lubin's recommendation, where and how our funds should be spent.

His assistant, incidentally, who is resident in Israel, is also American, and stenographers there, also American.

## POLICY OF INC. CONTROLLED BY U.S. CITIZENS

Senator HUMPHREY. The policy, however, of the Jewish Agency for Israel is under the control of American citizens?

Mr. HAMMER. The INC. is under the control of American citizens; its headquarters are in New York. We meet here; we determine here how the money should be spent. It is determined and controlled by Americans.

In addition, I should point out that we have our own independent auditing done by an American auditor who goes over annually, checks and verifies to see that the moneys we have allocated were spent by our agent, meaning the Jerusalem Agency, in accordance with our wishes in this matter.

Senator SYMINGTON. We ought to put that in our own foreign aid program.

## REASON FOR NEW YORK CORPORATION TERMINATING REGISTRATION

The CHAIRMAN. Mr. Hammer, as a result of the reorganization, the New York corporation terminated its registration under the Foreign Agent's Registration Act; is that correct?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. Was this on the theory that the New York corporation was no longer subject to the control of the Jerusalem Agency?

Mr. HAMMER. It was no longer subject to the control of the Jeru-

salem Agency. It was performing no other function than to act independently in the determination of how American funds should be spent overseas.

The CHAIRMAN. Then, is it correct to say that before 1960, you were the agent of the Jerusalem Agency? After 1960, the Jerusalem Agency is your agent?

Mr. HAMMER. That is correct, sir.

LETTER DATED APRIL 5, 1962

The CHAIRMAN. Mr. Hammer, I show you a copy of a letter dated April 5, 1962, from yourself, Gottlieb Hammer, as secretary of the United Israel Appeal, to Henry C. Bernstein, executive vice president of the United Jewish Appeal of Greater New York, and ask if you prepared and sent such a letter?

Mr. HAMMER. Yes, sir; that is my signature. I did prepare this. (A copy of the letter follows:)

UNITED ISRAEL APPEAL,  
 New York, N.Y., April 5, 1962.

Mr. HENRY C. BERNSTEIN,  
 Executive Vice Chairman,  
 United Jewish Appeal of Greater New York,  
 New York, N.Y.

DEAR HENRY: In pursuance of the discussions which were held and the agreement reached, concerning the Jewish Telegraphic Agency, I have been authorized by Mr. Aryeh L. Pincus, treasurer of the Jewish Agency, to ask New York UJA to pay out, on behalf of the United Israel Appeal, 67 percent of \$50,000 to the Jewish Telegraphic Agency for the year commencing April 1, 1962. We understand that the Joint Distribution Committee will likewise ask you to pay out, on their behalf, 33 percent of the \$50,000.

We would request that this money be paid out to JTA, effective at once, at the rate of \$1,750 per week. This sum was ascertained after a careful evaluation by JTA of its contemplated income from Welfare Funds and other expected income. Should JTA's income from other sources increase unexpectedly as time goes on, we may ask you to revise this figure downward.

We are advising JTA that so long as this arrangement exists, it may not conduct fund-raising campaigns in New York.

Looking forward to your confirmation of this arrangement.

Sincerely yours,

GOTTLIEB HAMMER, Secretary.

Cc: Rabbi Herbert Friedman, Mr. Isadore Hamlin, Dr. Isaac Moyal.

## AUTHORIZATION FROM JERUSALEM AGENCY TO REQUEST FUNDS FROM UNITED JEWISH APPEAL

The CHAIRMAN. The first paragraph, you will note, reads as follows:

In pursuance of the discussions which were held and the agreement reached concerning the Jewish Telegraphic Agency, I have been authorized by Mr. Aryeh L. Pincus, treasurer of the Jewish Agency, to ask New York UJA to pay out on behalf of the United Israel Appeal 67 percent of \$50,000 to the Jewish Telegraphic Agency for the year commencing April 1, 1963.

We understand that the joint distribution committee will, likewise, ask you to pay out on their behalf 33 percent of the \$50,000.

Would you explain to the committee why you, as secretary of the United Israel Appeal, required an authorization from the Jewish Agency, Jerusalem, in order to make this request of the New York UJA?

Mr. HAMMER. Mr. Chairman, this was a budgetary matter. To the extent that we could pass on to the Jerusalem Agency such administrative costs and have them absorb them, we would do so. We would prefer that our funds at the end of the year show an expenditure for operational needs, rather than for an item which could be classified as an administrative cost or something other than expenditures for refugee relief and rehabilitation.

The CHAIRMAN. If this was your agent and you were in control, why did you require authorization from the treasurer of the Jewish Agency?

Mr. HAMMER. Because, I would be charging him with this, and he would have to absorb it in his own administrative budget, rather than my own.

QUESTION ON REORGANIZATION BASED ON BUDGET DIGEST OF COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS

The CHAIRMAN. In connection with this question of the reasons for the reorganization, I show you No. 30 of the Budget Digests of the Council of Jewish Federations and Welfare Funds, relating to the American Zionist Council, 515 Park Avenue, New York City.

(A copy of the document is as follows:)

BUDGET DIGESTS

COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS, INC., NEW YORK, N.Y.

MAY 1961—NO. 30

American Zionist Council, 515 Park Avenue, New York 22, N.Y.

The American Zionist Council is an organization of organizations.\* Its constituent organizations are:

American Jewish League for Israel.  
B'nai Zion.  
Hadassah, Women's Zionist Organization of America.  
Religious Zionists of America (including Hapoel Hamizrachi Women and Mizrachi Women).  
Labor Zionist Movement (including Farband, Pioneer Women).  
Progressive Zionist League-Hashomer Hatzair.  
United Labor Zionist Party (Ahdut Avodah-Poale Zion).  
United Zionist-Revisionists of America.  
Zionist Organization of America.

The AZC is appealing directly to Welfare Funds for the first time in 1961 to provide \$778,000 toward a net budget of \$1,463,487\*\* for the year beginning April 1, 1961. The balance of \$689,487 which is to be sought from non-Welfare Fund sources, including support from its constituent organizations, will be directed especially to finance those programs which have more direct relevance to the responsibilities of these organizations than to the community as a whole. This is reflected in the goal of \$215,000 which it will seek to raise from and through the membership of its nine constituent organizations. It will also seek to raise \$292,000 in New York City and will require an additional \$173,000 from independent fund raising in some large cities to balance its budget.

\*The American Zionist Council is listed by the Internal Revenue Service as a tax-exempt and tax-deductible organization.

\*\*On a gross basis, income of about \$35,000 should be added to this total for earnings, fees, subscriptions, and the like.

In order that Welfare Funds might conduct their 1961 campaigns on the basis of inclusion of the appeal of the AZC, a notice was sent to Welfare Funds by AZC early in 1961 indicating that the AZC wished to be considered a direct beneficiary of Welfare Funds in 1961 and that it would submit program and budgetary information to the Council of Jewish Federations and Welfare Funds and specific requests to each Federation at a later date.

The information in this report is drawn largely from data submitted by AZC in accordance with this notice.

The AZC was formerly financed by the Jewish Agency for Israel, but this financial support was to cease at March 31, 1961. The source of this Jewish Agency support of the AZC was the UJA which is financed by Welfare Funds. The AZC is seeking direct support from Welfare Funds since the reorganization of the Jewish Agency for Israel, Inc. in 1960 resulted in the separation of AZC activities from the basic programs of immigrant aid which will continue to be financed by the Jewish Agency for Israel. This separation was in line with the principle that decisions and support of domestic activities should be made by the American Jewish community rather than by an international agency.

The budgetary level of \$1,463,487 for 1961-62 is approximately the same expenditure level as for 1960-61, the terminal year of Jewish Agency support. With the transfer of financial responsibility and program administration from the Jewish Agency, the AZC plans to examine the transferred programs to determine whether changes are feasible or desirable as well as the level of operations which would be necessitated by realistic financial prospects or experience.

The major headings in the AZC expenditure and income budget for 1961-62 are indicated at the end of this report. The amounts sought from each source of income, as related to each type of program, are also indicated.

1. The *Information and Public Relations Department* (\$328,350) is concerned with projecting a positive understanding of Israel on the American scene. Its program is also designed to combat Arab propaganda which results in creating anti-Jewish feeling.

In order to carry out this program, the AZC utilizes various forms of mass media—radio, television, film, periodicals (\$53,300). It operates an extensive Speakers Bureau (\$72,700) which is available mainly to non-Jewish or non-sectarian groups and provides such groups with Israeli speakers from an appropriate profession or with other persons prominent in Israel.

It conducts seminars on Israel and Middle Eastern problems (\$67,000), on university campuses including fellowships which make it possible for university personnel to visit Israel. It also assists in the financing of study groups for academic personnel visiting Israel on the Bible and on other topics. It maintains continuing contact with various religious and educational organizations concerned with Middle Eastern problems.

A research and press service (\$65,200) prepares and provides specialized materials for use of all departments of the agency as well as for other publications.

Close cooperation is maintained with the Christian community. It finances or sponsors speakers, publications, tours to Israel, etc., for persons of various faiths, primarily in the religious and academic fields.

2. The *Youth Department* (\$306,610) includes provision for grants to Zionist youth movements for their general activities and for their summer camps (\$118,500). Assistance is provided for those wishing to prepare for pioneering in Israel (\$17,000), but all of this activity is to be supported by income from the constituent organizations. Workshops and leadership training programs in Israel are partially subsidized and grants are available for study at the Hebrew University (\$26,000). Part of this program is financed by estimated income of about \$6,000 from fees.

American Zionist Youth Activities (\$87,860) are conducted in the United States, but one-fourth of these costs are to be supported by income received from the constituent agencies of the AZC.

3. The *Organization Department* (\$129,133) consists mainly of seven regional offices of the AZC. These offices are channels for the activities of all other AZC departments. They help to organize local Zionist Councils which conduct activities on the local scene which derive from the national programs of the AZC. The AZC reports that there are 279 local Zionist Councils in existence and that this represents an increase of some 23 percent over the number of existence in 1959.

4. The *Herzl Foundation* (\$211,336) consists of three divisions: the Herzl Institute, the Herzl Press and Midstream.

The Herzl Institute (\$106,510) was established in 1954 by the Jewish Agency and the American Zionist Council as a center for Zionist adult education. Its programs have included lecturers on contemporary problems on the Jewish scene in all countries. Subjects dealt with included life in the Negev, the status of Arabs in Israel, everyday life in Israel, the position of Russian Jewry, the nature of Jewish religious revival, Jewish life in Europe, etc.

One aspect of its work is the securing and processing of records and archives dealing primarily with the history of Zionism in the United States. The objective is to form a permanent collection available to all scholars. Periodic conferences of scholars are arranged. In 1958 extensive use of a questionnaire resulted in publication of a booklet, "Current Jewish Social Research," which includes a listing of the subjects of graduate theses and doctoral dissertations at some major theological seminaries.

Although the Herzl Institute's past activities have been concentrated in New York City, it is contemplating extension services which would benefit outlying communities.

The Herzl Press (\$40,160) has published ten volumes and four booklets including such titles as: "The American Jew," "The New Zionism," "Utopians at Bay," "Early History of Zionism in America and Latin America," and "The Palestine Problem." Some books were subsidized but appeared under the imprint of other publishing houses.

The major interest of the quarterly magazine "Midstream" (\$39,660) revolves around Israel and the implications of the fate of the destroyed Jewish communities of Europe. However, these primary interests are related to nearly every phase of Jewish life in America by the editors of "Midstream." Hence, almost any development on the American Jewish cultural scene is considered to be of interest to "Midstream" and is reflected in its publication program. The quarterly has approximately 4,500 subscribers.

Subscription and other fee income for these activities is budgeted at almost \$30,000.

5. The *Department of Education and Culture* (\$161,675) has as its major objectives the promotion of knowledge of Hebrew culture and modern Israel. These efforts include the advancement of Hebrew language studies.

Specific projects and activities included in the work of this Department are: teachers' institutes, seminars, Hebrew and Israel studies and Hebrew language courses at American institutions of higher learning.

Educational materials are supplied to Jewish schools and some new day schools receive grants. AZC constituents are to provide three-quarters of the estimated total cost of \$20,000 for aid to new day schools.

A six-month training seminar for Hebrew teachers is held annually in Israel and an annual summer seminar in Israel is also held for American professors of Bible and Hebrew. An annual summer workshop in Israel is conducted for Jewish educators and rabbis in cooperation with the American Association for Jewish Education.

The Department provides grants to Histadruth Ivrit, including Hadoar, Bitzaron, and other Hebrew language activities. These grants, which account for half of costs of \$15,500, are considered to be in behalf of the membership of the nine constituent agencies of the American Zionist Council.

6. The *Department of Torah Education and Culture* (\$75,083) has as its purpose the strengthening of a pro-Israel spirit among Orthodox Jews in order to bring them closer to the State of Israel and its problems and to spread the knowledge of Torah among all elements of Jewry.

The Department believes that its activities in recent years have helped to increase attendance of Jewish children in Jewish day schools.

Each year the Department organizes and conducts a number of seminars for students, teachers, rabbis and Orthodox laymen which are held both in the United States and in Israel, frequently in cooperation with other religious and educational bodies. Institutes are conducted in New York, Baltimore, Chicago, and Los Angeles.

Aid to domestic yeshivah (\$14,400) is included in this program, but \$10,800 of this total is to be financed by earmarked gifts from the constituent organizations.

7. *Archives and Library* (\$67,400) is a reference service for scholars and writers on Israel and on various facets of Jewish life. It has about 40,000 books

and pamphlets, some 400 periodicals, 140 reels of microfilm as well as collections of archival materials from other archival collections. AZC reports that some 16,000 persons used its archives and library in 1960.

8. A *Headquarters Department* (\$138,900) includes the costs of office administration, rent and the like, for those administrative activities which cannot be identified in terms of specific departmental activity. In addition, each of the Departments carries its own operating expenses.

9. *Fund Raising* (\$45,000) was initiated in 1961. Staff will be utilized to organize independent campaigns in New York City and several other large cities and to interpret AZC requirements to federations.

*American Zionist Council—Budget for year ended Mar. 31, 1962*

Department	Expenditures	Income			
		Welfare funds	New York City	Constituent organizations	Other sources
Information and public relations.....	\$328,350	\$183,555	\$66,835	\$53,840	\$33,970
Youth.....	306,610	150,155	46,500	37,970	60,000
Organization.....	129,133	72,085	22,350	21,170	13,355
Herzl Foundation.....	211,336	118,150	68,580	34,650	21,855
Education and culture.....	161,675	77,600	24,050	22,750	16,715
Torah, education, and culture.....	75,083	35,950	11,130	10,800	7,765
Archives and library.....	67,400	37,700	11,665	11,050	6,975
Headquarters administration.....	138,900	77,650	24,045	22,770	14,365
Fundraising.....	45,000	25,155	16,845	-----	3,000
Total.....	1,463,487	778,000	292,000	215,000	178,000

The above distribution is based upon:

Application to each AZC Department of that sum which is to be earmarked directly from organizational funds for specific projects. All amounts shown for Youth, Education and Culture and Torah, Education and Culture are so earmarked.

These are areas where the constituent organizations of AZC recognize a greater responsibility and have attempted to provide larger allocations for these activities from their own funds.

The remainder of the distribution is based upon the ratio of the total sum anticipated from each source to the balance necessary for each department.

BUDGET DIGEST NO. 30 OF THE COUNCIL OF JEWISH FEDERATIONS AND WELFARE FUNDS

The CHAIRMAN. On page 2 of this digest there appears the following description of your reorganization, as follows:

The AZC—

that is, the American Zionist Council—

was formerly financed by the Jewish Agency for Israel, but this financial support was to cease on March 31, 1961. The source of this Jewish Agency support of the AZC was the UJA—

United Jewish Appeal—

which is financed by Welfare Funds. The AZC is seeking direct support from Welfare Funds since the reorganization of the Jewish Agency for Israel, Inc., 1960, resulted in the separation of the AZC activities from the basic programs of immigrant aid which will continue to be financed by the Jewish Agency for Israel. This separation was in line with the principle that decisions in support of domestic activities should be made by the American Jewish community, rather than by an international agency.

Was the principle enunciated here, in fact, one of the principles motivating the 1960 reorganization; that is, that decisions in support of domestic activity theretofore undertaken by the Jewish Agency

of Israel, Inc., should in the future be undertaken by an American domestic organization such as the Welfare Funds?

Mr. HAMMER. If I understood your question to mean, was the reorganization of the INC. in April 1960, motivated, in part, by the principle that financial support for domestic organizations come from welfare funds or other American domestic organizations, rather than international, my answer to that, sir, would be: No, I do not recall that that played any part in the thinking which preceded the reorganization of the INC. in April 1960.

The CHAIRMAN. Then, would you say this statement is incorrect?

Mr. HAMMER. I would—it is a matter of opinion, sir.

The CHAIRMAN. I did not say it was your statement. This is in the Digests, Budget Digests.

Mr. HAMMER. Council of Jewish Federations and Welfare Funds.

The CHAIRMAN. That is correct.

Would you say that was an incorrect statement?

Mr. HAMMER. I would not regard it as a correct statement, sir.

The CHAIRMAN. Is it an accurate description of the relationship of the Jewish Agency for Israel, Jerusalem, prior to 1960, to the American Zionist Council?

Mr. HAMMER. Yes, sir.

The CHAIRMAN. Is it accurate as to the source of support of the American Zionist Council prior to 1960?

Mr. HAMMER. It is correct, sir.

#### SUPPORT OF AMERICAN ZIONIST COUNCIL (AZC)

The CHAIRMAN. Did your organization contribute to the support of the American Zionist Council?

Mr. HAMMER. It did, sir.

The CHAIRMAN. Using the UJA funds paid to your organization?

Mr. HAMMER. No, sir.

The INC. had funds from other sources than UJA, and funds supplied to the American Zionist Council were from these other sources.

The CHAIRMAN. What other funds did it have available?

Mr. HAMMER. Pardon me, sir?

The CHAIRMAN. What other funds did it have available for that purpose?

Mr. HAMMER. Well, the Jerusalem Agency has a budget which is 2.5 to 3 times larger than the amount of American dollars it receives for its work. Its sources of funds include that from other Jewish communities throughout the free world as well as income that it has in Israel, itself.

The amount made available to the American Zionist Council was just a fraction of these other funds.

The CHAIRMAN. Do you know, prior to 1960, approximately how much you supplied to the American Zionist Council?

Mr. HAMMER. My recollection of this—and this is several years ago—my recollection would be somewhere in the neighborhood of around \$600,000 to \$700,000 prior to 1960.

The CHAIRMAN. Each year?

Mr. HAMMER. Each year; yes, sir.

The CHAIRMAN. Prior to 1960, do you know when these payments to the American Zionist Council first took place, about when?

Mr. HAMMER. I am sorry, Mr. Chairman, but I do not think I recall. I can attempt to ascertain and supply this information for the record.

The CHAIRMAN. Would you supply for the record when these payments to the American Zionist Council began and give us a year-to-year—

Mr. HAMMER. I would be very happy to do so, Mr. Chairman.

(See appendix 1, p. 1403, Item 8.)

#### BUDGET OF AZC DISCUSSED IN LETTER OF SEPTEMBER 4, 1958

The CHAIRMAN. Mr. Hammer, I show you a copy of a letter dated September 4, 1958, addressed to Rabbi Irving Miller, chairman of the American Zionist Council, and signed Gottlieb Hammer, and ask you if you wrote and sent this letter.

Mr. HAMMER. Yes, sir; I wrote this letter.

The CHAIRMAN. I will put this letter in the record.

(The letter referred to follows:)

SEPTEMBER 4, 1958.

Rabbi IRVING MILLER,  
Chairman, American Zionist Council,  
342 Madison Ave.,  
New York, N.Y.

DEAR IRVING: As you are aware, the Executive, at its last Plenary Session, decided that for the balance of this fiscal year 80 percent of the approved budgets will be available for the Jewish Agency's activities. I, therefore, must regretfully advise you that we will henceforth have to deduct 20 percent of your regular payments.

We urge you to go into the question of economics of \$100,000, which is 20 percent of your approved budget of \$500,000, for the American Zionist Council, for the balance of this fiscal year—up to April 1959.

Cordially yours,

GOTTLIEB HAMMER,  
Executive Director.

The CHAIRMAN. It reads:

As you are aware, the Executive, at its last Plenary Session, decided for the balance of this fiscal year 80 percent of the approved budgets will be available for the Jewish Agency's activities. I, therefore, must regretfully advise you that we will henceforth have to deduct 20 percent of your regular payments.

We urge you to go into the question of economics of \$100,000 which is 20 percent of your approved budget of \$500,000, for the American Zionist Council, for the balance of this fiscal year—up to April 1959.

First, what is the "Executive" referred to in this letter?

Mr. HAMMER. The Executive of the Jewish Agency in Jerusalem, sir.

The CHAIRMAN. In Jerusalem.

Was the budget of the American Zionist Council approved by the Jewish Agency Executive?

Mr. HAMMER. In broad outline and in general character, yes, sir.

The CHAIRMAN. It was also approved by the New York agency, too, I presume?

Mr. HAMMER. In the same fashion, sir.

The CHAIRMAN. Was an amount equal to the approved budget then paid by the agency to the American Zionist Council?

Mr. HAMMER. I would assume it was paid, sir.

The CHAIRMAN. Was it paid in a lump sum or in monthly payments?

Mr. HAMMER. It was paid in periodic payments, depending upon the availability of cash and the flow of funds.

The CHAIRMAN. Would it be fair to say that if the American Zionist Council departed from its budget, that the agency could refuse to continue its monthly payments?

Mr. HAMMER. Mr. Chairman, I want to be certain I understood your question, when you say "departed from its budget." If, for example, if it, in making its annual budgetary request, said it was going to spend \$100,000 on publications and then decided that in the course of the year it was going to spend \$100,000 on a convention or something else, would you call that a departure?

The CHAIRMAN. I would think so.

Mr. HAMMER. In general, we did not interfere in the operations of the American Zionist Council. We considered a budget in broad outline and in general categories. The individual items within the categories never came up for discussion by either the Executive or the New York office of the Agency.

If there was a radical departure from the announced program of the American Zionist Council, I would assume that the Agency would take a dim view of it and might reconsider its position.

#### QUESTION OF REGISTRATION STATEMENTS REVEALING PAYMENTS TO AZC

The CHAIRMAN. Did your registration filing to the Department of Justice, under your registered agreement, reveal these payments to the American Zionist Council?

Mr. HAMMER. Our reports filed with the Department of Justice reflected our financial expenditures.

The CHAIRMAN. To the American Zionist Council?

Mr. HAMMER. Our total financial expenditures. I must assume that expenditures of this kind certainly were reflected in one item or another. At the moment, I do not recall. I would have to see a copy of the statement.

The CHAIRMAN. Did you disclose by name the payment of, in this case, \$100,000, or \$500,000, I believe, in your registration statement?

Mr. HAMMER. I believe it was reported under a heading called "Payments to Affiliated Organizations," without naming them, without spelling them out.

The CHAIRMAN. Then, you considered the American Zionist Council as an affiliated organization?

Mr. HAMMER. I would say so. By reason of the fact that we were giving them this kind of money.

The CHAIRMAN. The registration forms do require that expenditures be disclosed and the name of the recipient disclosed, I believe, do they not?

Mr. HAMMER. We filed rather extensive registration statements with the Department of Justice. Our registration statement, when I say "our registration statement," I mean the registration statement of the INC. prior to 1960. I think we first registered in the middle 1940's, and we always filed what we believed were satisfactory and complete statements.

If at any time the Department asked for additional information, we were always pleased to furnish it.

From time to time we were told that our registration statements were satisfactory, and there were no questions.

#### QUESTION OF JUSTICE DEPARTMENT REQUEST FOR DISCLOSURE OF PAYMENTS

The CHAIRMAN. Did the Department ever ask you to disclose to whom you made these payments?

Mr. HAMMER. I do not recall ever having received a question for further expansion on the item, on this particular item.

Mr. BOUKSTEIN. Mr. Chairman, if I may say—

The CHAIRMAN. Yes.

Mr. BOUKSTEIN (continuing). To be technically correct, such a request was received, but it was subsequent to his tenure of office with that organization. Mr. Hamlin would know the answer.

The CHAIRMAN. Subsequent to 1960?

Mr. BOUKSTEIN. That is correct.

The CHAIRMAN. But, to your knowledge, none was received prior to 1960?

Mr. HAMMER. None.

Senator SYMINGTON. If the chairman would yield, when was that request made?

Mr. BOUKSTEIN. When it was received? Mr. Hamlin would know the exact date, but I would say sometime in 1962.

Senator SYMINGTON. Late 1962?

Mr. BOUKSTEIN. Not long before, let me put it that way. The American Section, Senator, received a request for some more detailed information with respect to specific items, I think it was in September or October, I do not recall, 1962.

Senator SYMINGTON. Was this money from one American agency controlled by Americans to another American agency controlled by Americans?

Mr. BOUKSTEIN. I am not sure that I am clear as to which specific item you referred to.

Senator HUMPHREY. AZC.

Mr. BOUKSTEIN. AZC. It got money from the American Section which is controlled by Jerusalem.

Senator SYMINGTON. Controlled by?

Mr. BOUKSTEIN. Jerusalem.

Senator HUMPHREY. Is that prior to 1960, you are speaking of?

Mr. BOUKSTEIN. No, subsequent to 1960. And subsequent to 1962, that is right, sir.

#### REPORTING PAYMENTS TO "AFFILIATED ORGANIZATIONS"

Senator SYMINGTON. The point I would like to be clear on was, if you were giving money to something besides an organization—that was not an American organization, were you obligated to file that fact when you filed your position with the Department of Justice?

Mr. BOUKSTEIN. I think Mr. Hammer answered this question.

Senator SYMINGTON. Perhaps he did, but I would like to be just a little clearer on it.

Mr. BOUKSTEIN. All right.

I was going to say, Senator, that the organizations, the names of organizations that were recipients of funds, were not named but were included under the heading of "Affiliated organizations." Now, it is not exactly a technical term. They are not affiliated in their legal sense. Mr. Hammer said that they were affiliated in the sense they received money.

But the fact is that the American Section does not really control the activities of the American Zionist Council. The American Zionist Council is an independent body, consisting of various American Zionist groups.

Senator SYMINGTON. What this money was being used for as I understand it, was to provide the refuge of Israel for those who were in trouble in other parts of the world?

Mr. BOUKSTEIN. That was the money that was sent to Israel, yes.

Senator SYMINGTON. Thank you.

The CHAIRMAN. In this particular case, if I understood it, prior to 1960, INC. was registered?

Mr. HAMMER. INC. was registered, sir.

The CHAIRMAN. And it did give \$500,000 to the American Zionist Council?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. Annually, or at least for a period of years?

Mr. HAMMER. Yes.

The CHAIRMAN. But that this particular transfer of funds from INC., the registered agent, was not identified on the registration statement by name?

Mr. HAMMER. That is correct, sir.

The CHAIRMAN. That was the only point I wanted to make.

Mr. HAMMER. That is correct, sir.

#### QUESTIONS REGARDING ADEQUACY OF FILING

Senator HUMPHREY. May I ask a question here?

Did the Justice Department, prior to 1960, ask you to give further details on your registration?

Mr. HAMMER. No, sir.

Senator HUMPHREY. Has the Justice Department, prior to 1960, or prior to—yes, prior to 1960—made any effort at any time to secure additional information from you in your filings?

Mr. HAMMER. There would be an occasional telephone call to clarify the nature of a particular item which might be listed. This arises from the fact that sometimes there were Hebrew terms used which were not immediately apparent as to the nature or character of the activity for which the money was spent.

Senator HUMPHREY. Were you, yourself, at any time, criticized by the Justice Department for the inadequacy, or the alleged inadequacy, of your filings of your statement?

Mr. HAMMER. No, sir.

Senator HUMPHREY. In other words, were you of the belief, or did you have a right to assume, because of the response of the Justice Department, that you were filing an adequate statement?

Mr. HAMMER. Well, Senator, we were under the impression that our statements were most adequate, at least that was our feeling about it.

Senator HUMPHREY. Do you have any correspondence with the Justice Department that reprimand you for inadequacy of statements?

Mr. HAMMER. No, we never had anything of that sort.

Senator HUMPHREY. Have you ever been called into the Justice Department and called up for inadequacy of statements?

Mr. HAMMER. I do not recall ever having visited the Justice Department for, perhaps, a period of 10 years. This was regarded by our office as routine. These reports had to be prepared twice a year, and we did, and we supplied the information and sent them in.

Senator HUMPHREY. Did any agency or instrumentality of the Federal Government ever ask you to supply additional information or criticize you because of inadequacy of information?

Mr. HAMMER. No, sir.

Senator HUMPHREY. Did any committee of Congress?

Mr. HAMMER. No, sir.

Senator HUMPHREY. Did anybody else?

Mr. HAMMER. No, sir.

Senator SYMINGTON. Is there any profit in all this activity?

Mr. HAMMER. There is no profit at all in this activity. This activity is a nonprofit, tax-exempt, eleemosynary activity.

Senator SYMINGTON. So, if there was any violation, it would not be one of somebody getting a cut?

Mr. HAMMER. No individual would benefit.

Senator SYMINGTON. It would be a technical violation, because the basic purpose of the money used was to help people who were less fortunate than those contributing, is that correct?

Mr. HAMMER. That is correct, Senator.

Senator SYMINGTON. Thank you.

#### AZC RENDERING OF ACCOUNTS TO THE JEWISH AGENCY

The CHAIRMAN. Mr. Hammer, did the American Zionist Council render periodic accounts to the Jewish Agency?

Mr. HAMMER. "Accounts" in the broad sense, yes, to indicate that the money we had given them had been spent.

The CHAIRMAN. And how often did they render these accounts?

Mr. HAMMER. As I recall, usually once a year, and then, if money was not available, more frequently to indicate that they needed funds and wanted funds.

The CHAIRMAN. Could you supply a set of these accounts they rendered to you, say, from 1955 to 1960, when the reorganization took place?

Mr. HAMMER. Yes, sir; I will try to find in my files—these were not accounts in the audited sense or in the accounting sense. These were a statement or a letter or a memorandum, request for money, and indicating what the money was for.